

## Resolution 1058 Adopting Electronic Signature Policy

---

**Background:** As a result of the COVID-19 restrictions, it has become difficult to safely obtain in person signatures on official paperwork related to SMCS D business. District Staff and Counsel have developed this policy to establish the acceptable technologies and procedures for the use of electronic signatures.

This policy establishes when electronic signature technology may replace a handwritten signature, with the goal of encouraging the use of paperless, electronic documents whenever appropriate and allowed by law. This policy applies to all signatures used in processing various District documents and assumes the District signor has been given the authority to sign as determined by the District's business process. The policy also applies to the District's acceptance of electronic signatures from parties outside of the District, and the use of electronic signatures on documents executed on behalf of the District.

This Electronic Signature Policy will have many positive effects by eliminating in person contact during pandemics, decreasing the use of paper and ink, streamlining document review, and increasing productivity.

On September 21, 2020, the SMCS D Finance Committee reviewed the policy and instructed staff to bring it before the Board for approval.

**Recommendation:** Adopt Resolution 1058 Electronic Signature Policy

**Attachment:** Resolution 1058 Adopting Electronic Signature Policy with the Policy attached as Exhibit A.



**Submitted by:** \_\_\_\_\_  
Jeffrey Kingston, General Manager

SAUSALITO-MARIN CITY SANITARY DISTRICT

RESOLUTION NO. 1058

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAUSALITO-MARIN CITY SANITARY DISTRICT ADOPTING AN ELECTRONIC SIGNATURE USE POLICY

WHEREAS, as a result of the COVID-19 restrictions, it has become difficult to safely obtain in person signatures on official paperwork related to regular Sausalito-Marin City Sanitary District ("District") business; and

WHEREAS, the District has already taken efforts to reduce paper copies of files in compliance with the record retention requirements; and

WHEREAS, the use of electronic signatures will add to the efficiency of District Staff both during and after the COVID-19 pandemic restrictions; and

WHEREAS, the use of digital signatures is allowed for use in the place of wet-ink signatures for official agency documents, with certain exception as governed by federal and state law. (See U.S. Federal Electronic Signatures in Global and National Commerce Act (15 U.S.C. §§ 7001 et seq.), The Uniform Electronic Transactions Act (Cal. Civ. Code §§ 1633.1 et seq.) and California Government Code § 16.5 (Digital Signatures)); and

WHEREAS, the District wishes to establish and adopt an Electronic Signature Use Policy; and

WHEREAS, on October 5, 2020, the District considered a District policy allowing the use of Electronic Signatures for District business; and

NOW, THEREFORE, BE IT RESOLVED: By the Board of Directors of the Sausalito-Marin City Sanitary District, the policy entitled, "Electronic Signature Use Policy" attached hereto as Exhibit A and incorporated herein by this reference is adopted, and

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Sausalito-Marin City Sanitary District on the 5th day of October 2020 by the following vote:

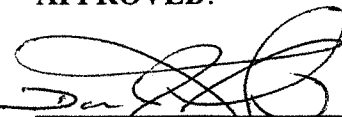
AYES, and in favor thereof, Directors: Arnott, Beers, DeLano, Rheiner & Ring

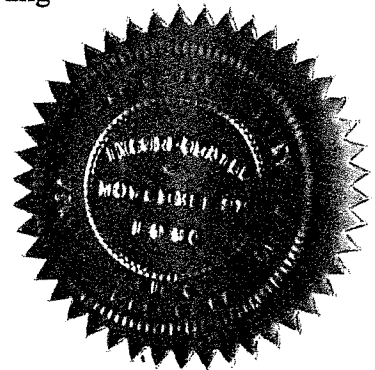
NOES, Directors:

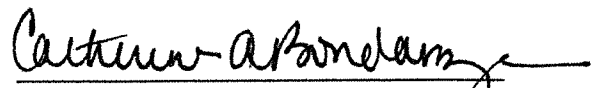
ABSTAIN, Directors:

ABSENT, Directors:

APPROVED:

