



Central Basin
Municipal Water District

Administrative Code

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Part 2, Revised: November 28, 2022

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INTRODUCTION

Central Basin Municipal Water District is a governmental agency authorized under Section 71000 of the California Water Code for the purpose of providing an adequate supply of water within its service area.

Central Basin Municipal Water District has developed an Administrative Code for the purpose of implementing consistent policies and procedures for the administration of the District. The Administrative Code is updated periodically to incorporate best practices, new laws and regulations, and public input.

Part 1 GENERAL PROVISIONS

Chapter 1 Adoption of Code

Article 1 – General

1.1 Title

This code shall be known as the "Central Basin Municipal Water District Administrative Code." It shall be sufficient to refer to this Code as the "Administrative Code" or "Code" in applying any provision hereof.

This Code consists of resolutions and ordinances of the Central Basin Municipal Water District, codified pursuant to the Municipal Water District Law of 1911, particularly Water Code Section 71267 and 71281, and Article 2 of the Chapter 1, Part 1 of Division 1 of Title 5 of the Government Code.

1.2 Construction and Interpretation of Code

This Code and all District ordinances and resolutions shall govern the administration of the District and questions regarding its interpretation shall be referred to the appropriate or designated officer of the District.

1.3 Maintenance of Code

At least two copies of this Code shall be maintained on file in the District office as the official copies of this Code. Additional copies of this Code shall be distributed to the Directors and Departments of the District as prescribed by the General Manager.

At least annually, the Secretary shall publish amendments to this Code, including notations as to the ordinance or resolution numbers and dates on which amendments were adopted.

The Code shall also be made available online in a format that can be accessed by the general public.

Chapter 2 Rules of Construction

Article – 1 Rules

1.1 Scope

Unless this Code or the context is contrary, the general provisions, rules of construction and definitions set forth in this chapter shall govern the construction of this Code.

1.2 References to Code, Ordinances or Resolutions

Whenever any reference is made to an ordinance or resolution, the reference is to an ordinance or resolution of this agency.

Whenever a reference is made to a portion of this Code, or to an ordinance or resolution, the reference shall apply to amendments and additions.

1.3 Acts by Deputies

Whenever a power is granted to or a duty is imposed upon an officer, the power may be exercised or the duty may be performed by a deputy, or employee authorized by the officer unless the statute, ordinance, resolution, or order of the Board expressly provides otherwise.

1.4 Severability

If any part of this Code is held to be invalid or unconstitutional, the decision shall not affect the validity of the remaining portions of this Code.

1.5 Definitions

For the purposes of this Code, unless otherwise apparent from context, certain words and phrases used in this Code are defined as follows:

- (a) “Auditor” refers to the Certified Public Accountancy firm engaged by the Board of Directors to perform the annual audit of the District’s financial activities.
- (b) “Board” refers to the Board of Directors of the Central Basin Municipal Water District.
- (c) “Cities that are water purveyors” means a general law or charter city, any portion of which is within the boundaries of the District and operates a Public Water System.

- (d) “Committees” refers to the Administration and Finance, Engineering and Operations, and Water Resources and Governmental Affairs standing committees of the District, including any newly created standing committee as approved by the Board, and shall also include any Ad Hoc committee(s) created by Board action or by the President of the Board. The description of the Committee functions are listed in Exhibit “D” attached hereto and incorporated herein.
- (e) “Department” refers to the District Administrative Services, Finance, Engineering and Operations, Water Resources, Human Resources, Information Technology, and External Affairs departments or such other departments as may be created and approved by the Board.
- (f) “Deputy Secretary” refers to the person appointed by the Board to act as Secretary, carrying out the duties and responsibilities of that office when the Secretary is unavailable.
- (g) “Deputy Treasurer” refers to the person appointed by the Board to act as Treasurer, carrying out the duties and responsibilities of that office when the Treasurer is unavailable.
- (h) “Director” refers to a member of the Board.
- (i) “District” refers to Central Basin Municipal Water District.
- (j) “Employee” refers to a District employee.
- (k) “General Counsel” refers to the attorney engaged by resolution or contract to advise the District on the requirements of the law.
- (l) “General Manager” refers to the General Manager of the District.
- (m) “Large Water Purveyor” means the operator of a Public Water System that is one of the top five purveyors of water as measured by the total number of acre-feet of potable and recycled water purchased from the District during the three prior fiscal years.
- (n) “Officer” refers to the President, Vice President, Secretary and Treasurer of the Board.
- (o) “President” refers to the President of the Board.
- (p) “Public Water System” means a system for the provision of water for human consumption through pipes or other constructed conveyances that has 15 or more service connections or regularly serves at least 25 individuals daily at least 60 days out of the year.

- (q) “Purveyor Workshop” means a meeting called by the District to which all Cities and Water Purveyors are invited.
- (r) “Quarterly” means the first three calendar months of a year or succeeding three-month periods.
- (s) “Relevant technical expertise” means employment or consulting for a total period of at least five years, prior to the date of first appointment, in one or more positions materially responsible for performing services relating to the management, operations, engineering, construction, financing, contracting, regulation, or resource management of a public water system.
- (t) “Secretary” refers to the Secretary of the Board.
- (u) “Senior Manager” refers either individually or collectively to the Department Managers: Director of Administration & Board Services, Finance Director, Engineering and Operations Manager, Director of Human Resources, Director of Technology, Director of External Affairs, Special Projects Manager – Engineering & Operations, and Water Resources Manager or such other Department Managers as may be created by action.
- (v) “Service Connections” means the number of active services last reported by the Water Purveyor on the Annual Report provided to the Division of Drinking Water of the California State Water Resources Control Board.
- (w) “Small Water Purveyor” means the operator of a Public Water System with fewer than 5,000 Service Connections.
- (x) “Treasurer” refers to the Treasurer of the Board.
- (y) “Vice President” refers to the Vice President of the Board.
- (z) “Water Purveyor” or “Purveyor” means an entity that operates a Public Water System.

Part 2 ADMINISTRATION

Chapter 1 Board of Directors

Purpose & Mission

The primary mission of the Central Basin Municipal Water District is to provide reliable, high-quality water supplies from MET and local recycled water sources, to meet present and future water needs, at an equitable and economical cost, and to promote water use efficiency throughout the District's service area.

Article 1 – Articles of Election or Appointment

New legislation effective January 1, 2017 expanded the membership of the Board of Directors of the District. Until the directors elected at the November 8, 2022 election take office, the Board of Directors will be composed of eight directors.

In addition to the four publically-elected directors, three additional directors will be appointed by the water purveyors within the District pursuant to Section 71267 of the Water Code. After 2022, the Board of Directors will be composed of seven directors, as one of the elected positions will be eliminated through redistricting.

1.1 Election of Public Officials

Directors are elected to office in accordance with the provisions of the Municipal Water District Law of 1911. Elections shall be conducted in November of even numbered years and the term of office shall be for four (4) years. The timing of elections for each District shall be as follows and shall continue every four (4) years thereafter:

Division 1	November 2024
Division 2	November 2024
Division 3	November 2022
Division 4	November 2024

1.2 Appointments of Public Officials

When a vacancy of a publicly elected seat occurs on the Board prior to the expiration of a term, the remaining Directors shall have the option of filling such vacancy by appointment by a majority vote of the Board, or by calling for an election in the manner set forth in Government Code section 1780.

If the Board fails to fill the vacancy either by appointment or by calling for an election, the manner in filling the vacancy shall be governed by the method as set forth in Government Code section 1780.

1.3 Authorization and Application of Appointed Purveyors

The following rules establish the procedures by which the water purveyors will appoint members to the three seats allocated to them.

Section 71267(c)(1) of the Water Code provides as follows:

The three directors appointed by the water purveyors shall be selected by the water purveyors every four years as follows:

- (a) One director shall be selected by all large water purveyors from the nominees of large water purveyors. Each large water purveyor shall have one vote.
- (b) One director shall be selected by all cities that are water purveyors of the district from the nominees of cities. Each city shall have one vote.
- (c) One director shall be selected by all of the water purveyors of the district from any nominee. The vote of each purveyor shall be weighted to reflect the number of service connections of that water purveyor within the district.

Section 71267(c)(2) of the Water Code provides as follows:

The appointment of directors pursuant to paragraph (1) shall not result in any of the following:

- (a) The appointment of three directors that are all employed by or representatives of entities that are all large water purveyors.
- (b) The appointment of three directors that are all employed by or representatives of entities that are all cities.
- (c) The appointment of three directors that are all employed by or representatives of entities that are all small water purveyors.

1.4 Nomination and Selection of Appointed Purveyor

- (a) Written notice of the opportunity to submit nominations for appointment to the Central Basin Municipal Water District Board of Directors shall be sent by the District to all entities eligible to vote no later than 120 calendar days prior to the date scheduled for appointment. The notice shall (1) inform each such entity of its right to nominate any number of eligible individuals for any office to be filled; and (2) inform each entity eligible to vote of the positions to be filled on the Board.
- (b) Nominations shall be made on nomination forms to be prepared by the District, samples of which are to be disclosed and discussed at a Purveyor Workshop, the notice for which discloses such proposed action.

- (c) Nominations may be submitted at any time during the 60-day period defined by written notice by the District, provided that the nomination period shall not begin earlier than 120 days before the date the seat is to be filled. Nominations shall be submitted on the form provided by the District and shall be accompanied by the candidate's certification and statement of qualifications, which shall be limited to one page. Nominations received by the District after the specified deadline will be deemed invalid.
- (d) Prior to appearing on a ballot, a nominee for appointment as a director shall certify in writing (i) that he or she does not hold elective office, (ii) that he or she does not hold more than 0.5 percent ownership in a company regulated by the California Public Utilities Commission, (iii) that he or she lives or works within the District, and (iv) that he or she has a minimum of five years' experience in one or more positions materially responsible for performing services relating to the management, operations, engineering, construction, financing, contracting, regulation or resource management of a Public Water System. For purposes of subsection ii above, a candidate shall be deemed to "work within the District" if he or she is primarily and directly responsible for the operation or management of one or more components of a Public Water System which component(s) are physically located within the boundaries of the District.
- (e) A form of mail ballot containing all qualifying mailed nominations for each category to be filled at the election, and including a copy of the candidates' certifications and statements of qualifications, shall be distributed by the District by certified mail or FedEx to each entity eligible to vote in that category no later than 30 days prior to the scheduled election. A separate ballot shall be provided for each office to be filled. An affidavit signed by the responsible staff member stating that all eligible entities were sent a ballot shall be filed with the election information maintained by District. The mail ballot shall indicate that each eligible entity shall return the ballot as directed by the General Manager and that only those ballots physically received at the District's headquarters or postmarked on or prior to the close of business on the specified deadline shall be considered valid and counted. Ballots received after the specified deadline will not be counted.
- (f) Seats shall be filled by tabulation of the separate written ballots submitted for each category in which a Water Purveyor is eligible to vote. All ballots shall remain sealed until opened and tallied by the General Manager at a Purveyor Workshop. The election results shall be certified by the General Manager and the results of the election shall be reported within 7 days of the election by posting the results on the District's website.
- (g) In the event of a tie of successful candidates, a new ballot containing only the tied successful candidates shall be distributed by certified mail or FedEx to each entity eligible to vote in the relevant category. The new ballot shall indicate that each entity eligible to vote shall return the completed ballot as directed by the General Manager, and only those ballots physically received at the District's headquarters

or postmarked on or prior to the close of business on the date so designated shall be considered valid. The deadline date for return of the ballots shall be no earlier than 30 days nor later than 50 days after the ballots are distributed. In the event that there were only two original candidates, or if the second ballot also results in a tie, the successful candidate shall be chosen by a drawing conducted by the General Manager at a Purveyor Workshop.

- (h) If the selection of a director under these procedures would result in a violation of the restriction in Section 1.2 of these rules (Wat. C. §71267(c)(1)(C)), the first eligible candidate receiving the next highest number of votes shall be selected.
- (i) In order to ensure continuity of knowledge, the directors first appointed by the Purveyors, at the time they are seated, shall classify themselves by lot so that two of them shall hold office until the selection of their successors at the first succeeding purveyor selection and one of them shall hold office until the selection of his or her successor at the second succeeding purveyor selection. The first succeeding purveyor selection shall be scheduled to coincide with the term of office of the next directors to be publically elected, and the second succeeding purveyor selection shall be scheduled for two years thereafter. An appointed director may not serve more than one consecutive term of office on the Board, whether or not his or her initial term is for two years or four years.
- (j) The above deadlines shall apply in the original nomination and selection process, where the normal expiration of the term of office occurs, and when it is necessary to fill a position following a vacancy, including a vacancy occurring as a result of the application of Wat. C. § 71267(f); where there is a term of office remaining, nominations for the balance of the term shall be valid if received by the District within 60 days of notice by the District, and ballots shall be timely submitted within 30 days of the close of the nominations period, unless all Purveyors submit nominations or affirmatively decline to make a nomination within a shorter period of time.
- (k) Ballots are public information and shall be treated as public records within the meaning of Government Code §§ 6250 et seq.
- (l) An appointed Water Purveyor shall be subject to all applicable conflict-of-interest and ethics provisions and shall recuse himself or herself from participating in a decision that could have a direct material benefit on the financial interests of the director, please refer to Chapter 9, Directors' Code of Conduct.

1.5 Oath of Office

Terms of elected directors respectively begin and end at noon on the first Friday in December at the end or beginning of the term.

