

32nd District Agriculture Association

Board of Directors

Governing Policy Manual



32nd District Agriculture Association
OC Fair & Event Center
88 Fair Drive
Costa Mesa, CA 92626



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32nd District Agricultural Association

Board Policies

Introduction

The 32nd District Agricultural Association (the 32nd DAA) is a California state institution that is organized in accordance with the California Food and Agricultural Code (the Code).

The 32nd DAA's purposes under the Code are (1) to hold fairs, expositions and exhibitions in Orange County to exhibit the industries and industrial enterprises, resources, and products of every kind or nature of the state, with a view toward improving, exploiting, encouraging, and stimulating them; and (2) to construct, maintain, and operate recreational and cultural facilities of general public interest in Orange County. The 32nd DAA has adopted a mission statement to effectuate these purposes, which is the **celebration of Orange County's communities, interests, agriculture and heritage.**

Currently, the 32nd DAA does business under of the name of the OC Fair & Event Center. The 32nd DAA operates a 150-acre fairgrounds in Costa Mesa, California, and produces the Orange County Fair each summer. The 32nd DAA also operates a veterans museum and education center (Heroes Hall), a three-acre working farm (Centennial Farm), one of the top-rated concert venues in the country (the Pacific Amphitheatre), and an equestrian center. Two tax-exempt nonprofit corporations are also controlled by the 32nd DAA and raise funds to support certain of its programs: Heroes Hall Veterans Foundation and Centennial Farm Foundation.

In accordance with Section 3965(b) of the Code, a nine-person Board of Directors (the Board) manages the affairs of the 32nd DAA and guides its strategic direction. Board Members are state officers appointed by the Governor of California. In accordance with the Code, the Board delegates certain powers and responsibilities for managing the affairs of the 32nd DAA to the Chief Executive Officer (the CEO) and other designated employees. This delegation is subject to the 32nd DAA's Bylaws as well as the Board Policies set forth in this manual.

Board Policies set forth the framework for how Board Members, the CEO, and other 32nd DAA employees are to carry out their individual and shared responsibilities as they work together to serve the community. These policies formalize:

- The core institutional values and ethical framework of the 32nd DAA;
- The responsibilities and authority of the Board as a body and of its members individually;
- The responsibilities and authority of the 32nd DAA's employees, including the CEO;
- The relationship between the Board, the CEO, and other employees of the 32nd DAA;
and
- The general principles that guide the Board's governance practices.

32nd District Agricultural Association
Board Policies

Board Policy 1.01: Policy Framework and Definitions

Date Adopted/Last Revised: November 19, 2020

Should any provision in this policy contradict any provision of California law, California law shall control.

Purpose

In order to promote consistency and clarity of information, this policy establishes a framework for all 32nd DAA policies. This policy applies to all 32nd DAA policies, regardless of their date of adoption.

Policy

To be an official 32nd DAA policy, a policy must either be approved by the Board or issued by the CEO or other Executives as delegated by the CEO. The 32nd DAA is responsible for ensuring that policies are up to date, so policies may change at any time. In the event of a conflict between a Bylaw and a Board Policy, the Bylaw will supersede. In the event of a conflict between a Board Policy and any other organizational policy, the Board Policy will supersede. Board Policies are to be understood in conjunction with, and incorporate, all applicable laws, regulations, and policies. All 32nd DAA Personnel are expected and required to know and act in accordance with all Board Policies.

The 32nd DAA's policies and related documents can be categorized as follows:

- **Board Bylaws:** The 32nd DAA's Bylaws outline the organizational framework of the 32nd DAA and set forth rules for how the 32nd DAA's Board governs the 32nd DAA. The Board is responsible for amending the Bylaws, as necessary (see Bylaws for relevant procedural details).

- **Board Policies:** The 32nd DAA’s Board Policies set forth requirements that the Board has adopted regarding to how the Board, the CEO, and other 32nd DAA employees carry out their individual and shared responsibilities as they work together to serve the community. The Board is responsible for periodically evaluating and updating these policies. These policies must be adhered to by all 32nd DAA Personnel.
- **Management Policies:** The Board has delegated responsibility to the CEO to establish, approve, and maintain policies with respect to operational matters that are not addressed in Board Policies. These are referred to as Management Policies. At their core, all Management Policies arise from the authority of the Board and therefore must align with the framework and strategies approved by the Board and be consistent with all Board Policies. The CEO is responsible for periodically evaluating the Management Policies and should develop a schedule for policy review to ensure they remain current. All Management Policies must be adhered to by all 32nd DAA Employees.
- **Procedures:** Procedures provide step-by-step instructions for carrying out policies. The Board is responsible for establishing, approving, and maintaining any procedures for Board-related activities or the implementation of Board Policies. The Board may ask the CEO for assistance in developing procedures related to the implementation of Board Policies. The CEO—along with Executives, the Human Resources Director, and process owners—is responsible for establishing, approving, and maintaining related procedure documentation for Management Policies and for any management action items needed to follow or assist the Board in following Board Policies.

Definitions of Capitalized Terms Used in Board Policies

The definitions of capitalized terms used throughout the Board Policies are set forth below. Each individual Board Policy may have additional defined terms.

- **32nd DAA:** 32nd District Agricultural Association, doing business as OC Fair & Event Center
- **32nd DAA Personnel:** all Board Members and all employees of the 32nd DAA
- **Attorney General:** the Attorney General of the State of California, or his/her authorized designee
- **Board:** the Board of Directors of the 32nd DAA

- **Board Chair:** the Board Member elected by the Board to serve as President of the 32nd DAA and as chair of the Board (This position is sometimes referred to in California Food and Agriculture Code as “President”)
- **Board Member:** an individual appointed by the Governor of California to serve as a member of the Board
- **Board Policy:** a policy adopted by the Board
- **Board Vice Chair:** the Board Member elected by the Board to serve as vice chair of the Board; serves as the Board Chair in his/her absence
- **CDFA:** California Department of Food & Agriculture
- **CEO:** an individual appointed by and responsible to the Board to hold all of the following offices: chief executive officer, general manager, secretary, and treasurer; the highest ranking employee of the 32nd DAA (This position is sometimes referred to in California Food and Agriculture Code as “Fair Manager” or “Manager”)
- **Code:** California Food and Agricultural Code
- **CEO Direct Report:** any employee who reports directly to the CEO (as of the date this Introduction was adopted, the following positions reported directly to the CEO: Vice President for Business Development, Vice President for Finance and Administration, Vice President for Operations, Human Resources Director, and Executive Assistant to the CEO)
- **Executives:** the CEO, Vice President for Business Development, Vice President for Finance and Administration, and Vice President for Operations
- **External Stakeholders:** customers, guests, neighbors, tenants, contractors, other government agencies, the public at large, and all other stakeholders of the 32nd DAA who are not 32nd DAA Personnel

32nd District Agricultural Association

Board Policies

Board Policy 2.01: Institutional Values

Date Adopted/Last Revised: February 27, 2020

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Purpose

The purpose of this policy is to outline the institutional values of the 32nd DAA. These values are the ethical foundation for all activity conducted in connection with the 32nd DAA, including interactions among association personnel and interactions by association personnel with external stakeholders.

Policy

It is the policy of the 32nd DAA that all 32nd DAA Personnel know and act in accordance with the following institutional values.

Institutional Values

- **Safety:** We prioritize safety first and foremost in everything we do.
- **People:** We value all internal and External Stakeholders by encouraging their participation and involvement in 32nd DAA programs and activities.
- **Integrity:** We are committed to honesty, transparency, and fairness in our relationships with one another and with External Stakeholders. We do what is right regardless of who may be watching and follow through on our commitments.
- **Stewardship:** We recognize that the 32nd DAA is a California state institution and that all 32nd DAA Personnel hold a position of trust on behalf of the people of California. We are committed to serving as faithful stewards of the 32nd DAA's property, resources, and institutional values by acting in the best interest of the 32nd DAA.

- **Compliance:** We are each personally committed to ensuring compliance with all applicable laws, regulations, and policies through effective controls.
- **Diversity and Inclusion:** We celebrate people from all backgrounds, experiences, and identities. Because we are responsible not only for ourselves but also for others, we speak out against hatred and bigotry whenever and wherever we find them. We strive to maintain a welcoming community where everyone is treated with respect and dignity and can be proud of who they are.
- **Excellence:** We are committed to providing best-in-class programs and services by creating a culture of teamwork, innovation, and accountability.
- **Community and Neighborliness:** We build on the 32nd DAA's tradition of enriching the lives of all those we serve in a spirit of being good neighbors.

It is the responsibility of all 32nd DAA Personnel to apply these values in their activities for the 32nd DAA, whether in the workplace or any other setting in which they are representing the 32nd DAA. In turn, the 32nd DAA leadership team—led by the Board and the CEO—will strive to create an environment that supports every individual's ability to uphold and work by our shared ethical principles.

32nd District Agricultural Association
Board Policies

Board Policy 2.02: Code of Ethics

Date Adopted/Last Revised: February 27, 2020

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Purpose

All 32nd DAA Personnel are responsible for adhering to the highest standards of ethical conduct and behavior. This Code of Ethics is designed to help 32nd DAA Personnel make ethical decisions in their work for the 32nd DAA. This Code of Ethics applies to all 32nd DAA Personnel, including any temporary workers and independent contractors employed by the 32nd DAA.

Policy

It is the policy of the Board that all 32nd DAA Personnel act in accordance with this Code of Ethics. While the Code of Ethics cannot address every issue, it provides basic principles to guide activities and decisions. Minimum compliance with legal requirements does not necessarily meet the standards set forth in this Code of Ethics. All 32nd DAA Personnel are encouraged to consult with their supervisor, the CEO, or the Board Chair or Board Vice Chair regarding questions about whether a particular course of conduct meets the requirements of the Code of Ethics. All 32nd DAA Personnel are required to report any suspected wrongdoing at the 32nd DAA in accordance with the reporting procedures set forth in *Board Policy 2.05: Reporting Wrongdoing*. Any directives or communications, whether formal or informal, that have the effect of discouraging such reporting are strictly prohibited.

1. Uphold the Law and Ethical Principles

All 32nd DAA Personnel are expected to follow the law and applicable regulations, both in letter and spirit. While ethical principles and legal requirements may overlap, in many respects they

may differ. Ethical decision-making and practices should be considered along with legal requirements and appropriately fill any gaps in legal interpretation and application. It is the policy of the Board that all 32nd DAA Personnel exhibit the highest fidelity to ethical conduct and avoid even the appearance of impropriety.

2. Professional Integrity and Responsibility

All 32nd DAA Personnel are expected to add value to the 32nd DAA, contribute to its ethical success, and accept professional responsibility for individual decisions and actions. All 32nd DAA Personnel are expected to serve as advocates for the 32nd DAA by engaging in activities that enhance its credibility and value.

General Guidelines

1. Adhere to the highest standards of ethical and professional behavior, including honesty, transparency, and fairness.
2. Take actions that are grounded in furthering the mission of the 32nd DAA.
3. Take actions that are consistent with the institutional values of the 32nd DAA (see *Board Policy 2.01: Institutional Values*).
4. Strive to achieve the highest levels of service for the community served by the 32nd DAA.
5. Advocate for the appropriate treatment, appreciation, and care of all 32nd DAA Personnel and External Stakeholders as valuable individuals.
6. Do not harass, mistreat, belittle, harm, or take unfair advantage of anyone.
7. Do not tolerate lying, deliberate misrepresentation, theft, fraud, unlawful discrimination, or ill use of other individuals — whether such persons be guests, peers, superiors, subordinates, contractors, Board Members, members of the public, or other stakeholders.
8. Do not misappropriate the 32nd DAA's resources or resources belonging to others which are entrusted in the care of the 32nd DAA.

3. Ethical Leadership

All 32nd DAA Personnel are expected to exhibit individual leadership as role models for exemplifying ethical conduct. All 32nd DAA Personnel should strive to earn individual respect and increase the organization's credibility with the people and community we serve.

General Guidelines

1. Act ethically in every professional interaction. Several key questions can help identify actions or situations that may be unethical:
 - a. Do my actions comply with the law and the 32nd DAA's mission, values, and policies?
 - b. Have I been asked to misrepresent information or deviate from normal procedures?
 - c. Would I feel comfortable describing my decision or action in a public meeting?
 - d. Could I cause harm to the 32nd DAA, the 32nd DAA's reputation, 32nd DAA Personnel, or External Stakeholders?
2. Question (in a professional and appropriate way) pending individual and group actions or decisions when necessary to ensure that they are ethical and are implemented in an ethical, inclusive manner.
3. Seek expert guidance if in doubt about the ethical propriety of a situation.
4. When appropriate, champion the development of others as ethical leaders in the profession and the 32nd DAA through coaching and mentoring.

4. Fairness, Diversity, and Inclusion

All 32nd DAA Personnel are ethically responsible for promoting and fostering fairness, diversity, and inclusion for all 32nd DAA Personnel and External Stakeholders. In addition, the 32nd DAA has a policy of promoting fairness, diversity, and inclusion among its Board and staff and to the community at large in order to strengthen its programmatic effectiveness.

General Guidelines

1. Respect the uniqueness and intrinsic worth of every individual.
2. Treat people with dignity, respect and compassion to foster a trusting work and service environment free of harassment, intimidation, and unlawful discrimination.
3. Advocate for and take actions to ensure the organization's work and service environment promotes diversity and inclusion.
4. Develop, administer, and advocate policies and procedures that foster fair, consistent, and equitable treatment for all.
5. When involved in the HR process, promote diversity and inclusion in employee recruitment, hiring, promotion, and retention.

5. Professional Competency

All 32nd DAA Personnel must strive to meet the highest standards of professional competency and commit to strengthen their competencies on a continuous basis.

General Guidelines

1. Ensure adequate level of personal competency to perform assigned responsibilities and duties proficiently.
2. Be honest about individual level of competency and commit to continuous learning, skills development, and application of new knowledge related to our work.
3. Contribute to the organizational knowledge and growth of other 32nd DAA Personnel by openly sharing information and engaging in collaborative learning.

6. Conflicts of Interest

See *Board Policy 2.03: Conflicts of Interest*.

32nd District Agricultural Association
Board Policies

Board Policy 2.03: Conflicts of Interest

Date Adopted/Last Revised: February 27, 2020

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Purpose

It is in the best interest of the 32nd DAA to be aware of and properly manage all real, potential, and perceived conflicts of interest. This Board Policy is designed to help 32nd DAA Personnel identify situations that present potential conflicts of interest and to provide guidelines for handling perceived, potential, or actual conflicts of interest in accordance with the 32nd DAA's institutional values and legal requirements.

Section 2.03.01 sets forth the reporting procedure applicable to 32nd DAA employees other than the CEO and CEO Direct Reports.

Section 2.03.02 sets forth the reporting procedure applicable to Board Members, the CEO, and CEO Direct Reports.

Note: This Board Policy supplements but does not replace any disclosure or recusal requirements set forth in the Conflict of Interest Code of the California Department of Food and Agriculture ("COI Code") or any other applicable state law or regulation, including but not limited to, California common law, California Government Code, section 1090, California Public Contracts Code, section 10410, and the Political Reform Act of 1974 (including any regulation promulgated by the Fair Political Practices Commission to enforce the Political Reform Act of 1974, [collectively, "California Law"]).

If any provision contained in this Board Policy conflicts with any provision set forth in the COI Code and/or California Law, the provision contained in the COI Code and/or California Law shall govern and control.

Definitions

For the purpose of this Board Policy, the following definitions apply:

- **Family Member:** any member of an employee's or Board Member's family (spouse, parent, sibling, child, stepchild, grandparent, grandchild, great-grandchild, in-law, or registered domestic partner)
- **Interest:** any interest, financial or otherwise, whether direct or indirect, including, but not limited to: being employed by, consulting with, holding office in (including serving on a fiduciary or advisory board of), representing, or deriving income from a Third Party
- **Third Party:** any individual or entity, whether organized for profit or not-for-profit, other than the 32nd DAA
- **Transaction:** any transaction between a Third Party and the 32nd DAA in which the Third Party would receive something of value (whether financial or not) from the 32nd DAA

Policy

All 32nd DAA Personnel are expected and required to avoid any relationship or activity that might impair, or appear to impair, their ability to ethically carry out their responsibilities, without disclosing that information and obtaining the appropriate approval in accordance with this Board Policy.

In general, a conflict of interest may occur if an outside Interest or activity influences, appears to influence, or has the potential to influence the ability of an individual to exercise objectivity in the performance of their duties at the 32nd DAA or to perform their duties in the best interests of the 32nd DAA. Specific examples of potential conflicts of interest include, but are not limited to, situations where an employee or Board Member:

- Participates in decision-making related to, or otherwise seeks to influence, a potential Transaction between the 32nd DAA and a Third Party in which they have an Interest or their Family Member has an Interest.
- Receives compensation, gifts, favors, entertainment, personal advancement, or other benefits of more than a nominal value (\$500 accumulated annually from the same source) from a Third Party, which has engaged in, or seeks to engage in, a Transaction with the 32nd DAA.
- Discloses or uses confidential, privileged, special, or inside information about the 32nd DAA or its employees or Board Members for personal gain or advantage.

- Has an opportunity to influence the 32nd DAA's business, administrative, or other material decisions in a manner that leads to personal gain or advantage.
- Uses their position at the 32nd DAA to obtain employment at the 32nd DAA for their Family Members or other Third Parties in which they have an Interest.