  
Dan Rheiner, Board President



  
Catherine A. Bondanza, Board Secretary

**SAUSALITO-MARIN CITY SANITARY DISTRICT  
ELECTRONIC SIGNATURE USE POLICY**

**A. Purpose**

This Policy establishes the acceptable technologies and procedures for the use of electronic signatures in Sausalito-Marin City Sanitary District ("District") business. This Policy establishes when electronic signature technology may replace a handwritten signature, with the goal of encouraging the use of paperless, electronic documents whenever appropriate and allowed by law. This Policy applies to all signatures used in processing various District documents and assumes the District signor has been given the authority to sign as determined by the District's business process. The Policy also applies to the District's acceptance of electronic signatures from parties outside of the District, and the use of electronic signatures on documents executed on behalf of the District. These are minimum standards for using and accepting electronic signatures.

This Policy shall be used by the District to increase productivity and ensure convenient, timely, and appropriate access to District information by using electronic signature technology to collect and preserve signatures on documents quickly, securely, and efficiently. In addition to increasing productivity and efficiency, this Policy furthers the District's mission by reducing the consumption and storage of paper documents and the maintenance and supply of printers.

While the use of electronic signatures is suggested and encouraged, this Policy does not require the use of electronic signatures, nor can the District mandate that any third party signing a document use electronic signatures.

**B. Background**

Electronic Signature is the broad umbrella category under which all electronic signatures fall. The legality and use of Electronic Signatures are governed by federal and state law. (15 U.S.C. §§ 7001 *et seq.*), The Uniform Electronic Transactions Act (Cal. Civ. Code §§ 1633.1 *et seq.*) and California Government Code § 16.5 (Digital Signatures))

**C. Policy**

This Policy applies to documents requiring a signature of any person where the signature is intended to show authorship, approval, authorization, or certification, as allowed by law. It is the policy of the District to encourage the use of electronic signatures in all internal and external activities, documents, and transactions where it is operationally feasible to do so, where existing technology permits, and where it is otherwise appropriate based on District preferences. In such situations, affixing an electronic signature to a document in a manner consistent with this Policy shall satisfy the District's requirements for signing a document. As used in this Policy, the term "signature" includes using initials on a document instead of a signature.

It is the policy of the District to accept electronic signatures affixed to documents in which a signature is required or used, provided that:

- (1) The electronic signatures are "digital" signatures that comply with the "Requirements of Electronic Signatures" in section D of this policy,

- (2) The signatories are willing and wanting to utilize digital signatures, and
- (3) The digital signatures are created by technologies authorized by the California Secretary of State and made available by the District.

The use, or the District's acceptance, of a digital signature is at the option of the District and the signer(s). Nothing in this Policy requires the District to use or accept the submission of a document containing a digital signature.

**D. Requirements of Electronic Signature**

Consistent with applicable state law (Cal. Gov. Code § 16.5) the use of electronic signatures is permitted and shall have the same force and effect as the use of a "wet" or manual signature if all the following criteria are met:

- 1. The electronic signature is unique to the person using it.
- 2. The electronic signature is capable of verification.
- 3. The electronic signature is under the sole control of the person using it.
  - A. Email notifications requesting electronic signatures must not be forwarded.
  - B. These requirements prohibit the use of proxy signatures.
- 4. The electronic signature is linked to the data in such a manner that if the data is changed after the electronic signature is affixed, the electronic signature is invalidated.

**E. Common Types of Documents**

This Policy is intended to broadly permit the use of electronic signatures. Below is a table of common types of documents listed to provide guidance on the types of documents that may or may not utilize electronic signatures. Where questions arise as to whether an electronic signature is allowed, the General Manager should work with Legal Counsel to determine where applicable laws permit an electronic signature to be used.

Guidance Table

Document Type Examples	Is Use of an Electronic Signature Acceptable?	Notes
Memos, Forms, Board Letters, Correspondence, Meeting Minutes, Administrative Policies, Internal Approvals	Yes	Electronic Signature is recommended.
Contracts/Service Agreements and Amendments, Leases* Purchase Orders, Letters of Agreement	Yes	Electronic Signature is recommended. *Leases that will not be recorded are recommended for Electronic Signature.