Terms for Appointed Water Purveyors respectively begin and end at noon on the fourth Friday in February at the end or beginning of the term.

Persons elected or appointed to serve as Director shall take the oath of office prior to assuming office. The Secretary shall administer the oath. Notwithstanding the forgoing, a Director, in addition to the mandatory oath administered by the Secretary of the District, may be sworn in by any other person selected by said Director in a ceremonial event.

The District will set a \$2,500 limit on the amount of funds that can be spent on Director installation ceremonies in a given election year.

1.6 Divisions

The District is divided into four divisions as shown on the Official Map of Division Boundaries on file at the Los Angeles County Registrar of Recorders. Each division is represented by one Director. Review and amendment of the District boundaries shall be conducted as required by Elections Code section 22000.

Appointed Water Purveyors serve at large and represent the entire service area.

Article 2 – Organization and Board Officers

2.1 General

The Board is organized as set forth in this Article.

2.2 Officers of the Board

The Board shall at its required reorganization meeting each January select the President and Vice President by motion. Only in the event the Board is unable to agree on the selection of officers in any given year, then the position of President shall be filled by the most senior member of the Board by a rotation process.

Persons shall be appointed to the position of Vice President in the same order for the period of time immediately preceding their appointment as President, only in the event the Board is unable to agree on the selection of a Director to serve as Vice President.

In the event a Director declines the position, that office shall fall to the Director next in line in the rotation. Under this default process of selection of officers, once the Director completes his/her full one year term as President or Vice President, he/she shall be placed at the bottom of the rotation list and all other Directors shall move up on the list.

As members leave the Board, the order of appointment shall be deemed modified by adding the names of new Board members at the bottom of the order of appointment, and deleting the name of the retiring member or members therefrom. Where the names of two or more new Board members are added to the order at the same time, their respective

positions on the order of appointment shall be determined based upon which person received the highest number of votes in the District election immediately preceding. Where the names of two directors at large appointed by purveyors are added at the same time, their respective positions on the order of appointment shall be established randomly by lot by the General Manager.

Notwithstanding any other provisions of this section, by the affirmative vote of not less than four members of the Board, any or all provisions hereof may be suspended, and any member of the Board may be appointed to the position of President or Vice President for a fixed or indeterminate term or terms.

In the event the Board does not appoint officers during the required reorganization meeting in January, the Board shall select the President and Vice President at a properly noticed District Board meeting once within such calendar year.

The Board also may elect one of its members to the posts of Secretary and Treasurer or may select an employee to perform those functions.

The Board shall at its required reorganization meeting each January discuss its representatives to the Metropolitan Water District of Southern California (MWD) Board of Directors and retain or make changes to its appointments at that time. It should be noted that changing the District's MWDSC representatives can be made at any time at a properly noticed District Board meeting.

In addition, the Board shall at its required reorganization meeting each January designate the Chairperson, Vice Chairperson, and confirm all other required officers to the Central Basin Municipal Water District Financing Corporation.

Article 3 – Powers and Duties

3.1 Powers Vested in the Board of Directors

Powers of the District shall be vested in the Board except for powers delegated to the committees and the General Manager in this Code.

3.2 General Duties of the Board of Directors

The Board will govern with an emphasis on outward vision, encouragement of diversity in viewpoints, strategic leadership more than administrative detail, and clear distinction of Board and general manager goals. The Board will direct, control and inspire the organization through the careful establishment of broad written policies and the continuous development of strategic policy-based leadership initiatives.

The Board's major policy focus will be on intended long-term impacts of the organization, not on the administrative or programmatic means of attaining those effects.

The Board shall:

- (a) Assure the District is well managed.
- (b) Assure the District is responsive to the interests of constituents, including but not limited to those residing within the District's boundaries, water purveyors and other interested parties and customers.
- (c) Comply with all Federal and State laws and regulations.
- (d) Insist that critical and strategic information to make decisions is available in a timely manner.
- (e) Assist employees by assessing issues from a broader perspective, providing outside perspective and guidance.
- (f) Safeguard the assets of the District.
- (g) Determine the objectives and policies of the District.
- (h) Select the officers, General Manager, Auditor and General Counsel.
- (i) Assure District policies meet objectives.
- (j) Check on results and review policies.
- (k) Establish policies to provide for the effective conduct of meetings.
- (l) Approve and adopt the annual budget and amendments.

3.3 Duties and Role of Board Officers

Board Members have legal authority only when acting as a unit at scheduled meetings. Individual Members of the Board have no independent authority. It is the duty of all Members of the Board to obey the law and rules, and to obey and execute all lawful orders of the body. It is expected that all Board members conduct themselves in an orderly and civil manner at Board meetings when addressing their fellow Board members, District staff, constituents and other members of the public. It shall be the responsibility of the President to request compliance with this rule of orderly conduct.

The following duties are delegated to officers as indicated:

- (a) The President may make and second motions and may participate and vote in all proceedings. The President shall know parliamentary law and procedure and the organization's rules and bylaws.

The President shall:

- (1) Preside over all meetings of the Board.
 - (i) Have final approval on the contents of the agendas for all regular, special and emergency meetings of the Board.
 - (ii) Open the meeting at the appointed time and determine that a quorum is present.
 - (iii) Announce each item on the agenda.
 - (iv) Call for motions.
 - (v) Call for public participation.
 - (vi) Determine questions of order and enforce rules of decorum and discipline.
 - (vii) Ensure Directors have an equal opportunity during discussion. The President may be involved in discussion, but to no greater extent than other Directors.
- (2) Appoint members to committees of the Board of Directors and assign chairperson responsibilities, and announce the committee and chairperson appointments at the next regular Board meeting after making such appointment. If the President does not make appointments as required by this section, the Board shall have the authority to make such appointments, by a majority vote, at a regular meeting of the Board. The authority provided by this section does not vest with the President the power to disband any standing committee or ad hoc committee established by the Board or cancel any meeting of any standing committee or ad hoc committee created by the Board. However, the President does have the power to disband and cancel meetings of any ad hoc committee created solely by action of the President.
- (3) Set the time and place for any special meeting of the Board of Directors.
- (4) Adjourn meetings of the Board of Directors.
- (5) Represent the District in public ceremonies.
- (6) Serve as public spokesperson of the District and express the approved policy of the District when called upon to do so.

(b) The Vice President shall:

Perform all the duties of the President during the temporary or permanent absence of the President.

(c) The Secretary shall:

- (1) Record the actions of the Board.
- (2) Prepare agendas and minutes.
- (3) Receive documents addressed to the Board.
- (4) Attest to the signature of the President on documents.
- (5) Certify resolutions and minutes.
- (6) Maintain records and documents of the District.
- (7) Publish and post notices.
- (8) Maintain custody of District seal.
- (9) Receive and file statements with the Fair Political Practices Commission or designate other personnel to receive and file these statements as required by law.
- (10) Administer the oath of office to Directors.
- (11) Call meetings to order in the absence of the President and Vice President and preside until an acting President is selected.
- (12) Adjourn meetings in absence of a quorum.
- (13) Attend committee meetings, schedule meetings, prepare agendas, minutes and reports.
- (14) When the Secretary is unavailable or otherwise engaged, the above-listed tasks can be performed by the Deputy Secretary.
- (15) State the motion and announce passage or failure.

- (d) The Treasurer shall:
- (1) Deposit, manage and invest the District money under the terms of the current approved District Investment Policy, with approval of the General Manager.
 - (2) Certify that checks presented for Board approval in payment of obligations of the District are correct and supporting documents available.
 - (3) Review and present monthly investment and disbursement reports, budget comparative and financial status reports to the Board.
 - (4) Co-sign disbursement vouchers when required.
 - (5) When the Treasurer is unavailable or otherwise engaged, the above-listed tasks can be performed by the Deputy Treasurer.

3.4 Duties and Roles of Representatives to the Metropolitan Water District

The Directors appointed by the Board as MWD Representatives shall at all times represent the interests of the District. On occasion, the position of the District may be established and the vote to be cast directed by a majority vote of the Board.

3.5 Directors' Requests for Staff Assistance

The Board shall provide guidance and instruction to the General Manager at public meetings. Individual Directors shall not instruct the General Manager in the execution of his powers and duties. Except for the purpose of inquiry, the Board and individual Directors shall interact with the District employees, leased workers, and/or independent contractors solely through the General Manager and shall not give orders to any employees, leased workers and/or independent contractors of the General Manager.

- a. All requests will receive the prior review and approval of the General Manager's office. The General Manager has the exclusive responsibility for directing the activities of District staff.
- b. District staff will make every effort to respond, in a timely and professional manner, to all requests made by individual Directors for information or assistance, provided that, in the judgment of the General Manager the request is not of a magnitude, either in terms of workload or policy, which would require that it more appropriately be assigned to staff through the approval of the entire Board.
- c. The following guidelines should be considered when making this judgment:

1. The request should be specific and limited in scope so that staff can respond without altering other priorities and with only minimal delay to other assignments.
 2. The request should only impose a "one-time" work requirement, as opposed to an on-going work requirement.
 3. The request should be within the scope of regular duties of the department.
 4. The request is not deemed by District's legal counsel as confidential in nature.
 5. The response to the request should not require a significant allocation of staff resources (generally defined as consisting of more than one staff person, or a single staff person working on the issue in excess of one (1) hour).
- d. The following outlines the internal procedures that will be followed for requests by Directors for staff assistance on obtaining documentation.
1. Directors may submit requests for documentation and/or general inquiries to the General Manager for review, approval and transmittal to the appropriate senior manager for response.
 2. All requests for confidential materials or information (i.e., litigation related documents, other protected written materials) must uniformly be made available equally to all Directors, except where the General Counsel determines that access will be a conflict for one or more Directors in any specific case. Confidential litigation files shall only be made available and reviewed during closed sessions and shall not be copied or reproduced under any circumstance. Confidential personnel files shall only be released in accordance with the provisions of Section 5.1. However, pursuant to Government Code section 6252.5, an elected member or officer of any state or local agency is entitled to access to public records of that agency on the same basis as any other person. Nothing in this section shall limit the ability of elected members or officers to access public records permitted by law in the administration of their duties.
 3. The senior manager shall make every effort to respond in a timely manner.

3.6 Compensation

Directors shall be compensated in accordance to the "Compensation to Directors for Attendance at Meeting," in the Directors' Code of Conduct. For Metropolitan Water District Representatives, please refer to "Metropolitan Water District Representatives Approved Meetings" in the Directors' Code of Conduct.

An appointed Water Purveyor shall be eligible for all of the following:

- (a) Reimbursement for travel and conference expenses, refer to Chapter 9, Directors' Code of Conduct;
- (b) Compensation for up to 10 meetings per month at the per meeting rate, refer to Chapter 9, Directors' Code of Conduct; and
- (c) Health insurance benefits, if those benefits are not provided by the appointed director's employer, refer to Chapter 8, Directors' Benefits and Payroll.
- (d) An appointed director shall not be eligible to receive communication or car allowances. For purposes of this paragraph, "car allowances" does not include travel expenses incurred as described in section 3.6 (a) above.
- (e) An appointed director may waive the reimbursement and compensation described in section 3.6 (a) and (b) above, and may be required to reimburse his or her employer for any compensation received.

Article 4 – Meetings and Minutes

4.1 General

- (a) Meetings of the Board and committees shall be open to the public and shall proceed in accordance with the requirements of the Ralph M. Brown Act. No action shall be taken by secret ballot at a meeting.
- (b) The following terms are defined for this article: "Meeting" shall have the same meaning as defined in Government Code Section 54952.2, but shall not apply to individual contacts between members and others means attendance at a conference or similar gathering open to the public involving discussions of issues of interest to the public generally by public agencies specifically; attendance at open and publicized meetings addressing topics of community concern by someone not associated with the District; or attendance at social or ceremonial events as well as any other circumstances referenced in Government Code Section 11122.5(c). "Member" means a Director or a member of a committee.
- (c) Regular meetings of the Board and meetings of committees shall be held within the District, except: to comply with state or federal law or court order; to inspect real property or personal property which cannot be moved; to meet with another public agency at the other agency on multi-agency matters; to discuss legislative or regulatory matters with state or federal officials; to discuss matters relating to a District facility in the facility; and to consult with legal counsel at counsel's office if so doing will result in a reduction in legal fees associated with the meeting.

- (d) The Secretary shall provide each Board member a copy of the Administrative Code. Each Board member is expected to review the Administrative Code and be familiar with its contents.

4.2 Regular and Special Meetings

- (a) The Board shall hold regular meetings on the fourth Monday of each month at the hour of 10:00 a.m. at the District's headquarters at 6801 East Washington Boulevard, Commerce, California 90040. A regular meeting may be adjourned by the Board or by the Secretary if less than a quorum to another time. An adjourned regular meeting is a regular meeting if held within five days of the regular meeting. If the adjourned meeting is held more than five days after the regular meeting, a new agenda shall be posted. When the fourth Monday of the month is a holiday, the Board meeting shall be held on the Tuesday immediately following the holiday, beginning at 10:00 a.m. When the fourth Monday of December falls between December 25 and December 31, the Board shall hold its regular meeting on the third Monday of December at 10:00 a.m. All notices of the agenda for the meetings shall prominently state the date and time for the meetings.
- (b) Special meetings may be called by the President or by a majority of the members of the Board as permitted by Government Code section 54956. Directors shall be notified of special meetings by the Secretary. The call and notice shall be posted at least 24 hours prior to the special meeting at the District Headquarters.
- (c) An emergency meeting may be called by a majority of the Board pursuant to Government Code section 54956.5 without twenty-four hour notice or posting of an agenda if necessary due to disruption or threatened disruption of District facilities by work stoppage, crippling disaster or other activity severely impairing public health or safety as determined by a majority of the members.
- (d) Each committee may establish a time and place for regular meetings and may call special meetings in the same manner as the Board.