The above list of examples is not exhaustive. All 32nd DAA Personnel are expected to exercise careful judgment in determining whether or not to disclose a potential conflict of interest in accordance with this Board Policy. In the case of uncertainty about whether a situation constitutes a potential conflict of interest, 32nd DAA Personnel are encouraged to err on the side of disclosure.

2.03.01: Disclosure Requirement and Approval Procedure for Employees Other Than the CEO and CEO Direct Reports

Any time an employee other than the CEO or CEO Direct Report is aware or becomes aware of facts or circumstances that could give rise to a potential conflict of interest or, in a reasonable person's judgment, could present the appearance of impropriety, such employee shall promptly report that information to their direct supervisor.

Any employee who is or becomes aware that the 32nd DAA is considering entering into a Transaction with a Third Party in which the employee (or their Family Member) has an Interest shall ensure that their direct supervisor is made aware of the potential conflict of interest *prior to* the Transaction being entered into by the 32nd DAA.

All disclosed information will be treated on a confidential basis, except to the extent necessary for the protection of the interests of the 32nd DAA or as otherwise required under California law. The CEO may issue additional policies and procedures to address these disclosures, provided that all disclosures shall be reviewed at least "two levels up" (*i.e.*, the supervisor of an employee who discloses any perceived, actual, or potential conflict of interest will consult with their own supervisor in addressing the disclosure).

Reporting and Violations of the Policy

An employee who discovers or suspects a violation of this Board Policy should follow the procedures outlined in *Board Policy 2.05: Reporting Wrongdoing*.

Violations of this Board Policy will be treated as serious misconduct. The Board delegates the responsibility to establish appropriate investigation and disciplinary procedures relating to violations of this section to the CEO.

2.03.02: Disclosure Requirement and Approval Procedure for Board Members, CEO, and CEO Direct Reports

Any time the CEO, a CEO Direct Report, or a Board Member is aware or becomes aware of facts or circumstances that could give rise to a potential conflict of interest or, in a reasonable person's judgment, could present the appearance of impropriety, such individual shall promptly report that information to the Board at its next regularly scheduled meeting.

Any time the CEO, a CEO Direct Report, or a Board Member is aware, or becomes aware, that the 32nd DAA is considering entering into a Transaction with a Third Party in which the CEO, a CEO Direct Report, a Board Member, or one of the foregoing's Family Members may have an Interest, such individual shall disclose the existence of the potential conflict of interest and all material facts to the Board *in advance* of the Transaction being entered into by the 32nd DAA. Such report shall be made first to the Board Chair and Board Vice Chair and subsequently reviewed by the full Board in a publicly noticed meeting. The CEO shall not knowingly permit such a Transaction to proceed without first obtaining the Board's express approval following full disclosure to the Board, during a regularly scheduled meeting, of all material facts. This applies to Transactions above and below the amount of any delegation of signature authority made by the Board to the CEO.

Recusal

When the CEO, a CEO Direct Report, or a Board Member has an Interest in a proposed Transaction, that individual will provide information as requested and then will abstain from any deliberation on the merits of the proposal or the vote.

Reporting Violations of the Policy

Any individual who discovers or suspects a conflict of interest should follow the procedures outlined in *Board Policy 2.05: Reporting Wrongdoing*.

Documentation

The minutes of any Board meeting at which any actual, potential, or perceived conflict of interest is disclosed or discovered involving the CEO, a CEO Direct Report, or a Board Member will contain:

- The name of the person who disclosed, or otherwise was found to have, an actual, potential, or perceived conflict of interest; the nature of the interest; any action taken to determine whether a conflict of interest was present, and the Board's decision as to whether a conflict of interest or duality of interest in fact existed.
- The name of each person present for discussions, the vote of each Board Member relating to the Transaction, a summary of the discussion, including adopted alternatives to the proposed Transaction, and a record of any votes taken in connection with the discussion.

32nd District Agricultural Association
32nd DAA Board Policies

Board Policy 2.04: Discrimination and Harassment Prevention

Date Adopted/Last Revised: February 27, 2020

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Purpose

The purpose of this Board Policy is to ensure that all 32nd DAA Personnel are committed to providing a work, service and business environment that are free from unlawful harassment, discrimination, and retaliation.

This policy applies to all persons involved in 32nd DAA activities, including, but not limited to, staff; Board Members; contracted, temporary and voluntary employees; unpaid interns; members of the public; applicants for employment; or visitors on 32nd DAA property who may come into contact with 32nd DAA employees. This policy also applies to any incidents involving inappropriate behavior made either to or by 32nd DAA guests and business partners.

Note: This Board Policy supplements but does not replace any discrimination and harassment prevention protections provided for California law, including but not limited to, the California Fair Employment and Housing Act.

If any provision contained in this Board Policy conflicts with any provision of California law, the provision of California law shall govern and control.

Policy

The 32nd DAA is committed to a work and service environment in which all individuals are treated with respect and dignity. The 32nd DAA expressly prohibits discrimination, harassment, and bullying by or against any 32nd DAA Personnel or 32nd DAA External Stakeholders, and

will take all reasonable steps to prevent the occurrence of discrimination, harassment, and bullying from occurring.

Executed at all levels within the organization, the 32nd DAA exercises a zero tolerance policy on discrimination, harassment, and bullying for causes including, but not limited to: age, ancestry, color, disability (mental and physical), exercising the right to family care leave, gender, gender expression, gender identity, genetic information, marital status, medical condition, military or veteran status, national origin, political affiliation, race, religion, sex (includes pregnancy, childbirth, breastfeeding, and related medical conditions), sexual orientation, citizenship status, or any other protected status in accordance with all applicable Federal, State, and local laws. The 32nd DAA, in compliance with all applicable federal, state, and local anti-discrimination and harassment laws and regulations, will enforce this policy in accordance with the following definitions and guidelines:

Discrimination

The 32nd DAA prohibits discrimination of any kind. For the purposes of this Board Policy, discrimination may include, but is not limited to: hostile or demeaning behavior toward people because of their protected class; allowing the protected class of an employee, applicant, or other person involved in 32nd DAA business to be a factor in hiring, promoting, compensating or other employment related decisions unless permitted by applicable law; or providing unwarranted assistance or withholding work-related assistance, cooperation, and/or information to employees, applicants, or other persons involved in 32nd DAA business because of their protected class. Such conduct may violate this policy, even if it is not unlawful.

Harassment

The 32nd DAA prohibits harassment of any kind, including sexual harassment. For purposes of this Board Policy, harassment is unwelcome, disrespectful, or unprofessional conduct, including conduct based on any of the protected classes. Harassment includes, but is not limited to, verbal (jokes, slurs, epithets, teasing), visual (posting of offensive graphic material, symbols, computer displays), or physical conduct in an unwanted manner. The following examples of harassment are intended to be guidelines and are not exclusive when determining whether there has been a violation of this policy:

- Verbal harassment includes comments that are offensive or unwelcome regarding a person's national origin, race, color, religion, gender, sexual orientation, age, body, disability or appearance, including epithets, slurs, and negative stereotyping.

- Nonverbal harassment includes distribution, display, or discussion of any written or graphic material that ridicules, denigrates, insults, belittles or shows hostility, aversion or disrespect toward an individual or group because of national origin, race, color, religion, age, gender, sexual orientation, pregnancy, appearance, disability, sexual identity, marital status or other protected status.
- Physical harassment includes any threatening, intimidating, violent, or hostile physical acts.

All harassing conduct is unacceptable in the workplace and in any work-related setting, such as business trips and business-related social functions, regardless of who is engaging in the conduct. Such conduct, even if a single incident, may violate this policy even if it is not unlawful.

Sexual Harassment

Sexual harassment constitutes discrimination and is illegal under federal, state, and local laws. For the purposes of this policy, sexual harassment is defined as harassment based on sex (including pregnancy, childbirth, breastfeeding or related medical conditions), gender, gender identity, or gender expression. Sexually harassing conduct does not need to be motivated by sexual desire.

Sexual harassment is categorized into two types:

Quid Pro Quo:

- The demand of sexual favors in exchange for a job benefit or continued employment.
- Submission to or rejection of the demand is used as the basis for an employment decision affecting the victim.
- Typically committed by a supervisor, management or someone with authority over the victim.

Hostile Work Environment:

- Conduct of a sexual nature that unreasonably interferes with an employee's work performance and/or creates an intimidating, hostile, or otherwise offensive working environment. Examples include, but are not limited to:
- Unwelcome sexual advances, flirtation, teasing of a sexual nature.
- Sexually aggressive or obscene letters, invitations, notes, emails, voicemails, or gifts.
- Sex, gender, or sexual orientation-related comments, slurs, jokes, remarks, or epithets.
- Leering, obscene or vulgar gestures, or sexual gestures.
- Displaying or distributing sexually suggestive or derogatory objects, pictures, cartoons, posters, or other such items.
- Impeding or blocking movement, unwelcome touching or assaulting others.
- Reprisals and threats after a negative response to a sexual advance.

- Conduct or comments consistently targeted at one gender, even if the conduct is not sexual.

All sexually harassing conduct is unacceptable in the workplace and in any work-related settings, such as business trips and business-related social functions, or when interacting with External Stakeholders regardless of who is engaging in the conduct. Such conduct, even if a single incident, may violate this policy even if it is not unlawful.

Intent vs. Impact for Harassment Cases

In cases of alleged harassment, the intent of the harasser is irrelevant. It is the impact of the behavior and how it is perceived by the recipient that determines if the conduct is harassment. In addition, a witness to the conduct has the right to submit a complaint.

Retaliation

For the purpose of this Board Policy, retaliation is an adverse employment action against an individual for engaging in a protected activity. To prove retaliation, there must be a causal link between the adverse employment action and the protected activity.

No hardship, loss, benefit, or penalty may be imposed on a Board Member or employee in response to opposing discriminatory practices, filing a complaint, or testifying, assisting or participating in any manner in an investigation, proceeding or hearing. These prohibitions apply to all Personnel, not only managers and supervisors or others against whom complaints are filed.

Lodging a bona fide complaint will in no way be used against the individual or have an adverse impact on the individual's employment status. However, filing groundless or malicious complaints is an abuse of this policy and will be treated as a violation.

Procedures

Internal Complaint Process

The 32nd DAA's discrimination and harassment complaint process provides the employee, applicant, or other person involved in the 32nd DAA's business, the opportunity, including External Stakeholders, to raise allegations and to seek resolution of their complaint. Complaints will be resolved at the lowest organizational level possible while assuring that the process provides for timely, thorough, and impartial review of the discrimination or harassment complaint without fear of reprisal or retaliation.

Reporting and Violations of the Policy: Employees

An employee who discovers or suspects a conflict of interest should follow the procedures outlined in the 2.05 Reporting Wrongdoing policy.

Employee violations of this policy will be treated as serious misconduct. The Board delegates the responsibility to develop appropriate discrimination and harassment investigation and disciplinary procedures for employees to the CEO. However, these procedures must include a provision that the Board be notified promptly about any complaints against a member of the organization's senior management team.

Employee:

- Tell the individual engaging in the inappropriate conduct to stop.
- Report conduct to immediate supervisor or any other supervisor if the employee's immediate supervisor is unavailable to resolve the complaint, or is the subject of the complaint.
- Report the conduct to the Human Resources Department.

Supervisors, Staff Directors and CEOs:

- Anyone in a supervisory position is considered an obligated reporter for the purpose of this Board Policy. Supervisors and Staff Directors must report any and all potential violations of this policy to the Human Resources Department immediately. Failure to do so may result in disciplinary action against the Supervisor or Staff Director.
- Maintain confidentiality to the extent possible.

Human Resources Department:

- Determine if the complaint filed meets jurisdictional and procedural requirements and assign an investigator. The objective of the investigation is to determine if there is sufficient evidence to show a violation of the 32nd DAA Discrimination and Harassment Prevention Policy.
- If necessary, advise the CEO and the Complainant that a complaint has been received, the intent to investigate the allegations, and inform them of the policy against retaliation.
- Conduct the investigation. When the investigation is complete, the CEO, the Complainant, and the Respondent will be informed of the findings. The investigation will be conducted with discretion and the information gathered during an investigation will be kept confidential to the extent possible.

Reporting and Violations of the Policy: Board Member and CEO

Any individual who experiences a violation of this policy should follow the reporting procedures outlined in the 2.05 Reporting Wrongdoing policy.

Violations of this policy will be treated as serious misconduct.

Nothing in this policy may prevent the complainant or the respondent from pursuing formal legal remedies or resolution through local, state, or federal agencies or the judicial system.

The following options are available to resolve a complaint:

Complaints Filed Outside of the 32nd DAA

No one is required to file a complaint with their immediate Supervisor, other Staff Supervisor or Director, or the Human Resources Department. Anyone may file a complaint with the following agencies:

Equal Employment Opportunity Office
Roybal Federal Building
255 East Temple St., 4th Floor
Los Angeles, CA 90012
(800) 669-4000

California Department of Fair Employment and Housing
320 West 4th Street, 10th Floor
Los Angeles, CA 90013
Phone: (213) 439-6799

U.S. Equal Employment Opportunity Commission
San Francisco District Office
901 Market Street, Suite 500
San Francisco, CA 94103
(800) 669-4000

Liability for Unlawful Discrimination and Harassment

32nd DAA:

- Responsible for the actions of their employees and as a result can be held financially liable for the employees' acts if the supervisor or staff director knew or should have known of the existence of discrimination or harassment and failed to take appropriate action.

Supervisors, Staff Directors and CEO:

- Because supervisors and staff directors are responsible for ensuring a work environment free of discrimination, harassment and retaliation, they must take immediate action if they learn of any alleged incident of discrimination, harassment, or retaliation. Actions always include notifying the Human Resources Department immediately. Failure to act can expose the supervisors and staff directors personally to financial liability for damages, as well as disciplinary action.

- Supervisors and Staff Directors who engage in Quid Pro Quo Harassment can be subject to disciplinary action and held financially liable for their conduct.

Individual Harasser:

- An employee found guilty of unlawful discrimination or harassment may be sued separately from his/her employer and if found guilty, will be held financially liable for his/her actions. Insurance generally does not indemnify for intentional conduct, and the employer may have no legal obligation to pay the cost of defense or judgment for an employee determined to have sexually harassed another. The employee may be responsible for paying part or all monetary damages if any are awarded. Monetary damages may include substantial compensatory and punitive damages and attorney fees.

Training

All 32nd DAA employees, including newly appointed supervisors and staff directors, Board Members and the CEO are required to complete a sexual harassment prevention training class within six months after appointment or promotion, and every two years thereafter. Newly hired employees shall be provided with a copy of the 32nd DAA's Discrimination and Harassment Prevention Policy as part of the hiring package.

All seasonal employees must complete a sexual harassment prevention training class within two weeks of being hired.

All supervisors, staff directors and the CEO are required to discuss and review the 32nd DAA's Discrimination and Harassment Prevention Policy with subordinate employees annually.

Exclusion

These policies should not, and may not, be used as a basis for excluding or separating individuals of a particular gender, or any other protected characteristic, from participating in business or work-related social activities or discussions. In other words, no one should make the mistake of engaging in discrimination or exclusion to avoid allegations of harassment.

32nd District Agricultural Association
Board Policies

Board Policy 2.05: Reporting Wrongdoing

Date Adopted/Last Revised: February 27, 2020

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Purpose

The 32nd DAA Code of Ethics (*Board Policy 2.02*) requires all 32nd DAA Personnel to meet the highest standards of ethical conduct and behavior. This Board Policy is designed to provide clear guidance to 32nd DAA Personnel about their responsibility to report any unethical behavior or wrongdoing related to the 32nd DAA.

Note: This Board Policy supplements but does not replace any whistleblower protections provided for under California law, including but not limited to, the California Whistleblower Protection Act.

If any provision contained in this Board Policy conflicts with any provision of California law, the provision of California law shall govern and control.

Policy

All 32nd DAA Personnel are required to immediately file a report when they observe or otherwise become aware of any illegal and/or unethical behavior, including any violations of law, Board Policies, other 32nd DAA policies, or California State rules or regulations, including with respect to fraud, waste, and abuse (collectively, “Wrongdoing”). Any use of these reporting procedures in bad faith or in a false or frivolous manner is a serious violation of the 32nd DAA’s commitment to ethical behavior.

The 32nd DAA maintains an anonymous ethics hotline (the “Ethics Hotline”) for employees, Board Members, and community members to report anonymously allegations of Wrongdoing. The Ethics Hotline is administered by an independent third party and is overseen by the Board.

Retaliation and Whistleblower Protections

A whistleblower as defined by this policy is an employee of the 32nd DAA who reports an activity that the employee considers in good faith to be Wrongdoing. Whistleblower protections are provided in two important areas—confidentiality and retaliation.

Confidentiality

Consistent with California law, the 32nd DAA will make every effort to protect the reporter’s identity. Information provided in a hotline report may be the basis of an internal or external investigation by the 32nd DAA into the issue. It is possible that as a result of the information provided, a reporter’s identity may become known during the course of the investigation.