Document Type Examples	Is Use of an Electronic Signature Acceptable?	Notes
Certificates, Permits	Yes, if allowed by law	General Manager should work with Legal Counsel to determine where applicable laws permit an Electronic Signature to be used.
Transactions involving Real Property (e.g. deeds, transfers of title)	No	
Documents Requiring Notarization*	No	*Leases that will not be recorded are recommended for Electronic Signature.
Documents Requiring the Board President's Signature	Yes*	* Leases and other contracts that will not be recorded are recommended for Electronic Signature. A "wet" or manual signature should be obtained for District

**F. Documents Involving Other Parties**

In the case of contracts or transactions which must be signed by outside parties, each party to the agreement must agree in advance to the use of an electronic signature. No party to a contract or other document may be forced to accept an electronic signature; they must be permitted to decide either way. Such consent may be withdrawn by the other party at any time such that future documents must be signed in hardcopy format.

Prior to accepting a digital signature, the District shall comply with the following:

- A. Review the electronic signature to ensure that the level of security used to identify the signer of a document is sufficient for the transaction being conducted.
- B. Prior to accepting a digital signature, the District shall ensure that the level of security used to transmit the signature is sufficient for the transaction being conducted.
- C. If a certificate is a required component of a digital signature transaction, the District ensure that the certificate format used by the signer is sufficient for the security and interoperability needs of the public entity.

If accepted, when a document is electronically signed by all parties, the District will provide a copy of the electronically signed document to the other parties in an electronic format that is capable of being retained and printed by the other parties.

## **G. Setup & Use**

The General Manager will be authorized to send out documents for Electronic Signature and will determine whether other employees should also be authorized to send out documents for Electronic Signature. All District users of electronic signature technology shall conform to the rules set forth in this Policy, as may be amended from time to time.

## **H. Storage and Archiving of Electronically Signed Documents**

If a document exists only electronically, steps should be taken to ensure that a fixed version of the final document is stored, so long as it does so in a manner consistent with any applicable District document retention or destruction policies and any applicable laws.

## **I. Electronic Signature Solution Providers**

District staff shall establish and maintain a software system to be used by District staff for the purposes of requesting, collecting, and executing digital signatures and electronic records, consistent with the encryption standards established by, and selected from the "Approved List" of digital signature providers, authorized by the State of California.

Due to the COVID-19 emergency, the requirement that the Secretary of State maintain such an Approved list is not in effect through at least October 20, 2020. When the Secretary of State re-publishes the approved list, the District shall select a software system certified by the Secretary of State to provide digital signatures.

## **J. Conclusion**

The use of Electronic Signatures is intended to make District business practices more efficient, and also aid the District in continuing to operate during the time of an Emergency. The process eliminates the need to print, file, and store paper copies of documents that can now be authenticated digitally and stored electronically. In addition it helps the District continue to function during emergency situations.

For authorized documents under this Policy where state or federal laws, regulations, or rules require a handwritten signature, that requirement is met if the document contains an Electronic Signature, unless otherwise prohibited by such policies, laws, regulations, or rules.

## **K. Definitions**

*Digital Signature* is a type of electronic signature which is an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature. It is a specific signature technology that uses cryptography to provide additional proof of the identity of a signer and integrity of a document. This cryptography uses Public Key Infrastructure (PKI) technology to issue digital certificates. PKI technology is accepted by the California Secretary of State for digital signatures created by a public entity.

*Electronic* relates to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

***Electronic Record*** is a record created, generated, sent, communicated, received, or stored by electronic means.

***Electronic Signature*** means an electronic identifier, created by computer, attached or affixed to or logically associated with an electronic record, executed or adopted by a person with the intention of using it to have the same force and effect as the use of a manual signature.

***Electronic Transaction*** is a transaction conducted or performed, in whole or in part, by electronic means or electronic records.

***Electronic Signature Product*** means a software or service that provides a means of affixing an Electronic Signature to an electronic record.

***Proxy Signatures*** are when Person-A authorizes Person-B to sign Person-A's signature on his/her behalf. (This is prohibited for Electronic Signatures by this Policy.)

***Record*** is information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form. Documents or forms are records.