4.3 Record of Proceedings

- (a) The Secretary shall record minutes showing action taken by the Board in open session and by each committee. The minutes shall be available for public inspection after approval. If meetings are recorded on audio or video media, the recording shall be available for public inspection on a device provided by the District until it is erased. After approval of the meeting minutes, the Secretary can erase the audio and video recording for that meeting. Available video recordings of regular Board meetings should be made available online to the general public for at least a year after each meeting took place.

- (b) Any person attending an open meeting may record the proceeding on audio or video media unless the Board finds the recording cannot continue without noise, illumination or obstruction of view constituting a persistent disruption of proceedings.

4.4 Rules of Conduct

- (a) A majority of the total number of members comprising the board as required required by statute shall constitute a quorum for the transaction of business; however, no ordinance, motion, or resolution shall be passed to become effective without the affirmative vote of a majority of the members of the board (Water Code Division 20 Part 3 Chapter 2 Article 1 Section 71274). Roll call shall be taken if requested by a Director. Ordinances shall be adopted on a roll call vote.

Notwithstanding Water Code Division 20 Part 3 Chapter 2 Article 1 Section 71274 Section 712474, no ordinance, motion, or resolution relating to the ethics, compensation, or benefits of the members of the Central Basin Municipal Water District board of directors shall be passed or become effective without the affirmative votes of two-thirds of the members of the board (Water Code Division 20 Part 11.6 Central Basin Municipal Water District Section 72770).

- (b) Committees shall adopt rules of order appropriate to their work.
- (c) If a meeting is willfully interrupted so as to render the orderly conduct of such meeting unfeasible and order cannot be restored by the removal of the disruptive individuals, the Board may order the meeting room cleared and continue in session. Journalists who are not involved in the disturbance must be permitted to attend the continued session except for closed session. Only matters appearing on the agenda may be considered in such a session. The Board may establish a procedure for readmitting individuals not responsible for disturbing the meeting.
- (d) The Board shall not prohibit public criticism of the policies, procedures, programs or services of the District or of the acts or decisions of the Board. However, no privilege or protection is conferred for expression not otherwise provided by law.
- (e) Directors shall conduct themselves in a respectful manner at all times during Board and Committee meetings, and act civilly when engaging with the public, staff or fellow Directors. Directors shall be prompt in arriving at meetings and be familiar with the items on the posted agenda to enable efficiency in the conduct of the meeting. The Director who makes a motion will be entitled to speak first. Every Director will have the right to speak in

any debate with the President alternating between other Directors to permit a balance in the debate or discussion. All discussion shall be related to the pending motion without any reference to any unrelated matter, avoiding any personal attacks on another Director, manager or employee of the District, or any member of the public addressing the issue. If there are any questions by any Directors, they shall be directed to the President for his/her response or invitation to a manager to respond. When a Director does not support an item approved by the Board in open session, the Director shall limit his or her comments to only those comments stated on the record as to why the Director did not support the decision.

4.5 Agenda

- (a) Board and Committee Meetings shall be prepared in accordance with the Ralph M. Brown Act. At least seventy-two hours before a regular meeting or at least twenty-four hours prior to a special meeting, the Secretary shall post an agenda containing a brief, general description of each item of business to be transacted or discussed at the meeting, including the items to be discussed in closed session. The posting shall be freely accessible to the public.
- (b) The agenda for all meetings shall include the opportunity for the public to address the Board prior to taking action. The agenda for regular and adjourned regular meetings shall include the opportunity for the public to address the Board on matters within the jurisdiction of the District but not on the agenda.
- (c) No action shall be taken on matters not on the posted agenda, except members may briefly respond to statements made or questions posed during public comment; request clarification; provide a reference to employees or other resources for factual information; request employees to report at a subsequent meeting. A member of the Board, or the body itself, subject to rules or procedures of the District, may direct the General Manager or the appropriate District staff to place a matter of business on a future agenda. Notwithstanding the foregoing, nothing contained in the Administrative Code shall prohibit the President from calling a special meeting of the Board and placing an item or items on the agenda of the special meeting without majority approval of the Board and provided all requirements of the Brown Act, Government Code section 54950, et seq., are met.
- (d) The Board may add matters to the agenda upon a majority finding that an emergency exists or on at least a two-thirds vote finding there is a need to take immediate action arising subsequent to the posting of the agenda.

- (e) Any Director may introduce, during the presentation of Directors Comments, in writing a new motion to be placed on the agenda for the next regular meeting.
- (f) The agenda shall describe matters to be discussed in closed session in substantially the form as required under Chapter 9, Part 1 of Division 2 of Title 5 of the Government Code, including but not limited to:
 - (1) For closed session under Government Code Section 54956.7: "License/Permit Determination."
 - (2) For closed session under Government Code Section 54956.8: "Conference with Real Property Negotiator (property identity, negotiating partner, subject of negotiation)."
 - (3) For closed session under Government Code Section 54956.9: "Conference with Legal Counsel – Existing Litigation (name of case unless disclosure would jeopardize service or settlement);" or "Conference with Legal Counsel – Anticipated Litigation (potential case name)."
 - (4) For closed session under Government Code Section 54956.94: "Liability Claims (name of claimant)."
 - (5) For closed session under Government Code Section 54957: "Threat to Public Services or Facilities (name of law enforcement agency and title of officer);" or "Public Employee (specify position);" or "Public Employee Performance Evaluation (specify position);" or "Public Employee Discipline/Dismissal/Release."
 - (6) For closed session under Government Code Section 54957.6: "Conference with Labor Negotiator (name of agency representative and employee organization or unrepresented employee)."
- (g) Meetings to consider new or increased general tax or assessment shall be preceded by at least forty-five days notice as specified by law.

4.6 Closed Sessions

- (a) The Board may conduct a closed session to consider any action as permissible under Chapter 9, Part 1 of Division 2 of Title 5 of the Government Code, including but not limited to:
 - (1) A license or permit determination;
 - (2) Property acquisition or disposition by eminent domain or otherwise;

- (3) Existing or anticipated claims or litigation;
 - (4) Threats to public services or facilities;
 - (5) The appointment, promotion or job performance of employees;
 - (6) Complaints or charges levied against an employee;
 - (7) To instruct negotiators concerning employee labor negotiations;
 - (8) Audit by bureau of state audits;
 - (9) Purchase or sale of pension fund investments;
 - (10) Employees early withdrawal of deferred compensation plan funds;
- or
- (11) To discuss a claim for payment of tort liability losses where the District is a member of a Joint Powers Authority.
- (b) The Board shall avoid taking action in closed session unless otherwise provided by law. Action may be taken in closed session when necessary to avoid prejudice to the District. Action taken in closed session and the vote, abstention or absence of each member shall be publicly reported as required under Chapter 9, Part 1 of Division 2 of Title 5 of the Government, including but not limited to:
- (1) A real estate agreement shall be reported when accepted by adverse parties. If final approval rests with the other party to the negotiations, the District shall disclose the approval and the substance of the agreement upon inquiry when the other party informs the District of approval.
 - (2) Approval given to general or outside counsel to defend, initiate or intervene, or seek or refrain from seeking appellate review or relief, or to enter as an amicus curiae in litigation shall be reported at the meeting when the closed session is held. The report shall identify, if known, the adverse party or parties and the substance of the litigation. The announcement shall identify the action, the defendants, or other particulars once an action is formally commenced, unless it would jeopardize the District's ability to serve process or would jeopardize settlement negotiations.

- (3) Approval given to general or outside counsel for a settlement of pending litigation shall be reported after the settlement is final. If final approval rests with another party or with the court, the District shall disclose the approval, and identify the substance of the agreement when the settlement becomes final.
 - (4) Disposition of claims discussed in closed session shall be reported in the same manner as pending litigation.
 - (5) Action taken to appoint, employ, dismiss, accept the resignation, or otherwise affect the employment status of a public employee shall be reported at the public meeting when the closed session is held. The report shall identify the title of the position and specify any change in compensation. However, a report of dismissal or of nonrenewal of an employment contract shall be deferred until the first public meeting following the exhaustion of the employee's administrative remedies.
 - (6) Approval of an agreement concluding labor negotiations shall be reported after the agreement is final and has been accepted or ratified by the other party. The report shall identify the item approved and the other party or parties to the negotiation.
 - (7) Pension Fund investment transaction decisions made pursuant to section 54956.81 shall be disclosed at the first open meeting of the Board held after the earlier of the close of the investment transaction or the transfer of pension fund assets for the investment transaction.
- (c) Reports required by this section may be oral or written. The Board shall provide the report and copies of approved documents to persons who have submitted a written request to the Board within twenty-four hours of the posting of the agenda, or to persons who have made a standing request for all documentation as part of a request for notice of meetings, if the requester is present at the time the closed session ends. If the action results in substantive amendments to the related documents requiring retyping, the documents need not be released until the retyping is completed during normal business hours. The president shall orally summarize the substance of the amendments for the benefit of the document requester. The documentation shall be available on the next business day following the meeting, or, in the case of substantial amendments, when necessary retyping is complete.
- (d) After completing a closed session, the General Counsel shall prepare a confidential memorandum stating the purpose of the closed session and the action taken. This memorandum is confidential and shall be filed in the office of the General Counsel. In addition to the foregoing, prior to reconvening

from closed session into open session, the General Counsel (or the General Manager in the absence of General Counsel) shall summarize the action taken or direction given in closed session, if any, and inform the Board what will be reported out in public from closed session.

- (e) Pursuant to Government Code section 54963, a person or a Board member may not disclose confidential information that has been acquired by being present in a closed session authorized by Section 54956.7, 54956.8, 54956.86, 54956.87, 54956.9, 54957, 54957.6, 54957.8, or 54957.10 to a person not entitled to receive it, unless the legislative body authorizes disclosure of that confidential information. For purposes of this section, "confidential information" means a communication made in a closed session that is specifically related to the basis for the legislative body of a local agency to meet lawfully in closed session under this chapter.

All Board members and District staff shall be trained on the requirement of confidentiality set forth in Government Code section 54963.

Violation of this section shall be addressed promptly by the Administration and Finance Committee by the use of such remedies as are currently available by law, including, but not limited to:

- (1) Injunctive relief to prevent the disclosure of confidential information prohibited by this section.
- (2) Disciplinary action against any employee or Director who has willfully disclosed confidential information in violation of this section.
- (3) Referral of any Director who has willfully disclosed confidential information in violation of this section to the Los Angeles County Grand jury and Los Angeles District Attorney.
- (4) Other appropriate actions that may be warranted, including but not limited to legal action, censure, and removal from one or more committee assignments.
- (5) Before taking any action and as part of the consideration, the Administration and Finance Committee shall provide the person under investigation with an opportunity to meet with it or a subcommittee appointed by it, and present reasons and evidence why action should not be taken.

4.7 Minutes

- (a) The Secretary shall prepare written minutes of each meeting reflecting all actions taken by the Board, the disposition of all items on the agenda, specific statements of Directors requested by them to be included when related to reasons for voting in a specific manner, and matters requested by a Director to be included as an agenda item for the current or future meeting. The number and title of all ordinances and resolutions shall appear in the minutes.
- (b) Written minutes must be approved by the Board, signed by the President, attested by the Secretary, and affixed with the District's Corporate Seal. The original copies of all minutes will be maintained in the minute books permanently maintained by the Secretary.

4.8 Brown Act and Water Code to Control

In the event of any inconsistencies between the provisions of this Administrative Code and the language and rules expressed in the Brown Act, Government Code section 54950, et seq., California Water Code Water Code Division 20 Part 3 Chapter 2 Article 1 Section 71274 and California Water Code Division 20 Part 11.6 Central Basin Municipal Water District Section 72770; the law as found in the Brown Act or the Water Code shall control and govern the manner in which meetings of the Board are called and conducted.

Part 3 HUMAN RESOURCES

Chapter 1 General Manager

Article 1 – Powers, Compensation and Duties

1.1 General Powers

The General Manager is the chief executive of the District and has the power and authority set forth in this code, the Municipal Water District Law of 1911, and all other applicable state laws, and shall exercise all executive, administrative and ministerial powers not specifically reserved to the Board or by law or this Code to any other officer.

1.2 Hiring and Compensation of the General Manager

The recruitment and appointment of the District's General Manager shall be based on a competitive selection process. Qualified internal and external candidates from both private and public sector are encouraged to apply. To ensure a successful recruitment, the process shall be initiated at least four (4) months prior to a General Manager vacancy.

At the start of the recruitment process, the Board will review and approve the General Manager's position description. The Board will endorse basic criteria to guide the recruitment process including a competitive salary and benefits, and qualifications of ideal candidates which include:

1. A bachelor's degree in civil engineering, public or business administration, or related field;
2. At least five (5) years of progressively responsible administrative and executive management experience in the operations and management of a public or private water and/or wastewater service provider or an equivalent combination of training and experience; and
3. Proven leadership in working collaboratively with state and local governments, strong fiscal knowledge, public policy background, and an established record of successful board collaboration.