Retaliation

The 32nd DAA will not retaliate, or permit any retaliation, against a whistleblower who makes a report in good faith. This includes, but is not limited to, protection from retaliation in the form of any adverse employment action such as termination, compensation decreases, demotion, poor work assignments, threats of physical or reputational harm, bullying, harassment, interfering with job responsibilities, and/or any other form of retaliation. 32nd DAA Personnel are strictly prohibited from engaging in unlawful retaliation. Violations of this prohibition will be treated as serious misconduct. Any whistleblower who believes they are being retaliated against should immediately report that information in accordance with the reporting procedures below. The right of a whistleblower for protection against retaliation does not include immunity for any personal wrongdoing that is alleged and found to have occurred.

Procedure

Reporting Procedure

32nd DAA employees may report allegations of Wrongdoing by other employees to their direct supervisor, to the CEO, to the Director of Human Resources, or to the [Ethics Hotline.] 32nd DAA employees may report allegations concerning potential Wrongdoing by the CEO, CEO

Direct Reports, or a Board Member to the Board Chair (or, if the allegation involves the Board Chair, to the Board Vice Chair) to the Ethics Hotline. Individuals reporting to the Ethics Hotline have the option to remain anonymous. If possible, reporters should provide evidence or documentation in their report to provide supporting information critical to a potential investigation.

Board Members should report allegations of Wrongdoing to the Board Chair (or, if the allegation involves the Board Chair, to the Board Vice Chair).

Employees or Board Members may file a complaint with the California State Auditor's Office under the California Whistleblower Protection Act. The State Auditor is authorized to accept complaints from state employees and members of the public who wish to report an improper governmental activity and protects every state employee who files a complaint from suffering any retaliation by his or her state employer for having made the complaint.

A complaint may be filed by contacting the Whistleblower Hotline at (800) 952-5665, faxed to (816) 322-2603, or sent by mail to:

Investigations
California State Auditor
P.O. Box 1019
Sacramento, CA 95812

An electronic complaint form and on-line Whistleblower Complaint Submission form are available at the State Auditor's website: <https://www.auditor.ca.gov>

Response Procedures

Responses to whistleblower reports will depend on the nature of the issue.

Allegations Against Employees Other than the CEO or a CEO Direct Report

All whistleblower reports involving allegations of Wrongdoing by employees other than the CEO or a CEO Direct Report shall be referred directly to the CEO. The CEO will perform an initial review and consult with other applicable government agencies (e.g., CalHR, CDFA, etc.), and determine appropriate follow-up actions. The CEO may consult with and delegate responsibility for follow-up action to other Executives and/or the Director of Human Resources. The CEO shall, in his/her reasonable judgment, inform the Board Chair and Board Vice Chair of

any significant allegations of Wrongdoing or of allegations that suggest a pattern of Wrongdoing or systemic issues.

Allegations Against Board Members, the CEO, or a CEO Direct Report

All whistleblower reports involving allegations of Wrongdoing by the CEO, a CEO Direct Report, or a Board Member shall be referred directly to the Board Chair and Board Vice Chair. If the allegation involves the Board Chair, the report shall be referred directly to the Board Vice Chair and the Board Member currently serving as chair of the committee responsible for overseeing the 32nd DAA's response to its annual CDFA audit and compliance review (the "Audit Chair"). If the allegation involves the Board Vice Chair, the report shall be referred to the Board Chair and the Audit Chair. The Board Chair and Board Vice Chair (or Audit Chair, if applicable) will perform an initial review, consult with the Office of the Attorney General and/or other applicable government agencies (e.g., CDFA, CalHR, Office of the Governor), and determine appropriate follow-up actions.

32nd District Agricultural Association
Board Policies

Board Policy 3.01: Board Composition and Officers

Date Adopted/Last Revised: November 19, 2020

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Purpose

The purpose of this policy is to outline the Board’s organizational structure—including its composition and officers.

Policy

Board Composition

The Board is comprised of nine members. Board Members are appointed by the Governor of California to serve a four-year term. Board Members may serve more than one term and are reappointed at the discretion of the Governor.

Board Officers

As outlined in Article IV of the Board Bylaws, the Board will elect two of its members to fulfill the following officer positions for the term of one year:

- Board Chair (sometimes referred to in California Food and Agriculture Code as “President”)
- Board Vice Chair

In addition, and in accordance with California law, the Board will appoint three officer positions that are not members of the Board. The Board may elect to delegate responsibilities of Secretary and Treasurer to the CEO:

- CEO (sometimes referred to in California Food and Agriculture Code as “Manager” or “Fair Manager”)
- Secretary
- Treasurer

Board Chair Responsibilities

The role of the Board Chair is to ensure the integrity of the Board’s processes. In addition to the specific duties outlined in other areas of the Board Policies, the Board Chair has the following general responsibilities:

- a) The Board Chair is the manager of the Board’s activities, ensuring that the Board of Directors and its members follow Board of Directors rules and policies as well as the provisions of the Bagley-Keene Open Meeting Act. Since the Board conducts business during public Board meetings, the Board Chair is responsible for ensuring that the Board’s work is conducted efficiently and effectively. To that end:
 - Meeting discussion content will include only those issues that clearly (according to Board policy) belong to the Board to decide, consider, or to monitor.
 - Information that is not for monitoring performance, educating the Board or aiding in the Board’s decision-making processes will be avoided or minimized and always noted as such.
 - Deliberation will be fair, open, thorough, timely, orderly, and kept to the point.
- b) The Board Chair will set the agenda for Board meetings with input from the other members of the Board and with the assistance of the CEO. The Board Chair will ensure that Board meetings are focused on matters of Board responsibility.
- c) The Board Chair is responsible for promoting the development of a Board work plan, complementary to the strategic priorities and operational plan of the organization.
- d) The Board Chair—without undermining the CEO’s accountability to the full Board of Directors—will be the Board’s primary liaison with the CEO, who is responsible for the execution of Board policies and directives, and for determining the means, organizational structure and management processes necessary to achieve the corporate objectives.
- e) The Board Chair is responsible for ensuring that conflict of interest issues and other conflicts or disputes are addressed sensitively and resolved constructively.
- f) The Board Chair, with the support and cooperation of the Board, is responsible for ensuring adequate communications and accountability to the public and key stakeholders.
- g) The Board Chair may sign, in conjunction with the CEO or any other officer of the 32nd DAA authorized by the Board, any deed, mortgages, bonds, contracts, or other instruments which the Board has authorized to be executed with the exception of cases

where the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws or by statute to some other officer or agent of the 32nd DAA.

- h) The Board Chair is the only Board Member authorized to speak for the 32nd DAA, unless this is specifically delegated to another Board Member. The Board Chair will act as public and media spokesperson for the Board of Directors and 32nd DAA as required.

Board Vice Chair Responsibilities

The Board Vice Chair will act on the Board Chair's behalf in the absence of the Board Chair or in the event of the Board Chair's inability or refusal to act. When acting in this capacity, the Board Vice Chair will have all the powers and responsibilities of the Board Chair. The Board Vice Chair will also take minutes at all closed session meetings when the CEO is not in attendance.

CEO Responsibilities

The CEO will attend all meetings of the Board of Directors, unless excused by the Board. See Policy 5.03 (Delegation of Executive Authority) for additional details about the CEO's responsibilities.

Secretary Responsibilities

The CEO will serve as the Secretary of the 32nd DAA. The Secretary's primary role is to keep the Board of Directors' book of minutes (meeting minutes) for all Board meetings, including standing committee meetings. Article IV of the Bylaws outlines specific requirements for the content of the meeting minutes. In addition, the Secretary will:

- Ensure that the required notice is given for all annual, regular, special, and emergency meetings as required by law.
- Deliver copies of all minutes to all Board Members.
- Maintain an accurate register of the mailing address and email address of each Board Member.

Treasurer Responsibilities

The CEO will serve as the Treasurer of the 32nd DAA, and shall keep and maintain or cause to be kept and maintained in accordance with generally accepted accounting principles as they

pertain to governmental agencies adequate and correct accounts or properties and business transactions of the 32nd DAA, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, and capital. The Treasurer shall deposit or cause to be deposited all monies and other valuables in the name of and to the credit of the 32nd DAA with such depositories as may be designated by the Board and approved by the California Department of Finance. The Treasurer shall disburse the funds of the 32nd DAA as ordered by the Board and shall render to the Board Chair and Directors whenever requested, an account of all transactions as Treasurer and an account of the financial condition of the 32nd DAA.

32nd District Agricultural Association
Board Policies

Board Policy 3.02: Board Composition and Committees

Date Adopted/Last Revised: November 19, 2020

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Purpose

The 32nd DAA recognizes that either the Board Chair or the Board of Directors can establish committees to assist in the work of the Board. The purpose of this policy is to outline the authority of the Board Chair and of the Board to establish committees.

Policy

Under the authority of Bylaw Article V, Section 1, the Board may establish Board Committees to assist in carrying out its responsibilities and duties. The Board Chair may also establish Board Committees, at his or her discretion, to assist in carrying out the duties and functions of the 32nd DAA. Within this structure, Board Committees have one essential role—to strengthen and support the work of the Board as a whole.

The Board Chair and the Board may each form standing committees to address long-term or continuing needs of the organization. Each standing committee will have one or two members. The Board of Directors must comply with all requirements of the Bagley-Keene Open Meeting Act in creating standing committees. The Board Chair may create standing committees upon his or her discretion during a meeting of the Board of Directors properly noticed in accordance with the Bagley-Keene Open Meeting Act.

The Board Chair and Board may each also create time-limited ad hoc committees to oversee specific projects, tasks or initiatives. Each ad hoc committee may have between two and four members. Ad hoc committees with more than two members must comply with the requirements of the Bagley-Keene Opening Meeting Act. When the task of an ad hoc committee is completed

or no longer relevant, the Board should dissolve that committee through formal action at a properly noticed public meeting.

Procedure

Committee Member Selection

The Board Chair is responsible for selecting committee members. When selecting members, the Board Chair will consider the Board Member's knowledge and expertise, competencies and skills and personal interest in serving on the committee. In the interest of having committee members represent the community served by the committee, the Board Chair may also consider the diversity of each Board Member's personal experiences and backgrounds. Unless otherwise specified, the CEO or his/her staff designee will serve as a non-voting member of each committee.

Committee Member Resignation

Committee members may resign from their committee positions or recommend replacement at any time by giving written notice of resignation to the Board Chair or Board Vice Chair. The resignation is effective when notice is received by either officer, unless the notice specifies a later effective date. The acceptance of the resignation is not necessary to make it effective.

Committee Member Removal

The Board Chair can remove and/or reassign committee members when, in the Board Chair's sole judgment, it would be in the best interest of the 32nd DAA.

32nd District Agricultural Association
Board Policies

Board Policy 3.03: Board Member Code of Conduct

Date Adopted/Last Revised: November 19, 2020

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Purpose

Board Members are expected to conduct themselves in a manner that cultivates a spirit of cooperative decision-making, shared goals and collective ownership of decisions of the Board of Directors. In addition to the guidelines provided in the Organizational Values, Code of Ethics, and Conflicts of Interest policies, this policy outlines a specific Code of Conduct that applies to all Board Members.

Policy

The Board commits itself and each Board Member to professional and respectful conduct, including proper use of authority and appropriate decorum when acting as Board Members. Accordingly, Board Members are expected to embrace and support the following principles:

1. **Group Responsibility:** The Board of Directors will cultivate a sense of group responsibility. The Board may use the expertise of individual Board Members to enhance the Board's understanding of issues, but will not substitute such expertise for the collective judgment of the Board.
2. **Preparation and Participation:** Board Members are accountable for discharging their duties honestly and in good faith. Board Members shall exercise the degree of care, diligence and skill that a reasonably prudent person would use in similar circumstances.
 - a. *Preparation:* Board Members will review agenda materials in advance of public Board meetings and committee meetings, and will participate productively in discussions.

- b. *Ethics Training:* All Board Members are required to participate in training regarding the Bagley-Keene Open Meeting Act, ethics, conflict of interest, public records requests and Board Policies. In addition, all Board Members must timely complete all trainings required by the State and California Department of Food & Agriculture. Training should take place as part of the initial onboarding process for new Board Members. In addition, all Board Members should review relevant material on an ongoing basis.
- 3. **Respect for Roles:** Board Members will not attempt to exercise individual authority over the 32nd DAA.
 - a. *Interaction with CEO/Staff:* Board Members' interaction with the CEO or with staff should respect the appropriate reporting lines and recognize the lack of authority vested in individuals except when explicitly Board authorized (see Policy 5.02 CEO and Staff Accountability).
 - b. *Interaction with Public:* Board Members' interaction with public, media or other entities must recognize this limitation and Board Members should not speak for the CEO, or speak for the Board except to communicate explicitly stated Board decisions (see Policy 4.09 Community Relations and Advocacy).
 - c. *Board and CEO Relationship:* The CEO is accountable to the Board as a whole, and not to individual Board Members. Therefore, the relationship between the CEO and individual Board Members, including the Board Chair, is collegial, not hierarchical (see Policy 5.02 CEO and Staff Accountability).
 - d. *Volunteering:* As the CEO is responsible for operational activities and results, Board Members that decide to volunteer in operational capacities (those for which the Board holds the CEO accountable) are subject to the direct supervision of the CEO or responsible staff person.
 - e. *CEO/Employee Performance:* Except for participation in Board deliberation related to the employment of the CEO (including but not limited to CEO performance evaluation (see Policy 5.05 CEO Performance Evaluation), Board members will not publicly express individual judgments of performance of employees or the CEO.
- 4. **Commitment to Board Decisions:** Board Members will support the legitimacy and authority of the final determination of the Board on any matter, irrespective of the Board Member's personal position on the issue.
- 5. **Event Attendance and Support:** In addition to attendance at Board meetings, Board Members are encouraged to attend the following 32nd DAA events and functions:
 - a. Opening Day of the annual OC Fair

- b. Awards presentations
 - c. Other special events as determined by the Board or requested by the CEO
6. **Discipline:** The Board will enforce upon itself whatever discipline is needed and appropriate to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles and ensuring the continual development of governance capability.

32nd District Agricultural Association
Board Policies

Board Policy 3.04: Board Member Conflict Resolution

Date Adopted/Last Revised: November 19, 2020

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Purpose

Board Members are commonly appointed to bring diverse views on issues to the decision-making process. Constructive disagreements between Board Members are encouraged. However, in the heat of debate, disagreements sometimes degenerate into serious conflict on issues or between or among personalities. The purpose of this policy is to outline how conflict between Board Members should be resolved.

Policy

If disputes among Board Members begin to interfere with the ability of the Board to effectively carry out its business, the Governance Committee is responsible for managing and resolving those conflicts. If the Board Chair is party to a conflict, the Board Vice Chair will take on this responsibility. If the Board Vice Chair is party to the conflict, a neutral Board Member will be selected to fulfill this roll by the Board of Directors during a public meeting in accordance with the Bagley-Keene Open Meeting Act.

The Board Chair will review any disputes, and provide an opportunity for the Board Members concerned to represent their positions. Every attempt should be made to resolve such matters expeditiously and fairly. Any recommendations regarding resolution of such matters shall be brought to the Board for approval, and the ruling of the Board shall be made during a public meeting and shall be deemed final. Should any Board Member refuse to abide by the ruling, the Board may table the matter pending determination of disciplinary action. Such action may include formal or informal censure by the Board Chair or the Board.

Procedure

Managing Issues-Based Conflict

The Board Chair, or other delegated representative, will use the following techniques when reviewing issue-based conflicts during Board Meetings between or among Board Members:

1. Acknowledge the value and importance of divergent views in informing decision-making.
2. Practice and encourage good listening skills, understanding and respect. Clarify the ground rules for effective communication: confidentiality of discussions, allowing others to have their say, listening to understand, group ownership of problems and solutions, focus on issues rather than personalities or personal attacks.
3. Assist the parties in defining the issue. State what you understand to be the substance of the issue and seek agreement between them on a clear definition of the issue.
4. Seek agreement on the objectives, outcomes, or decisions sought by placing this item on the board agenda.
5. Assist the parties to identify and expand points of agreement.
6. Assist the parties in identifying why this issue is important to them rather than encouraging more debate on who has the best solution or idea.
7. Paraphrase or summarize the discussions repeatedly until they have reached consensus on points of agreement and disagreement.
8. Encourage both parties to suggest options for resolution or compromises. Seek agreement on a compromise.
9. If a resolution is identified, check with both parties to see if it is acceptable and will allow them to resolve the matter. Consensus around the issue may not always be possible, but should be a goal.

32nd District Agricultural Association
Board Policies

Board Policy 3.05: Board Meetings and Agendas

Date Adopted/Last Revised: November 19, 2020

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Purpose

The purpose of this policy is to outline meeting and agenda-setting requirements, including compliance with regulations.

Policy

To support transparent communication, and in alignment with the Bagley-Keene Open Meeting Act, it is the policy of the 32nd DAA that its work will be conducted openly so that the public may remain informed and involved in the decision-making process. As such, the actions of the Board are conducted in compliance with all pertinent statutes, including – but not limited to – the Bagley-Keene Open Meeting Act.

Notices of Meetings

All meetings will be noticed in accordance with the Bagley-Keene Open Meeting Act.

Regular Meetings

Regular meetings of the Board of Directors will be held monthly on the fourth Thursday or at the discretion of the Board Chair, for no less than eight months per year, with the exception of the November meeting which will be held on the third Thursday or at the discretion of the Board Chair. The December regular meeting date will remain at the Board Chair's discretion. Because the 32nd DAA hosts the annual OC Fair from mid-July to mid-August, there will not be a July Board meeting unless specifically requested and approved by the Board.

Via a resolution, the Board may select the time and place within Orange County, California, to hold its regular meetings.

Except when the Board convenes to closed session, in accordance with the Bagley-Keene Open Meeting Act, Board meetings are open to the public. Board meetings will follow Robert's Rules of Order unless the Board Bylaws explicitly substitutes an alternative procedure. Committee meetings are not open to the public unless required by law or otherwise requested by Board committee members.

Special Meetings

"Special Meetings" of the Board of Directors may be called at any time in accordance with Government Code section 11125.4.

Emergency Meetings

"Emergency Meetings" of the Board of Directors may be called at any time in accordance with Government Code section 11125.5.

Annual Meeting

The annual meeting of the Board of Directors will be held at the office of the 32nd DAA (or via teleconference or videoconference in accordance with California law) at 9:00 a.m. on the fourth Thursday of October of each year. If that date is a legal holiday, then the annual meeting shall be held, at the discretion of the Board of Directors, on the preceding or next succeeding business day.

Closed Sessions

Closed sessions of the Board shall be noticed in accordance with the requirements of the Bagley-Keene Open Meeting Act.

Recessed and Adjourned Meetings

Any meeting may be recessed or adjourned until a stated later date and hour. In the absence of a quorum, a majority of the Board Members present at the meeting may adjourn any meeting.

Decision-Making Process

Decisions of the Board are made as a group at Board meetings at which a quorum of the Board (50% plus one) is present. A quorum is required for the transaction of any business of the 32nd DAA. Decisions will ideally be made through a consensus development process leading to a formal vote to record the decision. This process is intended to encourage full discussion and development of a decision that all, or at least the largest possible majority of, board members can support, prior to a vote. Where disagreements continue to exist, dissenting members may request that their objections be recorded in the minutes. A favorable vote of a majority of the members present, regardless of abstentions, is required for approval. Board Members have the right to discuss questions before the Board and make their decisions in an uninhibited atmosphere.

Agenda

As stated in policy 3.01 Board Composition and Officers, the Board Chair will set the agendas for Board meetings, with input from Board Members and assistance of the CEO. The Board Chair will ensure that discussions at Board meetings are confined to those issues properly agendized and that clearly fall within the Board's authority according to its policies. Deliberation on issues during Board meetings will be timely, fair, orderly, thorough, and efficient.

32nd District Agricultural Association
Board Policies

Board Policy 3.06: Board Member Orientation and Training

Date Adopted/Last Revised: November 19, 2020

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Purpose

The 32nd DAA works to actively develop and maintain a high quality, engaged, and effective Board. This policy outlines the responsibility of the Board to orient and train its members.

Policy

New Board Member Orientation

The 32nd DAA will provide a welcoming and comprehensive orientation process to encourage new Board Members to become informed and engaged. Within 30 days of appointment, each new Board Member will receive a thorough orientation to their position by the CEO. Orientation should include, but not be limited to:

- The history, mission, and values of the 32nd DAA
- The Board Bylaws and all Board Policies
- An organizational chart
- An overview of funding sources
- Calendar of meetings and events
- A tour of facilities and introduction to key staff

Continuing Education

To build an informed and engaged Board of Directors, the 32nd DAA provides ongoing education, including:

- Sexual harassment prevention training (in accordance with policy 2.04), completed within six months after appointment, and every two years thereafter.
- Completion of State-mandated training courses including, but not limited to:
 - Sexual Harassment Prevention (every two years)
 - SANS Security Awareness (annually)
 - Bullying and Violence in the Workplace (every two years)
 - Ethics Orientation for State Officials (every two years)
- Bagley-Keene Open Meeting Act training

Whenever possible, the Board should consider participating in the above required training as a group during a publicly noticed meeting to foster discussion.

Procedure

On an annual basis, the Board Chair, in collaboration with the CEO, will determine the continuing education schedule and opportunities for the year. As part of this process, the Board Chair, in collaboration with the CEO, will ensure that all Board Members have the opportunity to attend and complete all required trainings.

32nd District Agricultural Association
Board Policies

Board Policy 3.07: Board Self-Assessment

Date Adopted/Last Revised: November 19, 2020

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Purpose

The purpose of this policy is to ensure that the Board functions as effectively as possible by regularly conducting self-assessments of their own performance.

Policy

Led by the Governance Committee, the Board will conduct a formal self-assessment of its own performance on an annual basis. This assessment should take place at the same time as the CEO Performance Evaluation (see Board Policy 5.05). The evaluation should include an assessment of:

- The Board's progress in relation to their annual work plan
- Board Members in terms of their understanding and support of the organization's mission, values, ethics, as well as Board-specific responsibilities.
- The Board as a whole in terms of its capacity to function effectively and collaboratively.
- The strength of relationship/collaboration with the CEO and other members of the Executive Staff.

Additionally, the process should include an opportunity for the CEO to provide direct feedback to the Board.

The Board will review the results of the self-assessment. Under the guidance of the Board Chair, the Board is responsible to take any appropriate steps suggested by the review to improve its internal operations.

Procedure

The Governance Committee is responsible for establishing and implementing an appropriate self-assessment process during the first quarter of each fiscal year.

32nd District Agricultural Association
Board Policies

Board Policy 4.01: General Responsibilities

Date Adopted/Last Revised: October 22, 2020

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Purpose

The purpose of this policy is to outline the core responsibilities of the 32nd DAA's Board.

Policy

At the highest level, the Board has the authority to manage the affairs of and make all necessary bylaws, rules, and regulations for the government of the 32nd DAA, a California state institution. The Board is responsible for:

Providing vision and strategic guidance

- Safeguarding and championing the organization's mission
- Guiding the organization's strategic direction and objectives
- Establishing organization-wide policies

Ensuring the stability and performance of the organization

- Ensuring the proper and prudent management of the organization
- Selecting, evaluating, and providing support to the CEO
- Ensuring that the Board has adequate information to monitor major areas of CEO and 32nd DAA performance
- Being accountable to the organization's stakeholders for the performance of the 32nd DAA

Overseeing the 32nd DAA's finances

- Providing due diligence to oversee the management of the 32nd DAA's finances
- Ensuring the proper and adequate discharge of this duty through its Financial Monitoring Committee, acting on behalf of and reporting to the Board

Championing the 32nd DAA within the community

- Serving as ambassadors for the 32nd DAA by building connections and relationships to generate positive outcomes for the community and the organization.

32nd District Agricultural Association
Board Policies

Board Policy 4.02: Authority and Accountability

Date Adopted/Last Revised: October 22, 2020

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Purpose

The purpose of this policy is to outline the general authority and accountability of the 32nd DAA Board Members.

Policy

Authority

Individual members of the Board are appointed by the Governor under Section 3959 of the California Food and Agricultural Code. As such, all Board Members are state officers and obligated to act in the overall best interests of the 32nd DAA.

As a group, the Board retains all authority to guide the direction and actions of the 32nd DAA in accordance with the California Food and Agricultural Code. Individual Board Directors have no authority to act on behalf of the 32nd DAA, bind the 32nd DAA, or give direction individually to 32nd DAA employees unless provided otherwise by these policies or by resolution of the Board. The Board may delegate, as it may deem advisable, to its officers, employees, or Board committees any of the powers that are vested in the Board under Section 3965 of the California Food and Agricultural Code. The Board may revoke any delegation of power at any time.

Accountability

The Board is accountable to exercise good stewardship of the 32nd DAA on behalf of the trust placed in it by the general public, staff, volunteers and other stakeholders. The Board will account to the 32nd DAA's stakeholders through:

- Annual and periodic Financial Monitoring Committee reports on the activities and finances of the 32nd DAA presented at monthly Board meetings
- Annual audited financial statements
- Minutes of Board meetings
- Receiving representations from and consulting with key stakeholders in partnership with the CEO
- Operating in an open and transparent manner
- Ensuring CEO is effectively fulfilling the mission of the 32nd DAA.

32nd District Agricultural Association
Board Policies

Board Policy 4.03: Organizational Planning

Date Adopted/Last Revised: October 22, 2020

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Purpose

One of the most important responsibilities of the Board is to manage the affairs of the 32nd DAA, which necessarily includes the provision of general guidance and direction for the organization. The purpose of this policy is to outline the Board's major planning responsibilities for the 32nd DAA.

Policy

A comprehensive framework for planning, setting priorities, and reporting is essential to effective and responsible organizational stewardship. As such, the Board is responsible for developing a strategic plan to guide the organization's work and establish CEO performance expectations.

Strategic Plan

The Board—with the assistance of staff and in consultation with key stakeholders—establishes the 32nd DAA's overall direction through the development and approval of a Strategic Plan. This plan provides a blueprint for the 32nd DAA's general direction for the next three to five years by identifying priority goal areas to focus the activities of the organization, along with high-level objectives, strategies, and performance indicators for each area.

Annual Operating Plan

Based on the general blueprint outlined by the Strategic Plan, the 32nd DAA's CEO works with staff to develop an annual operating plan. The 32nd DAA's annual operating plan will be the basis of its annual budget containing revenue and expenditure forecasts related to planned programs and services. This plan will contain more specific objectives than contained in the Strategic Plan, expected results for each objective, the time period during which those results will be sought, and criteria for measuring the achievement of those results.

Procedure

Strategic Plan Development

The development and approval of the Strategic Plan takes place in a three- to five-year cycle. The Board will initiate a new strategic plan no later than the start of the fiscal year in the fifth year of a given plan's lifecycle.

This Board is responsible for overseeing the development of a new strategic plan. The strategic plan should include input from a diverse range of stakeholders—including both members of the 32nd DAA's staff and the public—to enrich the quality of the analysis. The Board may also engage outside consultation to help design and guide the planning process.

Typically, the strategic planning process involves:

- A Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis to determine external and internal factors that will impact the organization
- Staff input via surveys, interviews, or focus groups
- Public input via surveys, focus groups, or open houses

Annual Work Plan Development

The Board delegates the responsibility of developing annual work plans to the CEO. The annual work plan will be developed in the fourth quarter of the previous fiscal year.

Reporting

The Board is responsible for monitoring performance toward strategic goals on at least an annual basis, at the end of the fiscal year. While the Board delegates the responsibility to develop annual and periodic reports on progress to the CEO, the Board may revoke that delegation at any time.

32nd District Agricultural Association
Board Policies

Board Policy 4.04: Board Planning

Date Adopted/Last Revised: October 22, 2020

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Purpose

The purpose of this policy is to outline the responsibilities related to developing an annual Board work plan.

Policy

The Board will prepare and follow an annual work plan that focuses on fulfilling the major responsibilities of the Board and achieves continual improvement of Board performance through education, outside input, and deliberation.

Procedure

The Board's annual planning cycle will conclude each year on the last day of September so that administrative planning and budgeting can be based on accomplishing a one-year segment of the Board's most recent statement of strategic priorities. The cycle will start in October with the Board's development of its work plan for the next year.

The Board Chair is responsible to prepare and present a tentative agenda plan for the following year's meetings and activities at the start of the Board's annual planning cycle.

The following activities will be determined and arranged in the first quarter, but may take place over the course of the year:

- Consultations or gaining input from stakeholders and/or staff
- Board education related to the mission and work of the 32nd DAA
- Board education related to effective governance processes
- Any planned review of the Board Policies. Policies should be reviewed at least once every three years.
- Completion of State-mandated training courses including, but not limited to:
 - Sexual Harassment Prevention (every two years)
 - SANS Security Awareness (annually)
 - Bullying and Violence in the Workplace (every two years)
 - Ethics Orientation for State Officials (every two years)

While the Board Chair is ultimately responsible for reviewing and approving the agenda for any particular meeting, Board Members may request agenda items by submitting the topic to the Board Chair at least 12 days in advance of the relevant Board meeting. If the Board Chair determines the matter is not appropriate for the agenda, the Board Chair shall communicate via email or by phone with the requesting Board Member to discuss any issues prior to the notice period. For additional guidance on agenda setting, refer to Policy 3.05.

32nd District Agricultural Association
Board Policies

Board Policy 4.05: Financial Stewardship

Date Adopted/Last Revised: October 22, 2020

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Purpose

The purpose of this policy is to establish guidelines and expectations for the Board and CEO related to financial stewardship of the 32nd DAA. Areas of focus include budget development and review, signature delegation and authority, and travel and expenses.

4.05.01 Budget Development and Review Process

Policy

This policy is designed to establish the process for developing, reviewing, and monitoring the organization's annual operating budget. It is the policy of the 32nd DAA that the Board is responsible for approving and overseeing the organization's budget to ensure that it is:

- Aligned with and supports the organization's mission, values, and strategic priorities
- Financially sustainable, responsible, and compliant with all applicable laws and regulations

The CEO, in coordination with the Director of Finance, is responsible for planning, coordinating, analyzing, preparing, and reviewing the budget in consultation with the Financial Monitoring Committee.

The CEO, in coordination with the Director of Finance and 32nd DAA staff, is responsible for making the final recommendation of the proposed budget before it is submitted for approval to the Board.

Procedure

Budget Development

The 32nd DAA must have a budget for each fiscal year—which runs between January 1 and December 31. As such, the Board must adopt a new budget on an annual basis.

In September each year, the Director of Finance, working with the staff and CEO, starts preparing the budget estimates for the next fiscal year. The process includes:

- Considering operational costs
- Coordinating payroll costs with HR
- Estimating revenue
- Developing a capital/special projects list and costs

Initial budget estimates are based on the current expenditure projections to end of year, along with information like projected staff salary increases and operating expense increases related to planned goals and projects for the following fiscal year. In addition, the budget document provides for the following:

- Revenue and expense assumptions upon which the budget is based.
- Number of budgeted full-time equivalent employees.
- Mission, strategic priorities, impact, and performance measures of each operating department.
- Prior year actual, current year budgeted, new year recommended expenditures and revenues by department.
- Descriptions of significant expenditure and revenue changes, and related operational impacts by department.

The CEO and Director of Finance will present the draft budget for discussion at a Financial Monitoring Committee meeting. The Financial Monitoring Committee may accept the estimates as presented or may request variations. A detailed report denoting reasons for decisions should be attached to the draft budget for discussion.

The Financial Monitoring Committee, along with the CEO and staff, will conduct a public budget study session in November of each year to provide the public an opportunity to review and comment on the draft budget.

The CEO and Director of Finance will then revise the draft with direction from the Financial Monitoring Committee and present the amended draft budget at the next available Board meeting, usually in November.

Once adopted by the Board, this becomes the 32nd DAA's official operating budget for the following fiscal year, and all Board members and employees must work within the financial limits stated or implied by this document.

Monitoring the Budget

The Director of Finance will monitor the 32nd DAA's revenue and expenditures, compare actual and budgeted amounts, and report on the progress.

The Director of Finance will prepare financial reports each month showing the year-to-date revenue and expenditures and variation from budget estimates, indicating any significant deviations. A detailed commentary should be attached to Board reports detailing reasons for variations and recommendations for corrective action should that be required. The Director of Finance will indicate what effect any variations will have on the budget projections and provide this information to the CEO and the Board.

A mid-year budget review will be conducted by the CEO and Director of Finance and presented first to the Financial Monitoring Committee for review, then to the full Board in June.

Reviewing the Budget and Reforecasting

The budget is a flexible document that provides a comprehensive framework of resource allocations for implementation of the 32nd DAA's strategic goals for the fiscal year. The CEO and the Director of Finance will present a mid-year budget review and reforecast in June of each year first to the Financial Monitoring Committee and then to the full Board.

4.05.02 Contracting and Signature Authority

Policy

This policy establishes the individuals authorized to commit organizational resources by entering into contracts on behalf of the 32nd DAA. The policy applies to all 32nd DAA Board Members

and staff, including the CEO, and covers the creation, revision, amendment, or renewal of 32nd DAA contracts.

Within this policy, a 32nd DAA contract is defined as any agreement between the 32nd DAA and a third party that involves a commitment on the part of the 32nd DAA. An agreement is a document that has a legal effect, regardless of whether it is called a contract. A contract may involve a commitment of 32nd DAA funds, facilities, employees or other resources, and/or the use of the 32nd DAA's name.

Only the CEO, Chief Operations Officer, Chief Business Development Officer, and Board Chair (or Vice Chair in the Chair's absence) may sign contracts on behalf of the organization. Contracts signed by unauthorized agents are not valid. Individuals who are not authorized via a written delegation of authority to sign a contract or agreement may be held personally responsible for documents they sign. Such individuals also may be subject to disciplinary action, up to and including termination.

Contract Signature Authority of the Board

The Board Bylaws authorize the Board Chair and Vice Chair (in the Board Chair's absence) to conduct business in the name of the 32nd DAA, including signing contracts.

Delegation of Contract Signature Authority

In accordance with Board Bylaws Article VI, the Board may authorize any officer or agent of the 32nd DAA to enter into any contract on behalf of the 32nd DAA. Within this context, the Board authorizes the CEO contract signature authority to execute a check or purchase commitment of \$50,000 or less. Notwithstanding the foregoing, the Board authorizes the CEO contract signature authority to execute talent guarantees of \$400,000 or less. Splitting expenses or orders to avoid these limits is not acceptable.