The Board President will appoint the following individuals to an Ad Hoc Selection Panel (Ad Hoc):

1. Three Board members;
2. One Metropolitan Water District Member Agency Manager;
3. One Metropolitan Water District Assistant General Manager; and
4. One Central Basin Municipal Water District Member Agency Manager or other water-industry professional.

With the assistance of the Human Resources Department, the Ad Hoc will secure an executive recruiter in accordance with the District's procurement policy. In order to select a qualified executive recruiter, the Ad Hoc will review the qualifications of at least three (3) executive recruitment firms and recommend one firm for Board approval.

The sole responsibility of the Ad Hoc is to recommend qualified candidates for consideration by the Board. As part of this responsibility, the Ad Hoc will review qualifications of applicants, interview final candidates and work with the recruiter to recommend at least three (3) qualified candidates for the Board to interview. The Ad Hoc will have no authority to negotiate or select a candidate.

Interviews by the Board will be scheduled and conducted in accordance with the Brown Act and this Code.

During the recruitment process, the following ethical and communication guidelines will be adhered to:

1. The Ad Hoc and Members of the Board are to have no contact with prospective candidates or candidates, except in interviews arranged for the Ad Hoc and/or Board of Directors as part of the recruitment process.
2. The executive recruiter and the Ad Hoc Chair will provide updates to the Board on a regular basis about the Ad Hoc's activities and the status of the recruitment process. However, individual candidates will not be discussed with the Board until the Ad Hoc makes its recommendation on qualified candidates.
3. All public inquiries on the recruitment process will be referred to the District's website where a timeline of recruitment deadlines and events will be posted. No other public statements will be made by the Ad Hoc or the executive recruiter.

Once the recruitment process concludes, and a selection is made by the Board, the Board President will appoint a negotiator to work with the executive recruiter, the Human Resources Director, and General Counsel to present a benefits and compensation offer to the final candidate. All compensation and the General Manager's contract will be approved in open session at a regularly scheduled Board meeting in accordance with the Brown Act.

The General Manager shall be paid a salary commensurate with the responsibilities of the chief executive established by contract. The General Manager's contract will be negotiated on the basis of salary and not on the basis of other benefits, such as retirement plans. The General Manager shall participate in the benefits at the same level as District Senior Manager positions.

1.3 Authority and Duties

The General Manager is responsible to the Board for the administrative affairs of the District. The General Manager shall:

- (a) Prepare and recommend a budget and staff reports to the Board to carry out the administrative obligations of the District.
- (b) Have the authority to appoint, promote, transfer, alter compensation and job duties, demote, place on administrative leave with or without pay, suspend and terminate subordinate employees.
- (c) Maintain a Human Resources system, including, but not limited to:
 - (1) All official employment-related documents, such as employment applications, position descriptions, annual evaluations, commendations, disciplinary actions, and individual personnel files containing all official employment-related documents.
 - (2) Salary ranges, classification system if any and benefit schedules for employee positions.
 - (3) Have the authority to retain the services of legal counsel in matters of employment litigation or personnel issues, subject to approval by the Board.
- (d) Submit rules and regulations for contracting, purchasing, storing, distributing, or disposal of supplies, materials, and equipment to the Board for approval and adoption on an as-needed basis.
- (e) Maintain or cause to be maintained, individual records for District assets reflecting date of purchase, original cost, depreciation term, and method of depreciation.
- (f) Supervise and manage the day-to-day operations of the District, and report on such operations to the Board.
- (g) All claims against the District in amounts of \$10,000 or less may be approved, rejected, or settled by the General Manager in the manner in which the General Manager deems appropriate. The General Manager shall notify the Board of Directors of all claims served upon the District. The General Manager shall timely notify and tender any appropriate and respective insurer of the receipt of a claim made against the District.

1.4 Emergency Powers

- (a) The General Manager may declare an emergency if the General Manager determines the District's ability to provide service is jeopardized by sudden catastrophic events. If an emergency exists, the General Manager may exercise the additional powers set forth in this section.
- (b) As soon as feasible, the President of the Board of Directors, if unavailable, the Vice President, shall convene an emergency meeting of the Board to review the General Manager's determination.
- (c) The General Manager may purchase supplies, material, equipment and labor as necessary to repair damage to facilities of the District caused by sudden catastrophic events. The General Manager shall maintain good and accurate records of purchases made under the authority of this Section.

1.5 Termination of General Manager and Appointment of Successor

Effective January 25, 2016, the termination of the General Manager will require a four-fifths vote.

Chapter 2 General Manager Vacancy

Article 1 – Acting General Manager

1.1 Acting General Manager

- (a) The General Manager shall designate a member or members of Senior Management to act on the General Manager's behalf during his or her absence.
- (b) The individual so designated shall act in the name of the General Manager, except when empowered by law or in writing by the Board or the General Manager to act on their own.

Chapter 3 District Counsel

Article 1 – Position Authorized

1.1 Position Authorized

The Board shall engage an attorney and/or law firm by resolution or contract to serve as General Counsel to advise and counsel the District on legal matters. The resolution of appointment of the General Counsel shall include a fee schedule on either a retainer or billable hour basis for transactional or litigation work.

General Counsel shall:

- (a) Submit advice or opinion to the Board or General Manager when requested by the Board or General Manager.
- (b) Review and comment on matters in written or oral form.
- (c) Review notices, agendas, resolutions, ordinances, agreements, contracts and supporting materials in advance of meetings as directed by the General Manager or Board.
- (d) Attend meetings of the Board unless excused by the President of the Board.
- (e) Attend committee meetings on request of the General Manager or Committee Chair.
- (f) Attend other business meetings as requested by the General Manager.
- (g) Attend to any other legal matter as authorized by the Board or as directed by the General Manager in an emergency before a regular Board meeting.
- (h) Have the primary responsibility for interpreting District policies and administrative code for the Board during meetings or as requested by the public.

When authorized by the Board, the General Counsel shall represent the District and its officers in their official capacity in all actions at law or in equity, and special proceedings, for or against said District, or in which it may be legally interested, or for or against said Board or any officer of said District, in his official capacity. If such a matter requires a response before a regular Board meeting, the General Counsel shall protect the interests of the District before further Board action. General Counsel shall submit a written report to the Board on such matters. The report shall describe the matter, evaluate the District's position, and offer an action plan and preliminary budget.

Chapter 4 Equal Employment Opportunity, Anti-Harassment and Anti-Retaliation

Article 1 – Equal Employment Opportunity – Discrimination, Harassment and Retaliation Prohibited

As an equal opportunity employer, the District is committed to a policy of non-discrimination in all aspects of the employment relationship. The District does not discriminate against employees or applicants encompassing all aspects of religious belief, observance, and practice, on the basis of race, religious creed, (including religious dress and grooming practices), color, national origin, ancestry, physical or mental disability, medical condition, genetic information, marital status, sex, gender, pregnancy, childbirth and pregnancy-related medical conditions, breastfeeding or medical conditions related to breastfeeding, gender identity (including transgender status), gender expression, age, veteran status, military status, sexual orientation, citizenship status, height and weight, holding or presenting a driver's license issued under section 12801.9 of the Vehicle Code, or any other characteristic or trait not listed above made unlawful by state, federal or other applicable law. All such discrimination is unlawful. Discrimination is also prohibited on the basis of a perception that a person has any of the above characteristics or traits, or that the person is associated with a person who has, or is perceived to have, any of the above characteristics or traits.

The District prohibits the harassment of, or discrimination against any employee, as well as the harassment of non-employees whose employers maintain a business relationship with the District, on any of the bases listed above. The District also prohibits retaliation against any individual for reporting or opposing discrimination, harassment, or retaliation, or filing a complaint, testifying, or assisting in any proceeding relating to harassment, discrimination or retaliation. Any employee who violates the District's equal employment opportunity policy will be subject to discipline, up to and including immediate termination.

It is also the District's policy to provide reasonable accommodations for otherwise qualified disabled employees and applicants, including those temporarily disabled by pregnancy, childbirth, or related medical conditions, and to provide reasonable accommodations for the religious practices and observances of employees, except where doing so will result in an undue hardship. To this end, the District will participate in a timely, good faith, interactive process with disabled employees or applicants to determine what reasonable accommodation(s), if any, can be made in response to a request for an accommodation to assist the individual in performing the essential functions of his or her existing or prospective position. Human Resources should be contacted regarding any request for a reasonable accommodation. The District prohibits retaliation or other discrimination against any individual for requesting an accommodation, regardless of whether the request is granted. This policy applies to all phases of the employment relationship, including recruitment, hiring, training, promotion, compensation, benefits, transfer, social and recreational programs, termination of employment and reemployment.

Article 2 – Anti-Harassment Policy

2.1 General Prohibition Against Harassment

The District is committed to providing a workplace free of harassment because of sex (which includes, but is not limited to, sexual harassment, gender harassment, and harassment due to pregnancy, childbirth, breastfeeding, or related medical conditions), race, religious creed, (including religious dress and grooming practices), color, national origin, ancestry, physical or mental disability, medical condition, genetic information, marital status, gender, gender identity (including transgender status), gender expression, age, veteran status, military status, sexual orientation, citizenship status, height and weight or any other basis protected by state, federal or other applicable law. All such harassment is unlawful. The District strongly disapproves of and will not tolerate harassment of employees, interns, or volunteers by managers, co-workers, customers, independent contractors, vendors or other non-employees in the workplace. Similarly, the District will not tolerate harassment of customers, independent contractors, vendors, or other non-employees with whom the District has a business, service, or professional relationship, by managers, co-workers, independent contractors, vendors, or other non-employees in the workplace.

Harassment includes verbal, physical and visual conduct that creates an intimidating, offensive, or hostile working environment or that interferes with work performance. Such conduct constitutes harassment when (1) submission to the conduct is made either an explicit or implicit term or condition of employment; (2) submission to or rejection of the conduct is used as the basis for an employment decision; or (3) the harassment interferes with an employee's work performance by creating an intimidating, hostile or offensive work environment.

Harassing conduct can take many forms and includes, but is not limited to, the following: slurs, jokes, statements, gestures, assault, impeding or blocking another's movement or otherwise physically interfering with normal work, and pictures, drawings, or cartoons based upon an employee's sex (including those based on sex, sexual orientation, gender, gender identity (including transgender status), gender expression, pregnancy, childbirth, breastfeeding, or related medical conditions), race, creed, color, religion (including religious dress and grooming), national origin, ancestry, age, marital status, physical disability, mental disability, medical condition, citizenship status, veteran status, military service status, height and weight or any other basis protected by state, federal or other applicable law. Employees that engage in harassing conduct will be subject to discipline, up to and including termination.

2.2 Prohibition Against Sexual Harassment

Sexually harassing conduct in particular includes all of the prohibited actions described in section 2.1, above, as well as other unwelcome conduct such as propositions or requests for sexual favors, conversation containing sexual comments, unwanted comments about a person's body or dress, leering, unwanted touching, exposing others

to a person's private parts, exposing others to obscene or indecent language, gestures, or images, and unwanted sexual advances.

Such harassing conduct may include, but is not limited to, the following behavior:

1. **VERBAL HARASSMENT** – Verbal harassment such as jokes, epithets, slurs, negative stereotyping, and unwelcome remarks about an individual's body, color, physical characteristics, appearance, or talents, references to employees as "honey," "doll," or "sweetheart," questions about a person's sexual practices, and patronizing terms or remarks; harassment is not necessarily sexual in nature. It may also take the form of other vocal activity including derogatory statements not directed to any specific individual, but taking place within the hearing of other employees;
2. **VISUAL HARASSMENT** – Visual harassment such as offensive or obscene photographs, calendars, posters, cards, cartoons, drawings and gestures, display of sexually suggestive or lewd objects, unwelcome notes or letters, and any other written or graphic material that denigrates or shows hostility or aversion toward an individual because of a protected characteristic, that is placed on walls, bulletin boards, or elsewhere on the employer's premises or circulated in the workplace;
3. **PHYSICAL HARASSMENT** – Physical harassment such as physical interference with normal work, impeding or blocking movement, assault, unwelcome physical contact, staring at a person's body, and threatening, intimidating or hostile acts that relate to a protected characteristic;
4. **THREATS AND DEMANDS** – Threats and demands to submit to sexual requests as a condition of continued employment, or to avoid some other loss, and offers of employment benefits in return for sexual favors; and
5. **RETALIATION** – Retaliation for having reported or threatened to report harassment.

Participation in sexually harassing conduct will subject the employee to discipline, up to and including termination.

2.3 Sexual Harassment Prevention Training Policy

As part of the District's commitment to provide a harassment free workplace, the District provides and requires at least two hours of sexual and all other forms of prohibited harassment and abusive conduct prevention training for all manager and supervisors and at least one hour of sexual and all other forms of prohibited harassment and abusive conduct prevention training for all other employees after six months of commencing employment with the District and thereafter at least once every two years.

2.4 Application of Harassment Policy

The District's policy prohibiting harassment of any kind, including sexual harassment, applies to all employees, interns, volunteers, and agents of the District, and prohibits

harassment of employees, interns, and volunteers in the workplace by any person, including non-employees. The District's policy further prohibits employees, interns, and volunteers from sexually harassing third parties, such as suppliers, independent contractors, District Directors and others doing business with the District.