Exclusions from this Contracting and Signing Authority Policy include commitments that have been separately authorized by the Board via the "Over \$50,000 Expenditure Budget Schedule," which is submitted with each annual budget or an approved contract, LOU or rental agreement or is payment for utilities, Cal Card expenditures, insurance, payroll or State mandated employee services.

For expenses related to emergencies or construction change orders that exceed the delegated \$50,000 limit, approval for such expenses requires dual approval of the CEO and Chair of the

Board. In the absence of the Chair, the Vice Chair can approve such an expense. Any expense approved by the CEO and the Chair shall be reported to the full Board at the next Board meeting. Splitting expenses or orders to avoid this \$50,000 limit is not acceptable.

In addition, the Board authorizes the CEO to further delegate their signature authority authorizing individuals to conduct business on behalf of the 32nd DAA only when the CEO will be absent. The delegating officer retains responsibilities for actions taken by individuals exercising delegated authority.

For expenses below the \$50,000 limit, the CEO is responsible to develop and maintain operating policies that define signatory authority levels by position.

Procedure

CEO Sub-Delegation of Authority

When delegating authority, the CEO must provide a written document that:

- Is signed by the delegating individual.
- Specifies a specific 32nd DAA employee, referring to the employee by their name and title. Delegations cease when the employee no longer holds the position and must be resought by the subsequent incumbent.
- States the scope of the delegation, including the type of contracts the employee is being authorized to sign, and any dollar limit. The scope must be within the authority of the delegating individual.
- Specifies whether sub-delegations may be made as well as any conditions or restrictions upon such delegation.
- Specifies a limited timeframe with specific start and end dates.

4.05.03 Travel and Expense Policy

Policy

The purpose of this policy is to establish travel and expense reimbursement guidelines that are fair, accountable, and transparent. This policy applies to all 32nd DAA Board Members and the CEO.

It is the policy of the 32nd DAA that the organization will pay for reasonable and customary expenses related to the accomplishment of organizational activities required by the Board Members' or CEO's position. These expenses must be pre-approved in writing by the Board Chair or Vice Chair.

Authorized Expenses

The organization will pay or reimburse costs for the following:

Travel

- Transportation by airplane, train, bus, vehicle rental, and/or taxi service
- Meals
- Lodging
- Personal vehicle mileage when directly related to organization business
- Parking expenses
- Registration fees for conventions, conferences, training and tuition

Non-travel

- Meals or light refreshments while working (either in meetings or where the duties preclude traditional access to personal meals)
- Mileage reimbursement, tolls, or parking fees for attending meetings

Non-Allowable

The organization will not pay or reimburse costs for the following:

- First class or business class airfare, if cheaper economy or coach fares are available
- Alcoholic beverages
- Theft, loss, or damage to personal property
- Fines, forfeitures, tickets, or penalties
- Expenses of spouse, family, or other persons not authorized to receive reimbursement under this policy
- Travel insurance
- Travel prohibited by California Assembly Bill 1887 (prohibition on state-funded travel and state-sponsored travel to states with discriminatory laws)

Transportation

The organization pays for mileage when a personal vehicle is used to travel to required Board-related events. The 32nd DAA uses the IRS standard mileage rate in effect at the time of travel.

When traveling via taxis services, tips will be reimbursed up to \$2 or 20% of the total transportation cost, whichever is higher.

Meals and Lodging

The organization pays a per diem rate for meal expenses. The organization will use the rates for meal expenses outlined in the CalHR Manual Section 2201 (Travel and Relocation Policy), Section 2202 (Mileage Reimbursement) and Section 2203 (Allowances and Travel Reimbursement).

The organization pays lodging expenses when the travel destination is in excess of 50 miles. The organization will use the rates for lodging expenses outlined in the CalHR Manual Section 2201 (Travel and Relocation Policy), Section 2202 (Mileage Reimbursement) and Section 2203 (Allowances and Travel Reimbursement).

Procedure

Required Documentation

Board members must complete and submit an itemized expense report no later than 30 days after the date the expense occurs. Expense reports must include itemized receipts for all non-per diem expenses over \$25.

Review and Reimbursement

The 32nd DAA requires approval of itemized expense report by:

- Board Chair for CEO Expenses
- Board Chair for Board members
- Vice Chair for Board Chair

Approvers of expenses will exercise due diligence to ensure that all expenses are reasonable and necessary for the conduct of organization business; within budgetary limits; and in compliance with this policy.

Reimbursements will be made available no later than 30 days after the original expense report is submitted.

32nd District Agricultural Association
Board Policies

Board Policy 4.06: Risk Management

Date Adopted/Last Revised: October 22, 2020

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Purpose

The purpose of this policy is to outline the responsibilities of the 32nd DAA Board and Staff members in relation to organizational risk management.

Policy

Risk Management Philosophy

As part of the 32nd DAA's foundational value of Safety, protecting the health, safety, and security of staff and customers is integral to all organizational activities. In keeping with this philosophy, the 32nd DAA's Board Members and staff are expected to carry out their work with a high degree of safety and attention to potential risks.

The 32nd DAA seeks to involve appropriate personnel at all levels of the organization to identify risks and create practical strategies to ensure that its risk management approach considers diverse perspectives and that its staff understands their roles in protecting the mission and assets of the organization.

General Principles

- The 32nd DAA strives at all times to operate in compliance with local, state, and federal laws and regulations.
- The 32nd DAA bears responsibility for the health, safety, and security of its staff and customers. This is a primary responsibility of the Board, the CEO, and all program staff.

- Safety and risk management activities are multi-faceted and include:
 - Creating and enforcing policies, standards, guidelines, and procedures related to safety, financial security and risk mitigation.
 - Maintaining safe and secure facilities.
 - Establishing procedures to be followed in the event of an emergency.
 - Maintaining clear communication channels.
 - Purchasing insurance coverage as a financial mechanism for certain risks, while still recognizing that insurance is not a substitute for vigilance in planning and implementing services, programs, and events.
 - Creating and maintaining a crisis communication plan to be implemented in the event of an emergency.
 - Assessing safety risks and taking actions to minimize risk to life and property.

Responsibilities of the Financial Monitoring Committee

The Financial Monitoring Committee plays a major role in ensuring financial sustainability and mitigating risk. As such, the committee is responsible for:

- Developing and/or reviewing the organization’s risk management plan on an annual basis.
- Conducting annual public budget workshop to ensure transparency.
- Adopting annual budgets with risk management in mind.
- Reviewing operational reports to determine compliance.
- Adopting and establishing risk-related policies and standards.
- Reviewing the organization’s insurance program periodically.

Responsibilities of the Audit and Compliance Committee

The Audit and Compliance Committee plays a major role in mitigating risk. As such, it is responsible for:

- Working with the CEO and approved auditing agency to ensure annual audit of the 32nd DAA is conducted within a timely manner.
- Maintaining communication with the auditing agency to ensure 32nd DAA is responsive and in compliance with auditing process.
- Responding in writing to address any issues identified by auditing agency management report.

- Reviewing operational reports to determine compliance.
- Ensuring compliance with policies and standards imposed by accrediting/auditing organizations.
- Adopting and establishing risk-related policies and standards.

32nd District Agricultural Association
Board Policies

Board Policy 4.07: Records Management Policy

Date Adopted/Last Revised: October 22, 2020

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Purpose

The purpose of this policy is to ensure that an efficient records management system is effectively employed for the management of all 32nd DAA information, regardless of its form (physical or electronic). This policy applies to all Board Members and 32nd DAA staff, including the CEO.

Policy

The Board delegates the responsibility to develop an efficient records management system to the CEO. The CEO must ensure that the records management system is aligned with CDFA policies, and is accompanied by policy documentation that defines which records must be retained, the length of the retention, and the process by which documents are purged and destroyed. The system must account for both physical and electronic records and comply with the following requirements:

- Includes the identification of a designated Custodian of Records for each record type.
- Ensures records are kept in accordance with applicable statutes and regulations governing records retention and description (including, but not limited to, the State Records Management Act, State Administrative Manual, Records Retention Handbook, Records Retention Schedule Guidelines, and the California Acquisition Manual).
- Defines records in accordance with the Government Code 14741 definition.
- Ensures the Custodian of Records appropriately categorizes official files as either “Public” or “Confidential”.
- Ensures records and non-records (which may include working files or email) are appropriately retained and purged within specified timelines.

32nd District Agricultural Association
Board Policies

Board Policy 4.08: Personnel Policy

Date Adopted/Last Revised: October 22, 2020

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Purpose

The Board expects to employ well-qualified and dedicated staff to support effective and efficient operations within the 32nd DAA. The purpose of this policy is to outline the Board responsibility and delegation to the CEO in relation to personnel management.

Policy

The Board is responsible for the hiring of the CEO position only. The Board delegates responsibility to the CEO to develop a fair, transparent, and inclusive talent management program that includes the establishment of policies and procedures designed to:

- Comply with all applicable State and Federal labor laws, policies and requirements.
- Govern the management of staff and volunteer resources.
- Support recruitment and selection processes that are fair, transparent, and inclusive.
- Support retention efforts including employee recognition, growth, and development.
- Adhere to California State mandated job classifications and pay scales.
- Prepare for succession planning to ensure smooth transition for key staff positions.
- Guide comprehensive performance management—including performance appraisals, rewards/recognitions, and progressive discipline.

32nd District Agricultural Association
Board Policies

Board Policy 4.09: Community Relations and Advocacy

Date Adopted/Last Revised: October 22, 2020

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Purpose

The purpose of this policy is to outline the community relations and advocacy responsibilities of the Board and the CEO.

Policy

It is the policy of the 32nd DAA that the Board represent the organization positively to the community, fairly represent member and community perspectives to the organization, ensure consideration of member and community input in its planning, and advocate for resources and support to help fulfill the 32nd DAA's mission and not the interests or objectives of any individual.

Community and Public Relations

The Board Chair and the CEO have the authority to speak on behalf of the 32nd DAA. In general, the Board Chair will represent the 32nd DAA on matters of policy and strategy, and the CEO will represent the 32nd DAA on operational issues. The Board Chair and CEO will coordinate with each other before the release of any public statement. The CEO or Board Chair can delegate this authority to another 32nd DAA employee or Board Member with special knowledge or competence in relation to a given topic.

Advocacy

Board Members serve as advocates for the 32nd DAA. As an effective advocate, each Board Member will take every opportunity to champion the 32nd DAA by educating policymakers and opinion leaders at all levels about the transformative mission of the 32nd DAA.

Any major advocacy-related statements must be consistent with the general parameters of Board-approved policies or positions. While this policy is not intended to inhibit private expression of personal or professional opinions, Board Members should distinguish personal opinions from 32nd DAA positions when engaging with the public, including policymakers and opinion leaders.

Board Members must speak with one voice, not as individuals, and always reflect the collective position of the full Board.

Board Members should coordinate all communication with the media through the CEO and the Communications Department when possible.

Board Members are also expected to avoid making public statements that might undercut or obscure the messages conveyed by the 32nd DAA's approved spokespersons. Board Members who hold elected public office concurrent with their membership on the Board are expected to be particularly judicious about this since their public profile may deflect attention away from messages conveyed by the official spokespersons.

Legislative Monitoring Committee

Responsible for monitoring and reporting to the Board all pending state legislation that impacts the operations or interest of the 32nd DAA.

32nd District Agricultural Association
Board Policies

Board Policy 4.10: Sponsorships

Date Adopted/Last Revised: October 22, 2020

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Purpose

To forward its mission, and in accordance with Section 4051.1 of the California Food and Agricultural Code, the 32nd DAA may solicit and enter into agreements to secure sponsorships for events, programs and services. The purpose of this policy is to establish criteria for selecting 32nd DAA sponsorships.

Policy

It is the policy of the 32nd DAA that sponsorships will be used to support and further the mission of the organization. Within this context, a sponsorship is defined as a mutually beneficial exchange whereby the sponsor receives value in return for cash, goods, or services-in-kind provided to the 32nd DAA.

Sponsorship Guidelines

- The 32nd DAA selects which sponsorships it wishes to accept and reserves the right to reject any sponsorship offer.
- The 32nd DAA does not endorse—either explicitly or implicitly—any of its sponsors, nor does it endorse those sponsors’ products, services, or ideas.
- The 32nd DAA will avoid any real or perceived conflicts of interest related to sponsorship agreements (see Policy 2.03). As such, 32nd DAA Board Members and staff

must not receive any substantial benefit from sponsorship including gifts or financial rewards or benefits.

- There must not be preferential treatment for a business, organization, or individual as a result of sponsorship. For example, there must not be an expectation that a company will get favored treatment by the 32nd DAA over a competitor due to their sponsorship status.
- The 32nd DAA retains full control of the content of its programs, projects, and services. Sponsors do not have authority over the operation of what they have sponsored.
- The 32nd DAA retains the right to review and approve all communications in regard to a sponsorship. This includes—but is not limited to—announcements, advertising and marketing materials, articles, and press releases about the sponsorship.
- The 32nd DAA will not enter into sponsorship agreements with businesses, organizations, or individuals that do not align with the 32nd DAA’s mission, values, or ethics. The 32nd DAA’s long term reputation and credibility always takes precedent over short-term monetary needs.
- While each potential sponsorship agreement will be considered on its merits, and judgement and discretion will characterize the decision making, the following questions will always be addressed:
 - Does the sponsorship align with the 32nd DAA’s mission, values, and ethics?
 - Does the sponsorship suit the 32nd DAA’s overall strategy?
 - Will the sponsorship help the 32nd DAA realize its strategic priorities or objectives?
- To be consistent with the 32nd DAA’s family-friendly focus, sponsorships in the following categories are not permitted:
 - Tobacco or vaping products
 - Cannabis or CBD products
 - Hard liquor or spirits

- To ensure that the 32nd DAA is perceived as a welcoming and inclusive organization, the 32nd DAA will not enter into sponsorship discussions with organizations that have a primary focus on:
 - Party politics
 - Religious organizations and/or activities

Procedure

Sponsorship Approval and Agreements

The Board must approve any sponsorship agreement that (1) exceeds 5% of the overall revenue budget for the year, (2) includes a term that exceeds three years, or (3) includes naming rights. Sponsorship agreements that meet these criteria will be placed on the next available Board agenda as a non-consent item. The CEO, or other designated executive staff member, may sign any sponsorship agreement that does not meet the criteria identified above.

Staff will prepare an agreement consistent with the size and the scope of the sponsorship. All agreements shall include a clarification of the all sponsor benefits, process for marketing material approval in advance of publication, and the statement the 32nd DAA does not endorse sponsor's products or services.

All sponsorship agreements will be confirmed through a written contract. In addition to the items stated above, the contract will clarify relevant aspects of:

- When the sponsor will provide payment, or make promised in kind goods or services available.
- Who the main contacts will be for each party.
- Any interim or final reporting agreed upon, how the agreement will be monitored and reviewed.
- When the agreement terminates, and how early termination is handled.
- Any minimum or maximum amount, and how that will be determined, and any exclusivity commitment.
- How any failure to meet commitments will be handled (e.g. what happens if the event is cancelled).

32nd District Agricultural Association
Board Policies

Board Policy 4.11: District Responses to Acts of Hate and Discrimination

Date Adopted/Last Revised: October 22, 2020

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Purpose

As part of the 32nd DAA's values and ethics, it is critical to affirm—in policy and actions—that any act of hate or discrimination is not tolerated. The 32nd DAA recognizes the need to have in place a clearly defined policy that outlines the organization's response to these types of acts.

Policy

In accordance with the 32nd DAA's values and ethics (see Chapter 2), the 32nd DAA strives to foster an environment where all staff and stakeholders are included, and differences and commonalities are celebrated. It is the policy of the 32nd DAA that acts of hatred and discrimination are antithetical to its principles and will not be tolerated. Furthermore, the 32nd DAA opposes all forms of discrimination on the basis of race, creed, national origin, ancestry, religion, age, disability, political affiliation, gender, sexual orientation, gender identity and/or expression, or marital, parental or military status; affirms our commitment to inclusion, diversity, and equality.

Procedure

In the event of an act of hatred or discrimination that 1) involves 32nd DAA staff or Board Members, and/or 2) takes place on 32nd DAA property, and/or 3) takes place during a 32nd DAA-sponsored event or program, the Board Member and any involved staff members will follow the reporting and investigation procedures outlined in Policy 2.05: Reporting Wrongdoing.

In addition, the Board Chair has the authority and responsibility to issue a public statement as soon as practically feasible. The only exception to this guideline is under circumstances where a public statement could cause further damage to target(s) of the incident or impact an active investigation. The public statement will reiterate the values, ethics, and commitment of the 32nd DAA to a workplace and community free from hatred and discrimination. If relevant, the public statement may also address mitigation or response activities the 32nd DAA is taking in relation to the incident.

32nd District Agricultural Association
Board Policies

Board Policy 5.01: Appointment and Removal of the CEO

Date Adopted/Last Revised: November 19, 2020

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Purpose

The California Food and Agricultural Code authorizes the Board to appoint and remove the CEO. In addition, planning for executive leadership transition is a critical governance responsibility of the Board. This policy outlines the Board's duties and procedures related to these processes.

Policy

The Board is responsible for ensuring that the 32nd DAA has strong and continuous executive leadership. Under the authority of the California Food and Agricultural Code and Article IV in the Board Bylaws, the Board has the authority to appoint and remove the CEO.