Article 3 – Reporting Harassment, Discrimination or Retaliation

Any incident of work-related harassment, discrimination, or retaliation, by District personnel or any other person should be reported promptly to the Director of Human Resources as soon as possible after the incident. The complaint should include details of the incident or incidents, names of the individuals involved and names of witnesses. A person is not required to complain to the Director of Human Resources if he or she believes that the Director of Human Resources is in any way a party to the perceived harassment, discrimination or retaliation, but may instead report the harassment to the Director of Administration & Board Services.

Every reported complaint of harassment, retaliation, or discrimination will be investigated fairly, thoroughly, and promptly. All parties will be provided with appropriate due process and the District will reach reasonable conclusions based on the evidence collected. Typically, the investigation will include the following steps: an interview of the employee who lodged the complaint to obtain complete details regarding the alleged harassment, discrimination, or retaliation; interviews of anyone who is alleged to have committed the acts of harassment, discrimination, or retaliation to respond to the claims; and interviews of any employees who may have witnessed, or who may have knowledge of, the alleged harassment, discrimination or retaliation. The complaint process and investigation will be documented and tracked for reasonable progress, and will be handled in as confidential a manner as possible consistent with a full, fair and proper investigation. The Director of Human Resources (or Director of Administration & Board Services), or his or her designee, is responsible for the investigation and will notify the complaining employee of the results of the investigation. The District will ensure timely closure of the complaint process and investigation. In keeping with the District's anti-retaliation policy, the District will not tolerate retaliation against any employee for cooperating in an investigation or for making a complaint of harassment, discrimination or retaliation.

In the case of District employees, if harassment, discrimination, or retaliation has occurred, the District will discipline the offender. Disciplinary action for a violation of this policy can range from, among other things, verbal or written warnings, suspension without pay, and immediate termination from employment depending upon the circumstances. The District may impose discipline for inappropriate conduct that comes to its attention without regard to whether the conduct constitutes a violation of law or even a violation of this particular policy. In the event of harassment, discrimination, or retaliation by an individual who is not employed by the District, the District will take whatever corrective action is appropriate under the circumstances.

All employees have a personal responsibility to conduct themselves in compliance with this policy and to report any observations of harassment, discrimination, or retaliation to the Director of Human Resources or the Director of Administration & Board Services.

Finally, discrimination, sexual harassment, harassment based on any legally protected status, and retaliation for opposing discrimination, harassment, or participating in investigations, or in proceedings or hearings conducted by state and local Equal Employment Opportunity (“EEO”) agencies, including the California Department of Fair Employment and Housing (“DFEH”) or Equal Employment Opportunity Commission (“EEOC”) are illegal. In addition to the internal process for investigation and resolution, an employee has the right to complain to the DFEH at the state level and the EEOC on the federal level. To contact the DFEH, consult your local telephone directory under state government offices. To contact the EEOC, consult your local telephone directory under U.S. government offices. These agencies have the power to order reinstatement and other remedies and to award monetary damages.

Employees who have any questions concerning this policy should contact the Director of Human Resources, or, in the case of a perceived conflict of interest, the Director of Administration & Board Services.

Chapter 5 Employees

Article 1 – Approval of Labor Budget and Compensation

As part of the annual budget process, the General Manager shall recommend to the Board the allocation of the total funds, if any, required for salary adjustments, performance-based, and salary-range adjustments for recruitment and retention purposes. The Board shall review and approve the General Manager’s proposed labor budget and employee classifications and positions. The General Manager shall thereafter have the authority to modify positions and organizational structure as necessary during the fiscal year to accomplish District business within the budget approved by the Board. The General Manager shall also have the authority to design and implement annual compensation programs within the District’s resources in order to retain and recognize excellence in fulfilling District business and service goals.

Article 2 – Assignment of Positions

District employees are placed in their positions as a result of an internal and/or external competitive process. Final appointment for Senior Manager positions, which include the Director of Administration & Board Services, Finance Director, Engineering and Operations Manager, Director of Human Resources, Director of Technology, Director of External Affairs, Special Projects Manager – Engineering & Operations, and Water Resources Manager, is made by the General Manager based, in part, upon the

recommendations of an interviewing panel. The interviewing panel must, at a minimum, include a member of the Human Resources department, one other Senior Manager and an employee of another water agency.

Chapter 6 General Terms and Conditions of Employment

Article 1 – Right to Change or Amend Policies and Benefits

This Administrative Code is intended to reflect the District's policies as of the date it is enacted. The District, however, expressly reserves the right to alter the policies and benefits discussed herein as well as the general terms and conditions of employment with the District. This Code does not constitute an enforceable contract, and is subject to amendment, modification or deletion by the District at any time. Nothing in this Code precludes the District from altering employee benefits and salaries.

Article 2 – Commencement of Employment

2.1 At-Will Employment at the Pleasure of the District

Pursuant to and consistent with Water Code sections 71340 and 71362, all employment with the District is at the pleasure of the Board and/or the General Manager, meaning that all such employment is at-will. This means that employment with the District is for no definite period, and that both employees and the District have the right to terminate employment at any time, with or without advance notice, and with or without cause. Employees also may be demoted or disciplined and, with the exception of the District's at-will employment policy, the terms of their employment may be altered at any time, with or without cause, at the discretion of the District. This policy of at-will employment supersedes all previous and existing policies and practices. No one other than the Board has the authority to change this arrangement, to enter into an agreement for employment for a specified period of time, or to make any agreement contrary to this policy. Any such change must expressly alter an employee's at-will employment status and must either be in a code adopted by the Board (such as the express adoption of a civil service system pursuant to Water Code section 71307) or be contained in a writing authorized by and signed on behalf of the Board and also signed by the affected employee. No other statement, document, conduct, policy or practice can alter an employee's at-will employment status with the District.

2.2 New Hiring Screening

After the District has determined a job applicant meets the minimum employment qualifications for a position and has made a conditional offer of employment to the applicant, all applicants will be required to undergo a criminal background check. The District will consider for employment qualified applicants with criminal histories in a manner consistent with the law.

In screening a potential new hire, unless otherwise required by law, the District will not seek from any source, ask an applicant to disclose, consider, or utilize as a factor in determining any condition of employment, any information or record concerning: (1) an arrest or detention that did not result in conviction; (2) a referral to, and participation in, any pre-trial or post-trial diversion program; (3) a conviction that has been judicially dismissed or ordered sealed pursuant to law; (4) an arrest, detention, processing, diversion, supervision, adjudication, or court disposition that occurred while the person was subject to the process and jurisdiction of juvenile court law; and, (5) a non-felony conviction for possession of marijuana that is two or more years old.

Unless otherwise required by law, in considering any conviction history information, the District will individually assess the person's fitness for the specific position, whether the applicant's conviction history has a direct and adverse relationship with the specific duties of the job, the nature and gravity of the offense or conduct, the time that has passed since the offense or conduct and/or completion of the sentence, and the nature of the job sought.

Unless otherwise required by law, if the District makes the preliminary decision that the applicant's conviction history disqualifies him/her from employment, the District will provide written notice to the applicant, including notice of the disqualifying conviction(s) that are the basis for the preliminary decision, a copy of the conviction history report, if any, and an explanation of the applicant's right to respond to the notice of the District before it becomes final and to provide evidence challenging the accuracy of the conviction history information, evidence of rehabilitation or mitigating circumstances, or both. The District will consider any additional information provided by the applicant. If the District makes a final decision to rescind a conditional offer of employment based solely or in part on an applicant's conviction history, the District will notice the applicant in writing.

District Policy is that employment background checks will not include consumer credit reports, which are reports by a consumer credit reporting agency bearing on a consumer's credit worthiness, credit standing, or credit capacity, except in instances in which the position for the person for whom the report is sought is: (1) a senior management or exempt managerial position; (2) a position for which the District is required by law to obtain or disclose such information; (3) a position that involves regular access to the combined bank or credit card account information, social security numbers, and dates of birth for others; (4) a position in which the person is or would be a named signatory on the employer's bank or credit card account, or authorized to transfer money or enter into financial contracts on the District's behalf; (5) a position that involves access to confidential or proprietary (trade secret) information; or (6) a position that involves regular access to \$10,000 or more of cash or more of the District or any of its customers during the workday. Even for these positions, the District reserves the right to determine which are subject to consumer credit report investigations, and will also provide specific written notice to persons for whom such reports are sought. In using credit reports for employment purposes, the District will comply with all applicable state and federal laws.

Additionally, after the District has made a conditional offer of employment to an applicant, all applicants will be required to undergo drug and alcohol screening. In some instances, the drug and alcohol screening is a requirement imposed pursuant to the administration of federal (or other governmental) grants and/or contracts. In such instances, the District will notify applicants who are subjected to drug and/or alcohol testing pursuant to a grant or contract of the particular obligations under the specific grant or contract.

2.3 Reimbursement of Interview Costs

The General Manager, in his or her sole discretion, may reimburse applicants for expenses incurred in connection with an interview with the District. Such reimbursement is contingent upon the applicant providing the District with proper verification and receipts, documenting his or her expenses. The District will only reimburse applicants for the following limited expenses: 1) coach/economy airfare; 2) auto mileage per Internal Revenue Service (IRS) rate; 3) reasonable expenses for meals; 4) overnight stay where necessitated by the timing of the interview; and 5) airport transit.

2.4 Verification of Right to Work

Under federal law, all new hires must produce original documentation establishing their identity and right to work in the United States, and must also complete the Employment Eligibility Verification Form I-9, swearing that they have a right to work in the United States. All offers of employment are therefore conditioned upon an individual's ability to furnish appropriate proof of his or her identity and legal right to work in the United States and proper completion of a Form I-9. To the extent that the District may receive information bringing an employee's right to work lawfully in the United States into question, the District also reserves the right to follow up as may be necessary to comply with its obligations under the law.

Employees with questions or seeking more information on immigration law issues are encouraged to contact Human Resources. Employees may raise questions or complaints about immigration law compliance without fear of reprisal. The District will not discriminate, retaliate or take any adverse action against an employee because the employee updates his or her personal information.

Article 3 – Employment Classifications

3.1 Full-time Employees

An Employee who is regularly scheduled to work at least 40 hours per week for an indefinite period is referred to as a full-time employee. This shall also include those employees who work an alternative work schedule (i.e. 4/10 work schedule). All personnel policies apply to full-time employees. Full-time employees are generally eligible for all District benefits, subject to the terms, conditions and limitations of each benefit program or plan.

3.2 Part-time Employees

An employee who is regularly scheduled to work less than 40 hours per week for an indefinite period is referred to as a part-time employee. With the exception of paid sick leave, part-time employees who work less than 20 hours per week are not eligible for many District benefits, including vacation. Part-time employees who work a minimum of 30 days or more, regardless of number of hours per week will be entitled to paid sick leave as set forth in Section 12.18. Part-time employees who are regularly scheduled to work 20 or more hours per week are eligible for benefits. Part-time employees who work 1,000 hours or more in any one fiscal year are eligible for enrollment in the California Public Employees' Retirement System (CalPERS). Part-time employees should contact Human Resources to determine their eligibility to participate in the various benefit programs offered by the District.

3.3 Temporary Employees

Temporary employees are those who hold jobs of limited duration and who are hired as interim replacements to temporarily supplement the workforce or to assist in the completion of a specific project. Temporary employees generally will not be hired for a period of longer than 120 days. Employment beyond any initial period does not change an employee's status as a temporary employee. A temporary employee remains in that status unless and until notified in writing of a change in status. With the exception of paid sick leave, temporary employees are ineligible for District benefits, including paid vacation, unless such benefits are required by State or Federal law. Part-time and temporary employees who work for 30 days or more will be entitled to paid sick leave as set forth in Section 12.18. Temporary employees who work 1,000 hours or more in any one fiscal year are eligible for enrollment in the California Public Employees' Retirement System (CalPERS). For all purposes, temporary employees shall be classified as non-exempt employees.

3.4 Leased Workers and Independent Contractors

The District may on occasion use the services of persons supplied by temporary-personnel agencies and may enter into agreements with independent contractors. Leased workers are workers assigned to work at the District through a leasing organization, including all workers assigned to work at the District through temporary employment agencies. A leased worker can be classified as exempt or nonexempt and can work any number of hours, either part-time or full-time. Leased workers are employees of the leasing organization and not of the District, and are not entitled to any benefits from the District, regardless of whether they might be considered common law employees or borrowed employees for any purpose. The District has a policy, however, of requiring any leasing organization, including any temporary employment agency, with which it does business to provide workers' compensation benefits and any other benefits required by law to its leased employees. Similarly, independent contractors and their employees and subcontractors, if any, are also not employees of the District, and are not entitled to any benefits from the District, regardless of whether they might be considered common law

employees or borrowed employees for any purpose. Leased workers and independent contractors remain in that status unless and until notified in writing of a change in status.

3.5 Exempt/Nonexempt Status

In compliance with the requirements of the Fair Labor Standards Act (FLSA), all District positions are classified as either “exempt” or “nonexempt.” Exempt employees are those employees whose job assignments meet FLSA requirements for an overtime exemption. Exempt employees are generally compensated on a salary basis and are not eligible for overtime pay. Exempt employees are required to work as many hours as necessary to complete the assigned task without additional compensation. Nonexempt employees are generally paid on an hourly basis and are entitled to overtime pay for hours worked over forty (40) in a workweek.

Article 4 – Hours and Compensation

4.1 Working Hours

The District’s normal operating hours are from 7:30 a.m. to 6:30 p.m. Monday through Thursday and closed Friday. The District office will be open to the public Monday through Thursday from 8:00 a.m. to 6:00 p.m.