In addition, succession planning of executive leadership is addressed through the close partnership between the Board and the CEO, and the informal ongoing planning for leadership development of management staff. The CEO is responsible to equip no fewer than two other members of the executive management team with sufficient information to assume the role of interim CEO with reasonable proficiency.

More formally, the Board and CEO are responsible to develop a written emergency plan (or include a section on emergency executive succession in other documents like a business continuity or disaster preparedness plan), which is reviewed annually and revised when needed. The plan should address unexpected short-term absences of three months or less, as well as long-term or permanent absences. The Board may work with the CEO, other members of the executive leadership team, and/or outside consultants to plan for a stable transition.

Procedure

Appointing the CEO

Ideally, the appointment of the CEO should be made by a unanimous Board vote. If a unanimous vote cannot be reached, the Board is authorized to appoint the CEO with a majority vote and in accordance with the notice and reporting requirements of the Bagley-Keene Open Meeting Act.

Removing the CEO

California law authorizes the Board to remove the CEO without cause. The Board may terminate the CEO with a majority vote and in accordance with the notice and reporting requirements of the Bagley-Keene Open Meeting Act.

Appointing an Interim CEO

If the CEO is anticipated to be necessarily absent for a one- to three-month period with the intent to return, they may delegate their authority to a member or members of their executive staff. If the CEO is unable to perform such delegation before their absence, the Board can appoint an interim CEO.

In addition, if the CEO is anticipated to be necessarily absent for a period longer than three months, the Board can appoint an interim CEO. Ideally, this work would be done in collaboration with the CEO. The Board may select a qualified staff member, or opt to appoint any other qualified individual. However, current Board members are not eligible to fill the interim role. If a current member of staff is selected for this role, they will receive “out-of-class” pay on a temporary basis according to CalHR guidelines.

Removing an Interim CEO

If the Board determines that an interim CEO must be removed before the return of the CEO, they may remove the delegation of authority or terminate the employee with a majority vote.

32nd District Agricultural Association
Board Policies

Board Policy 5.02: CEO and Staff Accountability

Date Adopted/Last Revised: November 19, 2020

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Purpose

The purpose of this policy is to outline the accountability and proper reporting relationship among the CEO, 32nd DAA staff members, and the Board.

Policy

The Board's sole official connection to the day-to-day operations of the 32nd DAA is through the CEO. Within this context, only official Board action is binding on the District and CEO. Decisions or instructions of individual Board members, officers, or committees are not binding on the District or the CEO unless the Board has properly delegated that authority.

In addition, the CEO is accountable for, and maintains authority over, 32nd DAA staff. As such, the Board will not provide direction to, or evaluate, any 32nd DAA employee (other than the CEO).

32nd District Agricultural Association
Board Policies

Board Policy 5.03: Delegation of Executive Authority

Date Adopted/Last Revised: November 19, 2020

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Purpose

The Board delegates authority to the CEO for the daily management and administration of the 32nd DAA. This policy sets out key parameters for the CEO's authority.

Policy

The Board directs the CEO through written policies that outline the organization's mission, values, and strategic priorities. Within this context, the Board delegates to the CEO the authority to execute those policies and manage the day-to-day operations of the 32nd DAA.

General Responsibilities

Other than as expressly provided in these Board Policy documents, all matters not specifically reserved for the Board and necessary for the day-to-day management of the organization are delegated to the CEO. In turn, the CEO may delegate where appropriate. In general, the CEO is responsible for:

- Overseeing the successful implementation of the Board's policies and strategic priorities within the resources and fiscal limits set by the Board.
- Ensuring that the organization's daily operations are carried out in accordance with all legal and regulatory requirements, 32nd DAA Bylaws, and Board policies, along with the values and ethics of the organization.

- Ensuring that the organization’s policies, practices, and decisions are undertaken in a manner that is responsible, equitable, and consistent with commonly accepted state agency and business practices.
- Maintaining a strong working relationship with the Board by sharing relevant information in a timely manner—including all specified reports, meeting notices and agenda packets, decision information, and notification of any current or anticipated actions that may threaten the organization.
- Ensuring that the organization’s assets are adequately protected, maintained, and not placed at unnecessary risk.
- Ensuring that the 32nd DAA’s budgeting is based on generally accepted accounting principles and that budgets are balanced.
- Ensuring that the 32nd DAA is financially sound by guiding efforts to increase revenue and maintain a balanced operating budget.
- Promoting a healthy work environment for staff that is consistent with the organization’s values.
- Managing and approving all staffing, organizational structure, and personnel decisions, including hiring, discipline, terminations, classifications, and salary ranges.
- Representing the organization to the community, media, and other stakeholders in a way that enhances the public image and credibility of the organization.

Reporting to the Board

The CEO is required to provide the Board with the information it requires to govern effectively, make informed decisions, and monitor the overall performance of the 32nd DAA. As part of this work, the CEO will report to the Board, on at least a monthly basis, of all significant actions the CEO has taken within the parameters of the CEO’s delegated authority. Reports from the CEO, or selected management representatives, will cover areas including organizational performance toward goals, financial performance, human resources issues, or other major items related to organizational operations. In addition, the CEO is expected to provide advice to the Board on policy and program/service issues that affect the services provided by the 32nd DAA.

Other Responsibilities

In addition to the general responsibilities outlined above, specific responsibilities are described in the CEO’s job description and in the following Board Policies:

- Chapter 2: Ethics of the Organization

- All policies
- Chapter 4: Board Organizational Oversight
 - Planning as outlined in 4.03 Organizational Planning
 - Financial Stewardship as outlined in 4.05 Financial Stewardship
 - Risk Management as outlined in 4.06 Risk Management
 - Records Management as outlined in 4.07 Records Management Policy
 - Personnel Management as outlined in 4.08 Personnel Policy
 - Community representation as outlined in 4.09 Community Relations and Advocacy
- Chapter 5: Board-Management Delegation
 - All policies

Emergency Situations

In emergency situations involving operational matters upon which prompt action is necessary, the CEO will have the authority to act on matters not expressly within this delegation, provided:

- The action is, in the CEO's judgment, necessary to protect the 32nd DAA, its employees and members of the public from loss or harm that is reasonably likely to occur if action is delayed for the scheduling of a noticed meeting of the Board; and
- The CEO promptly reports to the Board the emergency action taken, and the reasons why the CEO determined action was immediately necessary.

32nd District Agricultural Association
Board Policies

Board Policy 5.04: CEO Compensation and Benefits

Date Adopted/Last Revised: November 19, 2020

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Purpose

The CEO is a principle representative of the 32nd DAA and is responsible for the effective operation of the organization. The purpose of this policy is to ensure that the CEO is provided with fair and reasonable compensation for the execution of their critical role.

Policy

The California Department of Human Resources (CalHR) designates district agricultural association CEOs as Secretary-Manager III positions and sets the annual compensation (salary and benefits) range for this role.

Under the authority of Article IV in the Board Bylaws, the Board has the responsibility to determine the compensation of the CEO within the range established by the CalHR. The 32nd DAA's philosophy on executive compensation is based on the intent to recruit and retain a high-quality and experienced leader who can effectively execute on the 32nd DAA's mission and strategic priorities. Executive compensation is determined by three factors:

1. Individual qualifications (if the CEO is new to the position)
2. Individual and organizational performance based on the CEO evaluation
3. 32nd DAA budget and financial condition

It is the policy of the 32nd DAA that the Board will review the CEO's compensation on an annual basis.

Retention Differential

In alignment with CalHR's Exempt Salary Schedule, the Board may grant a retention differential to the CEO, if it determines that they have achieved expected performance objectives and that such a bonus is necessary for retention purposes.

Independence

All Board Members, including the Board Chair, will operate independently without undue influence from the CEO. No member of the Board who is involved in setting compensation can be a relative of the CEO or have any relationship with the CEO that could present a conflict of interest.

Procedure

Executive compensation is determined based on the factors described above, and must be confirmed in writing. This determination takes place in the first quarter of the fiscal year, with any changes to salary effective upon CalHR confirmation.

Concurrent Documentation

To approve the compensation for the CEO, the Board must document how it reached its decisions, including the data on which it relied, in minutes of the meeting during which the compensation was approved. Documentation will include:

- A description of the compensation and the date it was approved;
- Board Members who were present during the discussion about compensation, and the results of the vote;
- Any actions taken (such as abstaining from discussion and vote) with respect to consideration of the compensation by any Board Member who has a conflict of interest with respect to the decision on the compensation and benefits.

32nd District Agricultural Association
Board Policies

Board Policy 5.05: CEO Performance Evaluation

Date Adopted/Last Revised: November 19, 2020

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Purpose

The purpose of this policy is to ensure that the 32nd DAA's CEO receives consistent and timely feedback about their performance from the Board.

Policy

The Board will formally evaluate the CEO's performance on an annual basis using the approved form from the California Department of Food & Agriculture. The evaluation will be based upon:

- An evaluation of the organization's performance in the last fiscal year compared to the organization's mission, vision, and strategic goals.
- An evaluation of the CEO's professional performance and growth compared to goals developed by the Board in collaboration with the CEO.
- A self-evaluation by the CEO.
- Feedback from direct staff reports about the CEO through the Human Resources Department.

Procedure

The CEO's performance evaluation will be finalized during the first quarter of each fiscal year. The Board will provide their evaluation in both written form and in person during an executive evaluation session. The CEO will have the opportunity to comment, respond, include other assessment information, and suggest growth and development ideas before and during the evaluation session.

During the executive evaluation session, the CEO and the Board should discuss and formalize any specific goals for the following year. These goals should be rooted in the organization's performance against strategic goals, as well as the overall leadership of the executive.

The CEO will have the option to receive his/her personnel evaluation during open session or a public meeting or during a closed session of a public meeting. In connection with the CEO's personnel evaluation, the Board will comply with all notice requirements under the Bagley-Keene Open Meeting Act.

32nd District Agricultural Association
Board Policies

Board Policy 5.06: Emergency CEO Succession

Date Adopted/Last Revised: November 19, 2020

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Purpose

Planning for executive leadership transition is a critical governance responsibility of the Board. This policy outlines the responsibility of the Board to accomplish this role.

Policy

Succession planning of executive leadership is addressed through the close partnership between the Board and the CEO, and the informal ongoing planning for leadership development of management staff. The CEO is responsible to equip no fewer than two other members of the 32nd DAA's executive management team with sufficient information to assume the role of interim CEO with reasonable proficiency.

More formally, the Board and CEO are responsible to develop a written emergency plan, which is reviewed at the October annual meeting of the Board and revised when needed. The plan addresses unplanned short term absences of three months or less, as well as long term or permanent absences. The Board may work with the CEO, other members of the executive leadership team, and/or outside consultants to plan for a stable transition. Should the Board be required to appoint an interim CEO, it will make such appointment in accordance with the notice and reporting requirements of the Bagley-Keene Open Meeting Act.

32nd District Agricultural Association
Board Policies

Board Policy 5.07: CEO Event Responsibilities

Date Adopted/Last Revised: November 19, 2020

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Purpose

The purpose of this policy is to establish guidelines and expectations for the CEO related to event-specific responsibilities. Areas of focus include event logistics, event ticket distribution, and fairground management.

5.07.01 Event Logistics

Policy

It is the policy of the 32nd DAA that the CEO will provide adequate logistical planning for all major events, including the annual Fair, in order to protect the reputation of the organization and provide value to the public.

Within this context, adequate logistical planning involves:

- Active collaboration with governmental agencies and affected property owners and residents to minimize inconveniences or other negative impacts caused by events. The CEO may offer up to twenty OC Fair admission tickets to neighbors for a discounted price as defined in the 32nd DAA's neighbor ticket policy.
- Recommending the price of entrance fees and parking for the annual OC Fair as part of the annual operating budget process and presenting to the full Board for approval. Such rates will be competitive with other fair and special event venues in Southern California.
- Choosing concessions, and items sold directly by the 32nd DAA at rates that are competitive with other fair and special event venues in Southern California.

- Operating with an Incident Command Procedure / Emergency Preparedness Plan. This plan must be approved by appropriate governmental agencies, and communicated to relevant staff, as well as key vendors and production personnel. To this end, the CEO will schedule a security meeting with the appropriate security partner representatives and the Chair and Vice Chair of the Board prior to the start of the annual OC Fair and once in the approximate mid-point of the annual OC Fair.

5.07.02 Event Ticket Distribution

Policy

It is the policy of the 32nd DAA that the CEO will follow established policies and procedures pertaining to the equitable and rational distribution of complimentary event tickets in support of the 32nd DAA's strategic goals. All ticketing policies and implementation of those policies must comply with all applicable state laws and regulations.

Within this context, the CEO will:

- Maintain and adhere to explicit policies, procedures, controls, and record-keeping over the distribution of complimentary tickets.
- Act in accordance with California Food & Agricultural Code section 3026 and limit the total number of courtesy fair admission tickets to less than 4% of the quantity of gross paid admissions to the OC Fair in the preceding calendar year.
- Maintain and adhere to explicit policies, procedures, controls and record-keeping over the reservation and sale or courtesy distribution of "house seats" in the Pacific Amphitheatre for strategic business development and community relations.
 - House seats may not be held except for the following purposes:
 - Contractual fulfillment of agreements with artists and performers
 - Promotions and marketing, including sponsorships
 - Press and media relations
 - Business development and community relations
 - House seats provided on a courtesy basis are subject to all requirements of Section 3 below.
- Post the ticket policy on the 32nd DAA website in accordance with FPPC requirements, and for reporting and recordkeeping regarding tickets as required by state and federal tax law, including but not limited to the California Political Reform Act of 1974 (government

Code sections 81000, *et seq.*, as amended) and the Fair Political Practices Commission (“FPPC”) Regulations (Title 2, Division 6 of the California Code of Regulations, sections 18110, *et seq.*, as amended).

- Follow the policy statement described immediately below:

A. Application of Policy

- i. This policy applies to tickets distributed by the OC Fair & Event Center (OCFEC) for events and activities, including the OC Fair, Pacific Amphitheatre, Action Sports Arena, Hangar and other events and activities taking place at the OCFEC facility.
- ii. This policy applies to tickets which provide admission to a facility or event for an entertainment, amusement, recreational or similar purpose, and are either:
 - a. Issued by OCFEC as the producer of the event;
 - b. Gratuitously provided to OCFEC by an outside source;
 - c. Acquired by OCFEC by purchase;
 - d. Acquired by OCFEC as consideration pursuant to the terms of a contract for the use of an OCFEC venue; or
 - e. Acquired and distributed by OCFEC in any other manner.
- iii. This policy does not apply to any other item of value provided to OCFEC or any OCFEC Official, regardless of whether received gratuitously or for which consideration is provided.

B. Definitions

- i. “OC Fair & Event Center” or “OCFEC” shall mean the 32nd District Agricultural Association, known as the OC Fair & Event Center.
- ii. “OCFEC Official” means every Director, officer, employee, or consultant of the OC Fair & Event Center, as defined in Government Code Section 82048 and California Code of Regulations, title 2, section 18701. OCFEC Official shall include, without limitation, any member of the OCFEC’s Board of Directors or any other appointed OCFEC official or OCFEC employee required to file an annual Statement of Economic Interests (FPPC Form 700).
- iii. “OCFEC Venue” means and includes the OC Fair & Event Center, OC Fairgrounds, Pacific Amphitheatre, Action Sports Arena, Hangar or any other venue owned, controlled, or operated by OCFEC.
- iv. “Immediate Family” means the spouse or registered domestic partner and dependent children, as set forth in Government Code section 82029 and Family Code section 297.5.
- v. “Policy” means this ticket policy.
- vi. “Ticket” means and includes any form of admission privilege to a facility, event, show or performance.

C. General Provisions

- i. No Right to Tickets: The use of complimentary tickets is a privilege extended by OCFEC and not the right of any person to which the privilege may from time to time be extended.
- ii. Limitation on Transfer of Tickets: Tickets distributed to an OCFEC Official pursuant to this Policy shall not be transferred to any other person, except to members of such OCFEC Official's Immediate Family (as defined above) solely for their personal use. Unused tickets must be returned to the District for sale to the general public.
- iii. Prohibition Against Sale or Receiving Reimbursement for Tickets: No person who receives a ticket pursuant to this Policy shall sell or receive reimbursement for the value of such ticket.
- iv. No Earmarking of Tickets to OCFEC: No ticket gratuitously provided to the OCFEC by an outside source and distributed to, or at the behest of an OCFEC Official pursuant to this Policy, shall be earmarked by the original source for distribution to a particular OCFEC Official.
- v. No Disproportionate use of Tickets or Passes: This Policy prevents the disproportionate use of tickets or passes by Board Members and the CEO.

D. Ticket Administrator

- i. The 32nd DAA CEO shall be the Ticket Administrator for purposes of implementing the provisions of this Policy, and may delegate this responsibility within the organization as necessary.
- ii. The Ticket Administrator shall have the authority, in his or her sole discretion, to establish procedures for the distribution of tickets in accordance with this Policy. All requests for tickets which fall within the scope of this Policy shall be made in accordance with the procedures established by the Ticket Administrator.
- iii. The Ticket Administrator shall determine the face value of tickets distributed by OCFEC for purposes of Sections E(i), E(ii), and G(i)(d) of this Policy. Face value will include any applicable fees and service charges.
- iv. The Ticket Administrator, in his or her sole discretion, may revoke or suspend the ticket privileges of any person who violates any provision of this policy or the procedures established by the Ticket Administrator for the distribution of tickets in accordance with this policy.
- v. The disclosure forms required by Section G of this Policy shall be prepared and posted by the Ticket Administrator, or by an individual acting under the Ticket Administrator's authority, supervision and control.