Employees are scheduled to work a 4/10 schedule, which consists of:

1. Monday through Thursday, the regular work shift is 7:30 a.m. to 6:30 p.m. with the exception of a one hour lunch period.
2. Friday, the District is closed; however, will be open and staffed as needed for community, education or inter-agency caucus meetings or events.
3. Work shifts other than described above may be established with the express written approval of the General Manager.

The District reserves the right to modify work schedules in order to accommodate business needs. Each employee’s direct manager will inform him or her of his or her specific work schedule and of any schedule changes as far in advance as possible. Employees may not change their own schedules without prior written approval from their manager.

4.2 Attendance

Punctual and regular attendance is an essential job requirement. Employees are therefore expected to be at work as scheduled and to arrange personal matters around working hours. Employees are also expected to return from their breaks and meal periods

on time. Except in an emergency, employees must have advance permission to leave work before they are regularly scheduled to do so.

Although employees are expected to be at work on time, the District understands that this is not always possible. If an employee is unable to report to work as scheduled for any reason, he/she must notify his or her manager as early as possible, but in no case later than 30 minutes before the employee's shift is scheduled to begin. Employees must notify their manager of the reason for their absence and when they expect to return to work. If the employee's manager is not available, the employee should leave a message and call back later to speak directly with the manager. Failure to notify the manager of the intent to be tardy or absent may result in disciplinary action, up to and including termination. If the employee's manager is unavailable, he or she should contact Human Resources. An employee who is absent from work for three consecutive scheduled workdays without notifying the District or having someone on his/her behalf notify the District of his or her intent to be absent shall be deemed to have abandoned his/her position and have voluntarily resigned.

4.3 Meals and Rest Periods

Nonexempt employees who work more than five hours per day may take one unpaid meal period of one (1) hour. Nonexempt employees that work 10 or more hours in a day may also take a second unpaid meal period of one (1) hour. Employees are relieved from their work duties during unpaid meal periods, may leave their workstations, and may generally leave the District's premises.

Employees are expected to take their meal period between 11:30 a.m. and 1:30 p.m. on Mondays through Thursdays, and between 12:00 p.m. and 2:00 p.m. on working Fridays, in order to minimize interruptions to business operations. Nonexempt employees working on Fridays are not permitted to take their meal period before 12:00 p.m. on Fridays without the express written approval of their manager. Employees are also expected to resume work promptly at the end of their scheduled meal period. The District may, however, require employees to work during meal periods, including requiring them to attend training at a designated location, in which case nonexempt employees will be paid for the time during which they are required work, along with any resulting overtime.

Subject to the scheduling requirements of the District, nonexempt employees may also take one paid 15-minute rest break for each four hours worked. Rest breaks may not be accumulated or taken at the beginning or end of a workday; nor may rest break periods be combined with an employee's meal period. The District encourages employees to take their rest breaks. In extenuating circumstances and to the extent that the District's schedule does not permit a nonexempt employee to take a paid rest period at a particular time, the rest period is lost, and the employee will not be provided with a makeup rest period or any additional pay.

Rest periods include time taken at an employee's workstation to make or receive a personal telephone call, eat a snack, attend to personal business or otherwise "relax."

Employees who take their breaks without leaving their workstation should be considerate of other employees in the surrounding area and should maintain a professional atmosphere. Employees are expected to begin and conclude rest periods within the timeframe allotted.

4.4 Lactation Accommodation

The District will provide reasonable break time for employees desiring to express breast milk during work hours. This break should run concurrently with any other rest periods already provided where practical. For example, employees may express breast milk during the 15-minute paid rest periods described above. However, if it is not possible to express milk during the already-provided breaks, the District will provide a separate, unpaid break time. In addition, the District will provide employees use of a private room or location that is not a restroom, which is in close proximity to the employees' work area, for use in expressing milk.

4.5 Compensation

A. Setting Employee Compensation Levels

The pay level for each job is set based on an analysis of the job's requirements and the market rates for comparable jobs in the District's geographic area and shall be set at the District's sole discretion. The pay level shall be set by a salary range whereby the minimum and maximum pay rate for each position is established. The District will review salary ranges every three years by conducting compensation surveys prior to the budget review period. Salary ranges for positions will be based on an analysis of salaries paid for similar positions at comparable districts in Southern California. Upon approval by the Board of Directors salary ranges may be adjusted by a percentage increase equivalent to the applicable consumer price index (CPI) or by a greater amount as approved by the Board. The District will comply with all applicable laws regarding pay equity. Any discrepancies in pay for substantially similar work will be based on bona fide business factors other than sex. The District encourages employees to immediately report any wage discrepancies possibly based on sex for prompt and careful consideration and will not retaliate against employees for raising pay equity concerns.

B. Compensation Maximums

Should the base pay rate of an employee's current position exceed the maximum of the assigned and established base pay rate range of that position, the employee's current base pay rate shall be "held" until such time as the maximum of the base pay rate range exceeds that "held" base pay rate. The District does not grant lump-sum payouts to employees who exceed their maximum salary range. Nor does the District grant automatic pay increases (i.e., Cost of Living Adjustments). Notwithstanding the foregoing, the General Manager shall have the

authority to increase an employee's base pay rate above the maximum pay rate in an amount not to exceed five percent (5%) when such employee's pay rate is being "held" as a result of the employee reaching the maximum amount of the pay rate range for their position.

C. Overtime

From time-to-time, employees may be required to work overtime where necessary to complete District business. Managers will attempt to provide employees with as much advance notice as possible of any mandatory overtime. All voluntary overtime must be authorized by a manager in advance. Failure to work required overtime or overtime worked without prior authorization may result in disciplinary action, up to and including termination.

Nonexempt employees will be paid overtime for hours worked over forty (40) in a workweek in accordance with the requirements of the FLSA. Only those hours actually worked will be considered in calculating overtime pay. For example, paid or unpaid holiday, vacation, sick leave time is not considered in calculating overtime pay.

D. Payment of Salary, Performance Pay, Benefits and Employer Contributions to Deferred Compensation Pursuant to Employment Contracts

The District may, from time to time, enter into individual written employment agreements signed by the relevant employee and an authorized representative of the District. To the extent that the District does so, the District will pay any salary (or hourly compensation), performance recognition pay, employer contributions to the District's Deferred Compensation Plan established pursuant to the provisions of Section 401(a) and Section 457(b) of the Internal Revenue Code, or other employment benefits to a particular employee based on the terms of his or her particular written employment agreement with the District, subject to any limitations imposed by law and subject to any terms and limitations imposed by the relevant plan and benefit documents.

Subject to the following limitation, employees with written employment agreements with the District are subject to the general terms of this Administrative Code except to the extent that those terms are varied or supplemented by a particular written employment agreement signed by the relevant employee and an authorized representative of the District. However, as set forth above, any change to an employee's at-will employment status must expressly alter the employee's at-will employment status and must either be in a code adopted by the Board (such as the express adoption of a civil service system pursuant to Water Code section 71307) or be contained in a writing authorized by and signed on behalf of the Board and also signed by the affected employee.

E. Timekeeping

All employees are required to submit timesheets that accurately reflect actual time worked. Nonexempt employees must also accurately record the actual time they begin and end work each day, any time taken for a meal period, and any time they leave work for reasons unrelated to District business.

In addition, both exempt and nonexempt employees should record on their timesheets any time taken off of work, including time spent on jury duty, vacation and sick time. Any required documentation (i.e. jury duty certificate, doctor's note, etc.) should be submitted along with the employee's timesheets.

Consistent with applicable law, exempt employees will be paid for any week in which they perform any work except where a deduction for time off is permissible under applicable law.

Employees must sign their timesheet to certify the accuracy of all time recorded therein. All timesheets must then be submitted to the employee's manager for review and approval. Completed and signed timesheets are to be turned in to the Budget & Finance Department by 12:00 p.m. on the last Wednesday of the pay period or earlier if requested. Employees that falsify their timesheets will be subject to disciplinary action, up to and including termination.

F. Pay Periods

All District employees are paid on a biweekly basis, 26 times per calendar year. Employees receive their wages for each biweekly work period on the first Wednesday following the completion of each biweekly pay period, or, if that day is a holiday, the first preceding business day. Each December, a calendar of payday for the following year will be distributed.

The standard workweek begins at 12:01 a.m. Monday morning and ends at 12 midnight on the following Sunday. The District pays employees via direct deposit or by check. If an employee elects direct deposit, his or her wages will be deposited directly into his or her designated account. If an employee elects to be paid via check, the check should be picked up by the employee from Human Resources or another representative designated by the District. At the employee's written request, the check can be mailed to the employee's home address. Written authorization, signed by the employee, is required to release the employee's paycheck to anyone other than the employee.

G. Payroll Advances

The District only pays employees for hours previously worked or for accrued paid vacation, sick or other paid leave time. The District does not pay in advance for work not yet performed.

H. Payroll Withholdings and Deductions

Both federal and state law require the District to make proper deductions from the employee's paychecks. The amounts withheld will vary depending on earnings from salaries, vacation allowances, bonuses, and fringe benefits; marital status and the number of exemptions claimed. These required deductions may include, but are not limited to, State and Federal Income Tax, Social Security and Medicare (FICA) and any applicable garnishments (court-ordered attachments). If elected, deferred compensation contributions (except for employer contributions, if any) will also be deducted. All amounts deducted are indicated on the employee's pay stub.

I. Temporary Assignment to a Vacant Position

On occasion, employees may be asked to assume, on a temporary basis, the responsibilities of a vacant position. For purposes of this policy, a "vacant position" is defined as: 1) an authorized position, which may be unoccupied, for which funds have been appropriated and the appointment process has been initiated; 2) an existing, occupied position for which the incumbent is on an extended leave of absence; or 3) a new, authorized position for which the appointment process has been initiated.

J. Temporary Increase in Compensation

A temporary increase in pay may be granted at the District's sole discretion to recognize the temporary assignment of additional responsibilities that are significant in nature and beyond the scope and complexity of the employee's normal job responsibilities for a period of longer than four weeks. An employee's eligibility for and the amount of a temporary increase in compensation will be determined by the District in its sole discretion, but shall not exceed 10 percent of the employee's current base pay rate. However, in the case of Senior Manager positions, the amount of a temporary increase in compensation shall not exceed 15 percent of the employee's current base pay rate. A temporary increase in compensation must be approved, in writing, by the General Manager in consultation with the Director of Human Resources.

Article 5 – Record Keeping

5.1 Personnel Records

The District will maintain a personnel file for each employee. Employees will be provided with copies of any document they sign before the original is placed in his or her personnel file. Personnel records are confidential and access to personnel records is granted only to the General Manager, to the employee's Senior Manager, legal counsel and Human Resources. Upon 24-hours written notice, any employee may review his or her personnel file in the presence of a Human Resources representative.

The District will disclose information contained in an employee's personnel file to persons employed by anyone other than the District only under the following circumstances:

- (a) In response to a subpoena, court order or order of an administrative agency;
- (b) To a governmental agency as part of an investigation by that agency or the District's compliance with applicable law;
- (c) In a lawsuit, administrative proceeding, grievance or arbitration in which the employee and the District are parties, but only as required or authorized by law or required by those legal proceedings;
- (d) In connection with a worker's compensation proceeding;
- (e) To administer employee benefit plans;
- (f) To a health care provider who has obtained the appropriate release from the employee;
- (g) To first aid or safety personnel when necessary;
- (h) To independent contractors hired to address or support the District in employment management or Human Resources issues and only on a confidential need-to-know basis;
- (i) In the District's discretion, upon receipt of a written request by an employee authorizing the District to release his or her personnel files to a particular person or agency;
- (j) As otherwise authorized by law to those with a legitimate business need to review such files and consistent with the limitations of the Public Records Act or any other applicable law.

Employees will be notified of any disclosure to third parties if and when required by law.

5.2 Keeping the District Informed

Employees are required to immediately advise Human Resources of any changes in personal status including, but not limited to, changes with respect to the employee's name, marital status, entry into a domestic partnership, address, telephone number, tax withholding information and emergency contact information. Employees are also required to immediately advise Human Resources of the following events, which may impact benefits coverage for a spouse or dependents:

- (a) Divorce, legal separation, or termination of a domestic partnership;

- (b) Facts affecting a dependent's eligibility for insurance coverage (i.e., a child reaches the maximum age of 26 for coverage, is over 18 and ceases to be a full-time student or is no longer claimed as a dependent for tax purposes);
- (c) A determination is made by the Social Security Administration that the employee or covered dependent is disabled. The District must be advised of any disability determination within 60 days from the date of the written notification of a determination by the Social Security Administration.

As set forth in Article 6, below, employees must also notify the District of the existence of any conflicts of interest as defined by this Administrative Code and upon changes in family or personal relationships within the employee's chain-of-supervision.

Article 6 – Employee Conflicts of Interest

6.1 General Conflict of Interest Policy Pertaining to Employees

Employees are expected to devote their best efforts and attention to the performance of their job, to use good judgment, to adhere to high ethical standards and to avoid situations that create actual or potential conflicts between the employee's personal interests and the interests of the District or the public. If there is a question as to whether a particular relationship or activity poses a conflict of interest, the matter should be brought to the attention of Human Resources, the General Manager or District Legal Counsel.

It is critical that employees adhere to all applicable laws and regulations when conducting business on the District's behalf. In addition, employees are prohibited from using their influence or control over District affairs or any information obtained in the course of their employment with the District for their own or any third party's monetary gain. Employees shall refrain from using District time, equipment or assets to conduct personal business.

In addition to the above and with respect to the award or administration of a contract supported by federal grant or project funding, an employee of the District shall not participate in the selection, or in the award or administration of a contract if a conflict of interest, real or apparent would be involved. Such a conflict would arise when:

- (a) A District employee, officer or agent of the District,
- (b) Any member of his or her immediate family,
- (c) His or her domestic or business partner, or
- (d) An organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award.

An employee of the District will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors or parties to sub-agreements. An

employee of the District; however, may accept an unsolicited gift if the item is of nominal intrinsic value.

If an employee of the District fails to comply with the standards of conduct set forth herein, the employee may be subject to discipline as provided in this Administrative Code up to and including termination.

An employee unsure as to whether a certain transaction, activity or relationship constitutes a conflict of interest should discuss it with his or her immediate manager or the Director of Human Resources, General Manager or District Legal Counsel for clarification. Similarly, an employee who becomes aware of an actual or potential conflict of interest must immediately disclose it to both his or her immediate manager and the Director of Human Resources.

To the extent permitted by law, the District may investigate and review any perceived or alleged impropriety or conflict of interest by employees or anyone doing business with the District. The District is responsible for ensuring that the District investigates fully any perceived or direct conflict of interest.

6.2 Outside Work

Although the District expects its employees to devote their primary efforts towards their duties and responsibilities with the District, District employees may also, unless expressly prohibited from doing so by statute, ordinance, or contract, engage in outside employment subject to the prior written approval of the General Manager. Generally, outside employment will be approved if it:

- (a) Does not conflict with the employee's responsibilities at the District, including the need to work overtime or non-standard business hours if necessary;
- (b) Does not interfere with the employee's performance at the District;
- (c) Does not prove detrimental to the interests of the District;
- (d) Does not involve a conflict of interest or the appearance of a conflict of interest (such as working for a vendor); and
- (e) Does not involve the use of confidential information of the District or others.

Before an employee can serve as a paid officer, Director, employee, or advisor for another employer, including serving as a board member for another public agency, the District must first determine that accepting such a role will not result in any conflict of interest or otherwise improperly interfere with an employee's obligations to the District. Such determinations will be made by the General Manager in consultation with the Director of Human Resources and District General Counsel. Employees must therefore disclose and obtain written permission to accept outside employment prior to accepting such

employment. This does not impair or prohibit employees from volunteering or serving as a volunteer, a Board member or officer for a non-profit entity, organization or body, provided that such volunteer service is uncompensated and does not otherwise conflict with the duties and responsibilities of the employee in working for the District.

Employees may not use any District-owned or leased vehicles, property or equipment to conduct business for or pursuant to their employment with anyone other than the District. While employed by the District, Employees may not work for a contractor, vendor or any other party doing business with the District.

6.3 Employment and Supervision of Relatives and Other Persons with Whom Employees Have a Close Personal Relationship

The District respects its employees' interests in maintaining family and personal relationships. Although the District does not wish to intrude on such relationships, it does desire to avoid possible conflicts of interest, perceived favoritism or advantages, or perceived sexual harassment that can result when one person involved in such a relationship reports to another person within that relationship.

Accordingly, although the District does not prohibit the hiring of an employee's family member or others with whom the employee maintains a close personal relationship, the District does not permit an employee to supervise another intimately associated individual, including a family member, domestic partner or person with whom the employee is in a dating or sexual relationship. The District may refuse to hire or place a relative or other intimately associated individual (including a domestic partner or person in a dating or sexual relationship with another employee) in a position where the potential for conflict, favoritism or harassment exists. The District may also require one individual to transfer to another position or, if there is no comparable position available, to separate from employment, in order to prevent employees who are intimately associated (including those who are related, dating, in sexual relationships or domestic partners) from working within the same direct chain-of-supervision.

Although the District does not prohibit employees from entering into familial or intimate relationships with each other, an employee who enters into an intimate relationship (including a dating, sexual, marriage, domestic partnership or familial relationship) with a person within his or her direct chain-of-supervision (or who knows that he or she is being considered for a transfer or promotion into such a position) must immediately disclose that fact in writing to the Director of Human Resources or General Manager in order to prevent any actual or potential resulting conflicts of interest, perceived favoritism or advantages or perceived sexual harassment. The details of the relationship need not be disclosed, so long as the employee discloses that he or she has an intimate, familial or close personal relationship with the individual.

For purposes of this section of this policy (Employment and Supervision of Relatives and Other Persons with Whom Employees Have a Close Personal Relationship), the term "family member" includes any person who is related by blood or marriage or individuals

that are not related, but who have a close relationship that is similar to that of individuals that are related.

6.4 Political Reform Act Policy

The Political Reform Act (Government Code section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission (FPPC) has adopted a regulation (2 California Code of Regulations, section 18730), which contains the terms of a standard conflict of interest code. After public notice and hearing, it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations, section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission, are hereby incorporated into the conflict of interest code of this District agency by reference. This regulation and the attached exhibits establishing economic disclosure categories (Exhibit “A” attached to the Administrative Code hereto as amended and approved from time to time by the Los Angeles County Board of Supervisors) and designating officials and employees (Exhibit “B” attached to the Administrative Code hereto as amended and approved from time to time by the Los Angeles County Board of Supervisors) shall constitute the conflict of interest code of this agency.

All officials and employees required to submit a statement of economic interests shall file their statements with the General Manager, or his or her designee. The agency shall make and retain a copy of all statements filed by its Board Members and General Manager, and forward the originals of such statements to the Executive Office of the Board of Supervisors of Los Angeles County.

The agency shall retain the originals of statements for all other designated positions named in the agency’s conflict of interest code. All retained statements, original or copied, shall be available for public inspection and reproduction (Government Code Section 81008).

Article 7 – Performance Evaluations

7.1 Purpose of the District’s Performance Evaluation Process

The District’s employee performance evaluation process provides an objective, consistent and fair way to gauge each employee’s job effectiveness.

7.2 Basic Elements of the Performance Evaluation Process

The performance evaluation process, at a minimum, includes the following basic elements. Each fiscal year, in May, employees will participate in the performance evaluation process in which the employee’s performance during the preceding year will

be evaluated and the employee and his or her manager will work together to set performance and development goals for the upcoming fiscal year.

The performance evaluation process will begin with the employee's self-evaluation of his or her own performance and preparation of written performance and development goals for the upcoming fiscal year. The employee review and goals should be submitted to his or her immediate manager and the manager evaluates the employee's performance and reviews the employee's proposed goals.

The manager will also review the compensation level of the employee based upon their performance, position in the salary range and market rates for comparable jobs. The District also considers its present resources and potential recruitment and retention issues. In any event, new or promoted employees starting after January 1 will generally not be eligible for a compensation review until the following annual performance evaluation cycle. In rare circumstances; however, management may, in its sole discretion, adjust compensation on a going forward basis prior to the next performance evaluation cycle for those employees that have demonstrated exceptional performance.

The manager will then review the performance evaluation, goals and any compensation adjustment with the next higher level of management for their approval. Once approved by management, the manager will discuss the evaluation with the employee and work with the employee to develop performance and development goals for the upcoming fiscal year.

Once the evaluation has been discussed with the employee and signed by all the necessary parties, the original should be given to Human Resources and a copy provided to the employee. In the event that the employee refuses to sign the evaluation, his or her manager or the Director of Human Resources should indicate in writing on the evaluation the fact that the evaluation was presented to the employee on a specific date but that the employee refused to sign the evaluation, and should then provide the original evaluation to Human Resources with a copy of the evaluation, as annotated, to the employee.

An employee who disagrees with his or her evaluation may request a meeting for reconsideration with Human Resources within three working days of receipt of the evaluation and with prior notification to the employee's manager. Human Resources will discuss the employee's request for reconsideration with the employee's manager. If Human Resources is unable to resolve the employee's concerns through consultation with the manager, the General Manager will be consulted. The General Manager will make the final decision with regard to any changes to an employee's performance evaluation.

Employees on approved, unpaid leaves of absence are ineligible for performance evaluations. A performance evaluation may be given to an employee by the manager at any time.

Article 8 – District and Personal Property

8.1 Confidential Information

Confidential information, including information contained in the personnel files of officers, the General Manager, Senior Managers and other employees of the District, relating to the District, its employees and customers should be kept confidential and should never be disclosed to third parties without the prior written consent of the District and consistent with the provisions of this Administrative Code. However, nothing in this policy is intended to prevent the District as required by law or an employee from disclosing his or her own personal compensation information or work history (including disciplinary history) only, within his or her discretion, and nothing in this policy should be construed to prohibit employees from discussing wages. In addition, confidential information should only be divulged to authorized individuals within the District on a need-to-know basis and limited to protecting the privacy rights of the affected party or parties. For the purpose of this policy, confidential information includes, but is not limited to, personnel records and employee contact information, medical records, trade secret or other proprietary information, information discussed at Closed Session meetings of the Board, and all records that are exempt from disclosure pursuant to the Public Records Act, including drafts of reports and documents protected pursuant to the deliberate process privilege. If an employee is in doubt as to whether certain information is confidential, the employee should not divulge the information and immediately discuss the situation with his or her manager, the Director of Human Resources, the General Manager or District Legal Counsel, as appropriate.

Employees, including Board members, should not make any personal copies of confidential information or otherwise take steps to preserve or record confidential information for use outside of their employment with the District. In addition, confidential information may not be removed from District premises without the express, written authorization of the General Manager. Electronic devices may not be used when reviewing Confidential Information.

Confidential information disclosed to Board members or employees or developed or obtained by Board members or employees, either directly or indirectly, in the course of their employment with the District, is the sole and exclusive property of the District. Board members and employees do not own or have any interest in such confidential information or in any files, records or documents that relate to such confidential information. Confidential information obtained during or through employment with the District may not be used by any Board member or employee for the purpose of furthering current or future outside employment or activities or for obtaining personal gain or profit. On termination of employment, whether voluntary or involuntary, all District documents, computer records, and other tangible District property in the Board member or employee's possession or control must be returned to the District immediately. Upon the return to the District of District Property in connection with termination of employment or a request of the District to return such property, employees must also delete copies of any intellectual property,

programs, documents, or data maintained as electronic or software files within their possession.

8.2 Technology Use, Electronic District Business Information and Security Policy

The District provides various Technology Resources to authorized employees to assist them in performing their job duties for the District. Each employee has a responsibility to use the District's Technology Resources in a manner that increases productivity, enhances the District's public image, and is respectful of other employees. Failure to follow the District's policies regarding Technology Resources may lead to disciplinary measures, up to and including termination of employment. District employees are reminded that, in addition to the requirements of this policy, all usage of Technology Resources is also subject to other District's policies, including those relating to the protection of confidential information and those prohibiting harassment.

A. Technology Resources and Related Definitions

“Technology Resources” consist of all electronic devices, software and means of electronic communication including any of the following: personal computers and workstations; laptop computers; mini and mainframe computers; computer hardware such as disk drives and tape drives; peripheral equipment such as printers, modems, fax machines, and copiers; computer software applications and associated files and data, including software that grants access to external services, such as the Internet, electronic mail; telephones; mobile phones; personal organizers and other handheld devices; pagers; voicemail systems; and instant messaging systems.

“Business Information” consists of information generated, transmitted, received and/or stored by the District and used in the operation of the District’s business. Business information includes records, data and documents generated, transmitted, received, used, and/or stored in any form in the normal course of business (e.g., paper, electronic, audio and video recordings, and imaging media).

“Electronic District Business Information” refers to all of the District’s Business Information generated, transmitted, received, used and/or stored in electronic form, including but not limited to electronic mail, electronically transmitted faxes, telephonic stored messages, computerized word processing programs, electronic information management systems, databases, accounting and finance programs and all other software programs used in the operation of the District’s business.

B. Authorization to Use Technology Resources

Access to the District's Technology Resources is within the sole discretion of the District. Generally, employees are given access to the District's various technologies based on their job functions. Only employees whose job performance

will benefit from the use of the District's Technology Resources are authorized to access and use the necessary technology.

C. Use of Technology Resources

The District's Technology Resources are to be used by employees only for the purpose of conducting District business. Employees may, however, use the District's Technology Resources for the following incidental personal uses as long as such use does not interfere with the employee's duties, is not done for pecuniary gain, does not conflict with the District's business and does not violate any District policy:

- (a) To use the telephone system for brief and necessary personal calls;
- (b) To send and receive necessary and occasional personal communications;
- (c) To prepare and store incidental personal data (such as personal calendars, personal address lists, and similar incidental personal data) in a reasonable manner; and
- (d) To access the Internet for brief personal searches and inquiries during meal times or other breaks, or outside of work hours, provided that employees adhere to all other usage policies.

The District assumes no liability for loss, damage, destruction, alteration, receipt, transmission, disclosure or misuse of any personal data or communications transmitted over or stored on the District's Technology Resources. The District accepts no responsibility or liability for the loss or non-delivery of any personal electronic mail or voicemail communications or any personal data stored on any District property. The District strongly discourages employees from storing any personal data on any of the District's Technology Resources.