E. Conditions Under Which Tickets May Be Distributed

Subject to the provisions of this Policy, tickets may be distributed to OCFEC Officials under the following conditions:

- i. The OCFEC Official reimburses OCFEC for the face value of the ticket(s), including any applicable fees and service charges.
 - a. Reimbursement shall be made at the time the ticket(s) is/are distributed to the OCFEC Official.
 - b. The Ticket Administrator shall, in his or her sole discretion, determine which event tickets, if any, shall be available under this section.
- ii. The OCFEC Official treats the value of the ticket(s) as income consistent with applicable federal and state income tax laws.
- iii. The OCFEC Official uses, or behests, such ticket(s) for one or more of the following public purposes:
 - a. Performance of a ceremonial role or function representing OCFEC at the event, for which the OCFEC Official may receive enough tickets for the OCFEC Official and each member of his or her immediate family.
 - b. The official and/or job duties of the OCFEC Official require his or her attendance at the event, for which the OCFEC Official may receive enough tickets for the OCFEC Official and each member of his or her immediate family.
 - c. Economic or business development purposes on behalf of OCFEC, including but not necessarily limited to: promotion and marketing of OCFEC's resources and facilities available for commercial and other uses; increase of ancillary revenue for food, beverage, parking and related items at interim and OCFEC-promoted events; promotion and marketing of OCFEC initiated, supported controlled or sponsored programs or events.
 - d. Fulfillment of contractual obligations where OCFEC has agreed to provide tickets as a form of consideration.
 - e. Intergovernmental relations purposes, including but not limited to attendance at an event with or by elected or appointed public officials from other jurisdictions, their staff members and their guests.
 - f. Attracting or recognizing volunteer service to OCFEC.
- iv. The Ticket Administrator may also elect to offer OC Fair admission tickets at a discounted price to OCFEC Officials for one or more of the public purposes described in Section E(iii). If offered, the Ticket Administrator will establish the prices of such tickets and any applicable quantity limits.

F. Tickets Distributed at the Behest of an OCFEC Official

- i. Only Board Members and the CEO shall have the authority to behest tickets.
- ii. Tickets shall be distributed at the behest of an OCFEC Official only for one or more public purposes set forth in this Policy.
- iii. If tickets are distributed at the behest of an OCFEC Official, such OCFEC Official shall not use one of the tickets so distributed to attend the event.

G. Disclosure Requirements

- i. Tickets distributed by OCFEC to any OCFEC Official (i) which the OCFEC Official treats as income pursuant to Section E(ii) above, or (ii) for one or more public purposes described in Section E(iii) above, shall be posted on FPPC Form 802, or any successor form provided by the FPPC, in a prominent fashion on OCFEC's website within thirty (30) days after distribution. Such posting shall include the following information:
 - a. The name of the recipient, except that if the recipient is an organization, OCFEC may post the name, address, description of the organization and number of tickets provided to the organization in lieu of posting the names of each individual recipient;
 - b. A description of the event;
 - c. The date of the event;
 - d. The face value of the ticket;
 - e. The number of tickets provided to each person or organization;
 - f. If the ticket was distributed at the behest of an OCFEC Official, the name of the OCFEC Official who made such behest; and
 - g. A description of the public purpose(s) under which the distribution was made, or, alternately, that the OCFEC Official is treating the ticket(s) as income.
- ii. Tickets distributed by OCFEC for which OCFEC receives reimbursement from the OCFEC Official as provided under Section E(i) above shall not be subject to the disclosure provisions of Section G(i).

5.07.03 Fairground Management/Leasing

Policy

With respect to the interim and year-round operations, it is the policy of the 32nd DAA that the CEO will maintain the appearance and reputation of the Fairgrounds as a vital community asset.

Accordingly, the CEO will:

- Establish and maintain a competitive rental rate structure for space/building rentals.
- Operate with standardized rental policies and requirements, which shall be incorporated into all rental agreements.
- Rent facilities with both parties entering into a written rental agreement.
- Operate with the written consent of the two affected parties, allow competing events within forty-five (45) days of the traditional dates of annual renters' events.
- Ensure that facilities are not rented for any activities that the CEO determines may adversely impact the local neighborhood.
- Comply with the 32nd DAA's High Profile Event Policy.

32nd District Agricultural Association
Board Policies

Board Policy 6.01: Drones

Date Adopted/Last Revised: April 23, 2015

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Policy

It is the policy of the 32nd DAA to ban the use of all remotely controlled devices such as aircraft, cars, etc.

- No remotely controlled aircraft or ground vehicle devices are authorized to operate on, above or below 32nd DAA property at any time without the express written consent of the 32nd DAA or the proper law enforcement authority.
- This procedure includes, but is not limited to unmanned aircraft systems, radio controlled model aircraft, other devices that can be operated in airspace and remote controlled cars/ground vehicles.
- Possession or operation of such remotely controlled aircraft or ground vehicle devices without prior written consent will result in the confiscation of all related materials, removal from 32nd DAA property, and/or a response from law enforcement authority.
- The 32nd DAA will notify the Federal Aviation Administration and/or the Joint Terrorism Task Force (JTTF), and/or any other law enforcement authority deemed necessary of any incidents involving airborne aircraft or any other unauthorized remote controlled ground based vehicles.
- Events requiring the use of any such prohibited items listed above must receive a prior written notification of approval from the 32nd DAA or the proper law enforcement authority. Any and all entities requesting to utilize a remotely controlled device must sign the appropriate documentation prior to bringing any such equipment on to, above or below 32nd DAA property.

32nd District Agricultural Association
Board Policies

Board Policy 6.02: Smoking

Date Adopted/Last Revised: October 16, 2015

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Policy

- By state law and in the interest of public health, smoking shall not be permitted in or within 20 feet of any State of California building, including the Santa Ana Pavilion area, OC Promenade area, Centennial Farm, Pacific Amphitheatre seating area, and Action Sports Arena grandstand and bleacher seating areas. This policy includes the use of electronic cigarettes, vaporizers and oil/wax pens.
- During 32nd DAA produced events (i.e. OC Fair, Imaginology) smoking and the use of electronic cigarettes, vaporizers and oil/wax pens is prohibited.
- Year-round event promoters may adopt more restrictive policies at their discretion, and with the prior approval of the 32nd DAA.

32nd District Agricultural Association
Board Policies

Board Policy 6.03: Megan's Law

Date Adopted/Last Revised: April 22, 2016

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Purpose

Since 1947, California has required certain sex offenders to register with their local law enforcement agencies. (Pen. Code, §290, et. seq.) The California Department of Justice's Sex Offender Tracking Program has been responsible for keeping track of registered sex offenders in California since registration began. California's Megan's Law (Pen. Code, §§290.4, 290.45) was enacted in 1996, and allows local law enforcement agencies to notify the public about high-risk and serious sex offender registrants.

The 32nd DAA is committed to public safety of all who attend events held at the property.

Policy

- All persons seeking employment with, employed by, or volunteering at the OC Fair & Event Center (OCFEC) will be required to provide 32nd DAA staff with all necessary personal information sufficient to conduct a criminal background check, and a search on the California Department of Justice's Megan's Law database (www.meganslaw.ca.gov). All personnel employed by or volunteering for the 32nd DAA will be subject to screening which will include Megan's Law and criminal background checks.
- In addition, all entities conducting business with the 32nd DAA during the annual OC Fair, Imaginology, other future OCFEC self-produced events, or at the discretion of management, select year-round events that attract attendance primarily by children and families will be required to conduct screening of each of that entity's employees, agents, servants, volunteers, subcontractors, and/or independent contractors who will be performing job-related duties on 32nd DAA premises. This screening will include

searches for sex offender registration. Entities will certify in writing that they will conduct the required screening, and will indemnify the 32nd DAA for any negligence, passive or active, arising out of or in any way connected with their obligations pertaining to the required screening.

- Any individual who is a registered sex offender and/or whose name appears on the California Department of Justice's Megan's Law database will not be eligible to work or volunteer on 32nd DAA premises.

32nd District Agricultural Association
Board Policies

Board Policy 6.04: High Profile Event Policy

Date Adopted/Last Revised: June, 2016

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Purpose

This policy governs High Profile Events at the OC Fair & Event Center (OCFEC). A High Profile Event is defined as an event that meets one or more of the following criteria, as determined by OCFEC in its sole and absolute discretion:

- The event has the potential to have a significant impact on the surrounding neighborhoods, including but not limited to noise, lighting, traffic congestion, and public safety.
- The complex nature of the event may impede operational event execution including, without limitation, effective crowd control and public safety measures.

Policy

In order to allow the OCFEC adequate time to assess and plan for High Profile events, the following policy will be implemented:

1. OCFEC must have at least seven (7) business days' notice prior to the High Profile Event to adequately assess and plan the event, and coordinate with all relevant internal operations functions and appropriate external partners. The assessment process will include the same considerations as with all other events, including:
 - a. Available space – Is the desired space available without negatively impacting other users/uses of the property?
 - b. Available dates – Is the desired date(s) available without negatively impacting other users/uses of the property?
 - c. Scope of High Profile Event– Can the event be supported by available infrastructure and operational resources, and is it within the mission and values of OCFEC?
 - d. Competing events – Does the event compete with a similar or like event within the date range designated in the Competing Events Policy?

- e. Safety concerns – Are there any safety risks and liabilities that may be caused by the event? If so, are such risks manageable?
 - f. Renter experience – What is the event experience desired by Renter?
 - g. Venue references – What is the past experience of the Renter’s event at other venues?
 - h. Bank and financial institutions references – provide three current references.
 - i. Provide three venue references in which renter has held previous events and if possible, references for events similar in size and scope to current event being considered by OCFEC.
 - j. High Profile Event business plan – What is the Renter’s proposed business plan for the event?
 - k. Financial return to OCFEC – What is the proposed net financial gain from the event?
- 2. Before an OCFEC contract for a High Profile Event is executed, OCFEC staff and CEO, along with Renter’s representative(s) if applicable, will meet with area stakeholders including, but not limited to, the Chair and Vice-Chair of the OCFEC Board of Directors, the City of Costa Mesa, the Costa Mesa Police Department, Cal Fire, the OC Sheriff’s Department, Orange Coast College, Vanguard University, and the Newport Mesa School District to discuss and assess the potential impact on the surrounding neighborhoods.
 - 3. The Renter is required to pay 100% of the estimated event expenses, including the facility rental, in advance via certified check or wire transfer.
 - 4. A security plan for the High Profile Event will be developed by OCFEC staff in conjunction with area law enforcement. The Renter must approve the security plan, agree and pay in advance the full costs associated with this plan to all appropriate agencies involved in providing services to the event, including OCFEC. Satisfactory payment arrangements must be made directly with the security/third party vendor before an OCFEC contract will be executed.
 - 5. The Renter is required to provide an additional payment in the form of a minimum deposit of 50% of the total estimated event expenses to cover any additional costs that may be incurred as a result of the event. A certified check or credit card is required for this deposit and must be submitted 24 hours prior to the start of the event. If a credit card is presented as payment for this deposit, 50% of the total estimated costs will be charged to the credit card 24 hours prior to the start of the event. Within five business days of the conclusion of the event, OCFEC staff will present the Renter with a final event expense invoice and refund any overages.

6. The Renter may not issue tickets, vouchers or passes to the event (whether paid or complimentary) in excess of the State Fire Marshal's maximum capacity for the venue.
7. Due to the nature of High Profile events and the potential risk for OCFEC and surrounding areas, the Renter must provide a certificate of insurance for an amount not less than \$2 million in general liability coverage per occurrence. Upon concluding a risk assessment, OCFEC in its sole and absolute discretion reserves the right to increase the general liability coverage in an amount determined over the \$2 million minimum requirement.
8. Once the High Profile Event contract is signed, OCFEC will immediately begin communicating through a variety of channels to the public, stakeholders and surrounding neighbors regarding the event.

32nd District Agricultural Association
Board Policies

Board Policy 6.05: Cannabis Event Policy

Date Adopted/Last Revised: November 15, 2018

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Policy

The 32nd District Agricultural Association (OC Fair & Event Center) does not book cannabis-related events at the OC Fair & Event Center for several reasons, including without limitation, the City of Costa Mesa's Marijuana Ordinance and the OC Fair & Event Center's close proximity to schools, parks, day care centers and other areas where minors gather. This policy also extends to existing events which are prohibited from including cannabis products or activities, cannabis-related products or activities or drug paraphernalia during events held at the OC Fair & Event Center. The OC Fair & Event Center does not permit any sponsor, vendor or exhibitor to include in any marketing, advertising or information for an event held at the OC Fair & Event Center, any promotion, information or advertisement from cannabis dispensaries or third-parties that sell or promote cannabis-related products or drug paraphernalia. Event sponsors, vendors and/or exhibitors may not distribute, sell or promote cannabis products, cannabis-related products or drug paraphernalia during any event at the OC Fair & Event Center.

Notwithstanding the foregoing, the OC Fair & Event Center permits the sale, promotion and display of products containing seeds derived from industrial hemp or industrial hemp seed oil or hemp seed oil derived from industrial hemp, consistent with California law.

32nd District Agricultural Association
Board Policies

Board Policy 6.06: Second Signature Policy

Date Adopted/Last Revised: December 12, 2019

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Policy

It is the policy of the Board that the CEO has delegated authority as the first signer on checks over \$15,000, and that the Vice President of Operations shall serve as the authorized second signature on checks over \$15,000. In the absence of the Vice President of Operations, the Board Chair or Vice Chair shall serve as the authorized second signature. The signatures of those authorized shall be officially recorded on bank signature cards.

32nd District Agricultural Association
Board Policies

Board Policy 6.07: Enhanced Worker Safety Policy

Date Adopted/Last Revised: January 28, 2021

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Purpose

For all construction projects with a contract price in excess of Twenty Five Thousand Dollars (\$25,000), the following Enhanced Worker Safety Policy (EWSP) shall be included as part of the contract document:

Policy

The EWSP will be monitored by the construction management team at the construction site by collecting daily job manpower reports. These reports shall contain specific information on trades, personnel, and equipment engaged on the project site on a daily basis. The required workforce ratios shall be determined by verifying the workforce on a daily basis.

The 32nd DAA has adopted California Public Contract Code Chapter 2.9 – Skilled and Trained Workforce Requirements [2600-2603] as its policy for construction projects with a contract price in excess of \$25,000.

Public Contract Code Chapter 2.9 – Skilled and Trained Workforce Requirements [2600-2603] is as follows:

CHAPTER 2.9. Skilled and Trained Workforce Requirements [2600 - 2603]

2600:

(a) This chapter applies when a public entity is required by statute or regulation to obtain an enforceable commitment that a bidder, contractor, or other entity will use a skilled and trained workforce to complete a contract or project.

(b) A public entity may require a bidder, contractor, or other entity to use a skilled and trained workforce to complete a contract or project regardless of whether the public entity is required to do so by a statute or regulation.

(c) When the use of a skilled and trained workforce to complete a contract or project is required pursuant to subdivision (a) or (b), the public entity shall include in all bid documents and construction contracts a notice that the project is subject to the skilled and trained workforce requirement.

(Amended by Stats. 2020, Ch. 347, Sec. 1. (AB 2311) Effective January 1, 2021.)

2600.5:

The failure of a public entity to provide a notice pursuant to subdivision (c) of Section 2600 shall not excuse either of the following:

(a) The public entity from the requirement to obtain an enforceable commitment that a bidder, contractor, or other entity will use a skilled and trained workforce to complete a contract or project.

(b) A bidder, contractor, or other entity from the obligation to use a skilled or trained workforce if such a requirement is imposed by a statute or regulation.

(Added by Stats. 2020, Ch. 347, Sec. 2. (AB 2311) Effective January 1, 2021.)

2601:

For purposes of this chapter:

(a) “Apprenticeable occupation” means an occupation for which the Chief of the Division of Apprenticeship Standards of the Department of Industrial Relations had approved an apprenticeship program pursuant to Section 3075 of the Labor Code before January 1, 2014.

(b) “Chief” means the Chief of the Division of Apprenticeship Standards of the Department of Industrial Relations.

(c) “Graduate of an apprenticeship program” means either of the following:

(1) An individual that has been issued a certificate of completion under the authority of the California Apprenticeship Council for completing an apprenticeship program approved by the chief pursuant to Section 3075 of the Labor Code.

(2) An individual that has completed an apprenticeship program located outside California and approved for federal purposes pursuant to the apprenticeship regulations adopted by the federal Secretary of Labor.

(d) “Skilled and trained workforce” means a workforce that meets all of the following conditions:

(1) All the workers performing work in an apprenticeable occupation in the building and construction trades are either skilled journeypersons or apprentices registered in an apprenticeship program approved by the chief.

(2) (A) For work performed on or after January 1, 2017, at least 30 percent of the skilled journeypersons employed to perform work on the contract or project by every contractor and each of its subcontractors at every tier are graduates of an apprenticeship program for the applicable occupation. This requirement shall not apply to work performed in the occupation of teamster.

(B) For work performed on or after January 1, 2018, at least 40 percent of the skilled journeypersons employed to perform work on the contract or project by every contractor and each of its subcontractors at every tier are graduates of an apprenticeship program for the applicable occupation, except that the requirements of subparagraph (A) shall continue to apply to work performed in the following occupations: acoustical installer, bricklayer, carpenter, cement mason, drywall installer or lather, marble mason, finisher, or setter, modular furniture or systems installer, operating engineer, pile driver, plasterer, roofer or waterproofer, stone mason, surveyor, teamster, terrazzo worker or finisher, and tile layer, setter, or finisher.

(C) For work performed on or after January 1, 2019, at least 50 percent of the skilled journeypersons employed to perform work on the contract or project by every contractor and each of its subcontractors at every tier are graduates of an apprenticeship program for the applicable occupation, except that the requirements of subparagraph (A) shall continue to apply to work performed in the following occupations: acoustical installer, bricklayer, carpenter, cement mason, drywall installer or lather, marble mason, finisher, or setter, modular furniture or systems installer, operating engineer, pile driver, plasterer, roofer or waterproofer, stone mason, surveyor, teamster, terrazzo worker or finisher, and tile layer, setter, or finisher.

(D) For work performed on or after January 1, 2020, at least 60 percent of the skilled journeypersons employed to perform work on the contract or project by every contractor and each of its subcontractors at every tier are graduates of an apprenticeship program for the applicable occupation, except that the requirements of subparagraph (A) shall continue to apply to work performed in the following occupations: acoustical installer, bricklayer, carpenter, cement mason, drywall installer or lather, marble mason, finisher, or setter, modular furniture or

systems installer, operating engineer, pile driver, plasterer, roofer or waterproofer, stone mason, surveyor, teamster, terrazzo worker or finisher, and tile layer, setter, or finisher.

(3) For an apprenticeable occupation in which no apprenticeship program had been approved by the chief before January 1, 1995, up to one-half of the graduation percentage requirements of paragraph (2) may be satisfied by skilled journeypersons who commenced working in the apprenticeable occupation before the chief's approval of an apprenticeship program for that occupation in the county in which the project is located.

(4) The apprenticeship graduation percentage requirements of paragraph (2) are satisfied if, in a particular calendar month, either of the following is true:

(A) At least the required percentage of the skilled journeypersons employed by the contractor or subcontractor to perform work on the contract or project meet the graduation percentage requirement.

(B) For the hours of work performed by skilled journeypersons employed by the contractor or subcontractor on the contract or project, the percentage of hours performed by skilled journeypersons who met the graduation requirement is at least equal to the required graduation percentage.

(5) The contractor or subcontractor need not meet the apprenticeship graduation requirements of paragraph (2) if, during the calendar month, the contractor or subcontractor employs skilled journeypersons to perform fewer than 10 hours of work on the contract or project.

(6) A subcontractor need not meet the apprenticeship graduation requirements of paragraph (2) if both of the following requirements are met:

(A) The subcontractor was not a listed subcontractor under Section 4104 or a substitute for a listed subcontractor.

(B) The subcontract does not exceed one-half of 1 percent of the price of the prime contract.

(e) "Skilled journeyperson" means a worker who either:

(1) Graduated from an apprenticeship program for the applicable occupation that was approved by the chief or located outside California and approved for federal purposes pursuant to the apprenticeship regulations adopted by the federal Secretary of Labor.

(2) Has at least as many hours of on-the-job experience in the applicable occupation as would be required to graduate from an apprenticeship program for the applicable occupation that is approved by the chief.

(Amended by Stats. 2018, Ch. 882, Sec. 1. (AB 3018) Effective January 1, 2019.)

2602:

(a) When a contractor, bidder, or other entity is required to provide an enforceable commitment that a skilled and trained workforce will be used to complete a contract or project, the commitment shall be made in an enforceable agreement with the public entity or other awarding body that provides both of the following:

(1) The contractor, bidder, or other entity, and its contractors and subcontractors at every tier, will comply with this chapter.

(2) The contractor, bidder, or other entity will provide to the public entity or other awarding body, on a monthly basis while the project or contract is being performed, a report demonstrating compliance with this chapter.

(b) If the contractor, bidder, or other entity fails to provide the monthly report required by this section, or provides a report that is incomplete, the public agency or other awarding body shall withhold further payments until a complete report is provided. If a monthly report is incomplete due to the failure of a subcontractor to timely submit the required information to the contractor, bidder, or other entity, the public agency or awarding body shall only withhold an amount equal to 150 percent of the value of the monthly billing for the relevant subcontractor. If a public agency or other awarding body withholds amounts pursuant to this subdivision, the contractor, bidder, or other entity shall be entitled to withhold the same amount from the subcontractor until the subcontractor provides the contractor, bidder, or other entity a complete report, and the public agency or awarding body subsequently pays the contractor, bidder, or other entity the withheld payments. If the contractor, bidder, or other entity substitutes a subcontractor pursuant to Chapter 4 (commencing with Section 4100) for failure to provide a complete report, and the contractor, bidder, or other entity replaces the subcontractor with one that provides an enforceable commitment that a skilled and trained workforce will be used to complete the contract or project, the public agency or awarding body shall immediately resume making payments to the contractor, bidder, or other entity, including all previously withheld payments.

(c) If a monthly report does not demonstrate compliance with this chapter, the public agency or other awarding body shall do all of the following:

(1) Withhold further payments until the contractor, bidder, or other entity provides a plan to achieve substantial compliance with this chapter, with respect to the relevant apprenticeable occupation, prior to completion of the contract or project. All of the following shall apply to the withholding of payments under this paragraph:

(A) The public agency or awarding body shall withhold an amount equal to 150 percent of the value of the monthly billing for the entity that failed to comply with this chapter, or 150 percent of the value of the monthly billing for the subcontractor that failed to comply with this chapter. If a public agency or other awarding body withholds amounts pursuant to this paragraph, the contractor, bidder, or other entity shall be entitled to withhold the same amount from the subcontractor that did not demonstrate compliance with this chapter.

(B) If the contractor, bidder, or other entity substitutes a subcontractor pursuant to Chapter 4 (commencing with Section 4100) for failure to demonstrate compliance, and the contractor, bidder, or other entity replaces the subcontractor with one that provides an enforceable commitment that a skilled and trained workforce will be used to complete the contract or project, the public agency or awarding body shall immediately resume making payments to the contractor, bidder, or other entity, including all previously withheld payments.

(C) If a contractor, bidder, or other entity submits to the public agency or awarding body a plan to achieve substantial compliance with this chapter, the public agency or awarding body shall immediately resume making payments to the contractor, bidder, or other entity, including all previously withheld payments unless, within a reasonable time, the public agency or awarding body rejects the plan as insufficient and explains the reasons for the rejection.

(2) Forward a copy of the monthly report to the Labor Commissioner for issuance of a civil wage and penalty assessment in accordance with Section 2603.

(3) Forward to the Labor Commissioner a copy of the plan, if any, submitted by the contractor, bidder, or other entity to achieve substantial compliance with this chapter and the response to that plan, if any, by the public agency or awarding body.

(d) A monthly report provided to the public agency or other awarding body shall be a public record under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code) and shall be open to public inspection.

(Amended by Stats. 2018, Ch. 882, Sec. 2. (AB 3018) Effective January 1, 2019.)

2603:

(a) If the Labor Commissioner or his or her designee determines after an investigation that a contractor or subcontractor failed to use a skilled and trained workforce in accordance with this chapter, the contractor or subcontractor responsible for the violation shall forfeit, as a civil penalty to the state, not more than five thousand dollars (\$5,000) per month of work performed in violation of this chapter. A contractor or subcontractor that commits a second or subsequent violation within a three-year period shall forfeit as a civil penalty to the state the sum of not more than ten thousand dollars (\$10,000) per month of work performed in violation of this chapter.

(b) For the purposes of this section:

(1) “Any interest” shall have the same meaning as in subdivision (h) of Section 1777.1 of the Labor Code.

(2) “Contractor or subcontractor” shall have the same meaning as in subdivision (g) of Section 1777.1 of the Labor Code.

(3) “Entity” shall have the same meaning as in subdivision (i) of Section 1777.1 of the Labor Code.

(c) The amount of any monetary penalty may be reduced or waived by the Labor Commissioner if the amount of the penalty would be disproportionate to the severity of the violation. The Labor Commissioner shall consider, in setting the amount of a monetary penalty, all of the following circumstances:

(1) Whether the violation was intentional.

(2) Whether the contractor or subcontractor has committed other violations of this chapter or of the Labor Code.

(3) Whether, upon notice of the violation, the contractor or subcontractor took steps to voluntarily remedy the violation.

(4) The extent or severity of the violation.

(5) Whether a contractor or subcontractor submitted and followed a plan to achieve substantial compliance with this chapter.

(d) The Labor Commissioner or his or her designee shall issue a civil wage and penalty assessment, in accordance with the provisions of Section 1741 of the Labor Code, upon determination of penalties assessed under subdivision (a). Review of a civil wage and penalty assessment issued under this subdivision may be requested in accordance with the provisions of Section 1742 of the Labor Code. The regulations of the Director of Industrial Relations, which govern proceedings for review of civil wage and penalty assessments and the withholding of contract payments under Article 1 (commencing with Section 1720) and Article 2 (commencing with Section 1770) of Chapter 1 of Part 7 of Division 2 of the Labor Code, shall apply.

(e) The determination of the Labor Commissioner as to the amount of the penalty imposed under subdivision (a) shall be reviewable by the Director of Industrial Relations only for an abuse of discretion.

(f) If a subcontractor is found to have violated this chapter, the prime contractor of the project is not liable for any penalties under subdivision (a) unless the prime contractor had knowledge of the subcontractor's failure to comply with this chapter or unless the prime contractor fails to comply with any of the following requirements:

(1) For contracts entered into on or after January 1, 2019, the contract executed between the contractor and the subcontractor for the performance of work on the project shall include a copy of this chapter.

(2) The contractor shall periodically monitor the subcontractor's use of a skilled and trained workforce.

(3) Upon becoming aware of a failure of the subcontractor to use a skilled and trained workforce, the contractor shall take corrective action, including, but not limited to, retaining 150 percent of the amount due to the subcontractor for work performed on the project until the failure is corrected.

(4) Prior to making the final payment to the subcontractor for work performed on the project, the contractor shall obtain a declaration signed under penalty of perjury from the subcontractor that the subcontractor has met the requirements of this chapter.

(g) The Labor Commissioner shall notify the prime contractor within 15 days of the receipt by the Labor Commissioner of a complaint that a subcontractor violated this chapter.

(h) Whenever a contractor or subcontractor is found by the Labor Commissioner to be in violation of this chapter with intent to defraud, the contractor or subcontractor or a firm, corporation, partnership, or association in which the contractor or subcontractor has any interest is ineligible for a period of not less than one year or more than three years to do either of the following:

(1) Bid on or be awarded a contract for a public works project.

(2) Perform work as a subcontractor on a public works project.

(i) Whenever a contractor or subcontractor is found by the Labor Commissioner to have committed two or more separate willful violations of this chapter within a three-year period, the contractor or subcontractor or a firm, corporation, partnership, or association in which the contractor or subcontractor has any interest is ineligible for a period of up to three years to do either of the following:

(1) Bid on or be awarded a contract for a public works project.

(2) Perform work as a subcontractor on a public works project.

(j) The debarment procedures adopted by the Labor Commissioner pursuant to Section 1777.1 of the Labor Code shall apply to any finding made under subdivisions (h) or (i) of this section.

(k) The Labor Commissioner shall publish on the commissioner's Internet Web site a list of contractors who are ineligible to bid on or be awarded a public works contract, or to perform work as a subcontractor on a public works project pursuant to this section. The list shall contain the name of the contractor, the Contractors' State License Board license number of the contractor, and the effective period of debarment of the contractor. Contractors shall be added to the list upon issuance of a debarment order and the commissioner shall also notify the Contractors' State License Board when the list is updated. At least annually, the commissioner shall notify awarding bodies of the availability of the list of debarred contractors.

(l) (1) If a public entity or awarding body that is required to obtain an enforceable commitment that a skilled and trained workforce will be used to complete a contract or project receives a monthly report which does not demonstrate compliance with the skilled and trained workforce requirements of subdivision (c) of Section 10506.6, Section 10506.8, Section 10506.9, or subdivision (c) of Section 20928.2 of this code, Article 9 (commencing with Section 388) of Chapter 2.3 of Part 1 of Division 1 of the Public Utilities Code, or subparagraph (B) of paragraph (8) of subdivision (a) of Section 65913.4 or subparagraph (B) of paragraph (4) of subdivision (f) of Section 66201 of the Government Code, the public entity or awarding body shall forward a copy of the monthly report to the Labor Commissioner for issuance of a civil wage and penalty assessment in accordance with this section.

(2) The penalty and debarment procedures of this section shall apply to violations of subdivision (c) of Section 10506.6, Section 10506.8, Section 10506.9, or subdivision (c) of Section 20928.2 of this code, Article 9 (commencing with Section 388) of Chapter 2.3 of Part 1 of Division 1 of the Public Utilities Code, or subparagraph (B) of paragraph (8) of subdivision (a) of Section 65913.4 or subparagraph (B) of paragraph (4) of subdivision (f) of Section 66201 of the Government Code.

(Added by Stats. 2018, Ch. 882, Sec. 3. (AB 3018) Effective January 1, 2019.)

32nd District Agricultural Association
Board Policies

Board Policy 6.08: Employee Work Conditions (AB 1499)

Date Adopted/Last Revised: October 22, 2020

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Policy

The 32nd DAA will abide by the following work conditions for non-management employees in the manner described under Chapter 3 of Division 7 of Title 3 of the California Code of Regulations:

- A meal period of not less than 30 minutes for a work period of more than five hours per day, unless the work period per day of the employees is less than six hours and the meal period is waived by mutual consent of both the employer and the employee.
- A second meal period of not less than 30 minutes for a work period of more than 10 hours per day, unless the work period per day of the employees is less than 12 hours, the second meal period is waived by mutual consent of both the employer and the employee, and the first meal period was not waived.
- Compensation at the rate of no less than one and one-half times the regular rate of pay for any work in excess of eight hours in one workday, any work in excess of 40 hours in any one workweek, and the first eight hours worked on the seventh day of work in any one workweek.
- Compensation at the rate of no less than twice the regular rate of pay for any work in excess of 12 hours in one day.
- Compensation at the rate of no less than twice the regular rate of pay for any work in excess of eight hours on any seventh day of a workweek.

This policy applies to all non-management employees employed by the 32nd DAA and employees of leases that grant exclusive and continuous occupancy for a period of one-year or longer.

This policy **does not** apply to:

- a. Employees covered by a valid collective bargaining agreement if that agreement expressly provides for all of the following: (1) Wages, hours of work, and working conditions of the employees; (2) Meal periods for the employees, including final and binding arbitration of disputes concerning application of its meal period provisions.
- b. Interim events and short-term rentals of a term less than a year.
- c. Lessees that employ less than fifty employees of a full-time status as determined by the Internal Revenue Service's Monthly Measurement Method.

32nd District Agricultural Association

Board Policies

Board Policy 6.09: Contracting Policies and Procedures (AB 1499)

Date Adopted/Last Revised: October 22, 2020

Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.

Policy

The following Contracting Policies and Procedures are as required by Business and Professions Code (BPC) Section 1960.15:

1. Leases that grant exclusive and continuous occupancy for a period of one-year or longer shall include the following provisions:
 - a. Lessee shall provide to all non-management employees the working conditions, or greater, outlined in the Required Working Conditions Policy 6.01. Failure to provide the working conditions shall be considered a material breach.
 - b. Lessee acknowledges that the 32nd DAA is a state institution under the oversight of the California Department of Food and Agriculture (CDFA) which conduct periodic audits for the purpose of ensuring compliance with state law and policy. Upon written request and with reasonable notice, Lessee shall make records available to the CDFA Audit Office for examination in order to confirm compliance with the required work conditions policy. Records may include, but are not limited to, payroll and time keeping records of non-management employees.
 - c. Lessee shall notify the 32nd DAA within 15 days of receiving notice of any complaint made by a non-management employee or finding of a violation by a labor or personnel authority, based on the working conditions outlined in the Required Working Conditions Policy 6.01.
 - d. Upon finding that Lessee failed to comply with the required work conditions, Lessee shall provide the 32nd DAA with written assurance within thirty (30) days of the finding that the breach will be cured before the 32nd DAA may terminate this lease as provided herein.

2. All existing leases prior to October 22, 2020 shall be amended in writing and signed by the parties to include the required contract provisions and policy.
3. Upon the CDFA Audit Office's request, the fair shall make available all records necessary to conduct an audit. During an audit, the 32nd DAA shall assist CDFA in requesting that the Lessee make available its records for examination pursuant to the lease.
4. The 32nd DAA shall inform CDFA in writing within 15 business days of receiving notice of either of the following:
 - a. Any complaint or finding of a violation for the 32nd DAA's failure to provide the required work conditions to a non-management employee; or
 - b. A final ruling issued by a relevant labor or personnel authority that determines the 32nd DAA or a Lessee did not provide its non-management employees the required work conditions.
5. The 32nd DAA shall otherwise be in compliance with all labor laws and current with the Department's audit reporting requirements.

Exemptions:

- a. Lessees that employ less than fifty employees of a full-time status as determined by the Internal Revenue Service's Monthly Measurement Method.