D. Improper Use of Technology Resources

- (a) Prohibition Against Harassing, Discriminatory, Retaliatory and Defamatory Use

The District is aware that employees use electronic mail for correspondence that is less formal than written memoranda. Employees must take care; however, not to let informality degenerate into improper use. As set forth more fully in the District's policy against Discrimination, Harassment and Retaliation, the District does not tolerate discrimination or harassment race, color, religion, sex (including sex, gender identity (including transgender status), pregnancy, childbirth, or related medical conditions), sexual orientation, national origin, ancestry, age, marital status, physical or mental disability, medical condition (cancer-related or genetic characteristics), veteran status, victims of stalking, sexual assault or domestic violence, or

any other basis prohibited by state, federal, or other applicable law, or retaliation for opposing and/or reporting such practices, or any other protected class as defined by law. Employees shall not use the District's Technology Resources to transmit, receive, or store any information that is discriminatory, harassing, retaliatory, defamatory, obscene, indecent, or threatening or that otherwise violates District policies (e.g., sexually explicit or racial messages, jokes or cartoons).

(b) Prohibition Against Violating Copyright Laws

Employees shall not use the District's Technology Resources to copy, retrieve, forward, or send copyrighted materials unless the employee has the author's permission or is accessing a single copy only for the employee's reference.

(c) Other Prohibited Uses

Employees shall not use the District's Technology Resources for any illegal purpose, violation of any District policy, in a manner contrary to the best interests of the District, in any way that discloses confidential or proprietary information of the District or third parties or for personal or pecuniary gain.

E. Ownership, Use, Storage and Treatment of District Business Information (Including District Electronic Business Information)

The District owns all District Business Information created by the District and may be the custodian of District Business Information provided to it by its customers and other third parties, regardless of whether that information is in paper, electronic, or any other tangible form. Upon the District's request at any time for any reason, District personnel must provide to the District all District Business Information in their possession or control. District Business Information is to be used for the District's business purposes and theft or misappropriation of any District Business Information is strictly prohibited. Providing access to another person who is not authorized to have access to, review or otherwise see District Business Information is strictly prohibited.

Electronic District Business Information generated, transmitted, received and/or used while conducting District business should be stored on District systems or media in the normal course of business. If Electronic District Business Information was not created on District systems in the normal course of business, absent extraordinary circumstances, it must be either placed in an appropriate District file or transmitted to a District electronic system within forty-eight (48) hours of creation. If there are such extraordinary circumstances, best efforts must be made to place the Electronic District Business Information in District files or on District systems or media as soon as practicable.

Copying, downloading or otherwise storing Electronic District Business Information on a non-District computer or media (including retention of Electronic District Business Information in the form of electronic mail messages and attachments on telephones, personal data assistants or other similar devices) for more than thirty days is prohibited, unless there are extraordinary circumstances that otherwise require such storage. Copying, downloading or otherwise storing Electronic District Business Information on any non-District computer or media (including retention of Electronic District Business Information in the form of electronic mail messages and attachments on telephones, personal data assistants or other similar devices) except for District business purposes is prohibited.

F. District Access to Technology Resources

All messages sent and received, including personal messages, and all data and information stored on the District's Technology Resources (including on its electronic mail system, voicemail system, or computer systems) are District property regardless of the content. As such, the District reserves the right to access all of its Technology Resources including its computers, voicemail, and electronic mail systems, at any time, in its sole discretion. No employee, other than the General Manager, has authority to waive, vary or amend the District's right to access its Technology Resources.

The District has the capability of viewing electronic mail (and attachments) sent from, and received to, individual workstations and can identify associated user IDs of senders as well as recipients. The District reserves the right to do so. There is no guarantee, and employees should have no expectation, of privacy with regard to electronic mail messages sent and received on District systems.

(a) No Reasonable Expectation of Privacy

On occasion, the District may need to access its Technology Resources including computer files, electronic mail messages and voicemail messages. Employees should understand, therefore, that they have no right of privacy with respect to any messages or information created, collected, or maintained on the District's Technology Resources, including personal information or messages. The District may, at its discretion, inspect all files or messages on its Technology Resources at any time for any reason. The District may also monitor its Technology Resources at any time in order to determine compliance with its policies, for purposes of legal proceedings, to investigate misconduct, to locate information, or for any other business purpose.

Additionally, District employees should be aware that, to the extent that messages, communications, documents, and information created with and/or stored on the District's Technology Resources contain information relating to the conduct of the public's business and are not exempt from disclosure pursuant to applicable law, they may be subject to disclosure to

members of the public consistent with the terms of the Public Records Act and other applicable law.

(b) Passwords

Certain District's Technology Resources can be accessed only by entering a password. Passwords are intended to prevent unauthorized access to information. Passwords do not confer any right of privacy upon any employee of the District. Thus, even though employees may maintain passwords for accessing Technology Resources, employees must not expect that any information maintained on Technology Resources, including electronic mail and voicemail messages, are private. Employees are expected to maintain their passwords as confidential. Employees must not share passwords and must not access coworkers' systems without express authorization.

(c) Data Collection

The best way for employees to ensure the privacy of personal information is not to store or transmit it on the District's Technology Resources. So that employees understand the extent to which information is collected and stored, examples of information currently maintained by the District are provided below. The District may, however, in its sole discretion, and at any time, alter the amount and type of information that it retains.

- (1) Telephone use and voicemail: Records are kept of all calls made from and to a given telephone extension. Although voicemail is password-protected, an authorized administrator can listen to voicemail messages and also reset the password.
- (2) Electronic mail: Electronic mail is backed up and archived. Although electronic mail is password-protected, an authorized administrator can read electronic mail and also reset the password.
- (3) Document use: Each document stored on District computers has a history that shows which users have accessed the document for any purpose.
- (4) Internet use: Internet sites visited, the number of times visited, and the total time connected to each site are recorded and periodically monitored.

(d) Deleted Information

Deleting or erasing information, documents or messages maintained on the District's Technology Resources is, in most cases, ineffective. All employees should understand that any information kept on the District's Technology Resources may be electronically recalled or recreated

regardless of whether it may have been "deleted" or "erased" by an employee. Because the District periodically backs up all files and messages, and because of the way in which computers reuse file storage space, files and messages may exist that are thought to have been deleted or erased. Therefore, employees who delete or erase information or messages should not assume that such information or messages are confidential or ever were confidential. If a legal dispute arises, or may arise in the future, it may be unlawful to attempt to delete or erase certain information. Employees shall fully comply with District policy regarding retention or destruction of information.

G. The Internet and Online Services

The District provides authorized employees access to online services such as the Internet. No personal use of the District Technology resources may be used for personal communications, via Facebook, Twitter, etc., except for District related activities. Under no circumstances are employees permitted to use the District's Technology Resources to gamble or to access, download or contribute to Internet sites that contain inappropriate content such as that which is discriminatory, harassing, defamatory, obscene, indecent, threatening or that otherwise could adversely affect any individual, group or entity. The District strongly encourages employees who wish to access the Internet for non-work-related activities to obtain their own personal Internet access accounts that are unaffiliated with the District, and to use such accounts at home on their own personal computer without making any reference to the District.

H. Guidelines for Social Media and Web 2.0 Use

Social Media and Web 2.0 are terms that describe Internet-based technology communication sites and tools that focus on immediacy, interactivity, user participation and information sharing. Examples of Social Media and Web 2.0 include but are not limited to blogs, video/photo posting sites, social networks, forums, and online chat sites. Use of these sites offer opportunities to communicate more efficiently through multiple sources.

Any posting, sharing, blogging and/or chatting on any social networks, Web 2.0 networks and/or websites, and/or the District's website should be done in accordance with the following guidelines.

- (a) Information should directly pertain to the District and/or its functions.
- (b) Only authorized personnel as designated by the General Manager should provide content to these sites on behalf of the District.
- (c) No personal information should be included in any content other than basic contact information.

- (d) No photographs or images of anyone who can be identified should be posted without prior written consent.
- (e) No content should include any District branding without prior approval from General Manager.
- (f) No content should include any language that is sexually explicit, lewd or obscene, racial, political, illegal or that expresses opinions or personal viewpoints.
- (g) Content that is of a commercial nature without prior approval of the General Manager.

Approval must be obtained from the General Manager prior to posting on any site on behalf or in association with the District. Consideration will be based on content and features of the particular site and/or network, benefit to the District and suitability for District purposes.

I. Monitoring

The District monitors both the amount of time spent using online services and the sites visited by individual employees. The District reserves the right to limit such access by any means available to it, including revoking access altogether. The District, through technological tools, may also prohibit or limit access to certain websites considered inappropriate by the District or its technology provider.

J. Confidential Information

The District is very sensitive to the issue of protection of trade secrets and other confidential and proprietary information of both the District and third parties ("Confidential Information"). Therefore, employees are expected to use good judgment and to adhere to the highest ethical standards when using or transmitting Confidential Information on the District's Technology Resources.

Confidential Information should not be accessed through the District's Technology Resources in the presence of unauthorized individuals. Similarly, Confidential Information should not be left visible or unattended. Moreover, any Confidential Information transmitted via Technology Resources should be marked with the following confidentiality legend: "This message contains confidential information. Unless you are the addressee (or authorized to receive for the addressee), you may not copy, use, or distribute this information. If you have received this message in error, please advise [employee's name] immediately at [employee's telephone number] or return it promptly by mail."

Employees should adhere to District's security policy with regard to Confidential Information and take all appropriate measures to safeguard the confidentiality and security of such information. Employees should avoid sending Confidential

Information via the Internet, except when absolutely necessary. Employees should also verify electronic mail addresses before transmitting any messages containing Confidential Information.

K. Software Use

(a) License Restrictions

All software in use on the District's Technology Resources is officially licensed software. No software is to be installed or used that has not been duly paid for and licensed appropriately for the use to which it is being put. No employee may load any software on the District's computers, by any means of transmission, unless authorized in writing in advance by the Director of Technology and thoroughly scanned for viruses or other malware prior to installation.

(b) Software For Home Use

Before transferring or copying any software from a District Technology Resource to another computer or other device, employees must obtain written authorization from the Director of Technology. It is the employee's responsibility to adhere to applicable licensing requirements, including not making or distributing copies of software to others. Upon departure from the District, it is the employee's responsibility to remove all District software from non-District computers and other devices on which District software has been installed. If an employee sells or otherwise transfers out of his or her own possession or control his or her own personally owned computer, he or she must delete all District software prior to such sale or other transfer. Please ask the Director of Technology for assistance if needed.

L. Security

The District has installed a variety of programs and devices to ensure the safety and security of the District's Technology Resources. Any employee found tampering with or disabling any of the District's security devices will be subject to discipline up to and including termination.

To maintain the effectiveness of the District's security measures, employees should use only secure networks established by the District to access or use Confidential Information. Such information may not be downloaded, stored, or copied on any non-District equipment or media (including personally owned computer, handheld devices, external memory devices, or disks) without prior written approval of the General Manager. If Confidential Information is downloaded, stored, or copied on non-District equipment or media, employee must take all appropriate measures to safeguard against loss, theft, damage, or breach of such equipment or media. If Confidential Information is downloaded, stored, or

copied on non-District equipment or media, employees must permanently delete such information prior to selling or otherwise transferring out of their own possession or control such equipment or media. If Confidential Information is downloaded, stored, or copied on non-District equipment or media and employee resigns, is terminated, or is requested to do so by management, employees must delete all Confidential Information they received, including any and all copies thereof. Similarly, employees may not send Confidential Information to their personal electronic mail accounts, even for work-related purposes, without prior written approval of the General Manager.

Any loss or suspected loss of Confidential Information, or any suspicious activity such as external hacking attempts or unusual internal activity, should be reported immediately to District management.

M. Remote Access To Technology Resources

This policy applies equally to all remote methods of accessing Technology Resources, including but not limited to access via a virtual private network (VPN).

The District may, at its sole discretion, provide certain employees with remote access systems such as a laptop, BlackBerry or other personal organizer to allow such employees to handle the tasks associated with their jobs while working away from the office. Employees must take care to ensure the security of all District-provided equipment. Employees must not share network passwords or other PINs with anyone except as expressly authorized to do so by the District. As soon as an employee believes District-provided equipment is lost or that the security and confidentiality of the data on that equipment has been compromised, he or she must notify the Director of Technology. District-provided remote access systems should only be used for District-related business. The District may decide that it is no longer necessary for certain employees to possess a remote access system and their ability to use such systems may be discontinued, in which case such employees are expected to return any District-issued remote access systems to the District.

Use of public or home networks, such as unencrypted WiFi networks, can be a threat to the security and reliability of the District's Technology Resources. Accordingly, employees must only access District Technology Resources via means that are specifically approved by the General Manager.

N. Electronic Mail Guidelines

Employees are expected to use good judgment with respect to use of electronic mail ("electronic mail"). While electronic mail provides an easy manner with which to communicate, it is not appropriate to say in an electronic mail something that would never be said in person or in formal correspondence. All employees should adhere to the following with respect to use of electronic mail:

- (a) Always ask before sending an electronic mail if it is the appropriate medium of communication. When communicating about a sensitive subject, consider whether electronic mail is the appropriate medium or whether using the phone rather than electronic mail might be more appropriate (but keep in mind that voicemail is similar to electronic mail); voicemail may be stored on a computer server and may be forwarded to third parties.
- (b) Use the "front page" test. Assuming that electronic mail is the appropriate medium of communication, each electronic mail should be treated as a formal written document. Do not write anything in an electronic mail that could not be printed on the front page of the newspaper. Off-the-cuff, sarcastic or angry comments can come back to haunt the author.
- (c) Electronic mail is part of the workplace environment. Electronic mail containing rude and insensitive comments is not only personally embarrassing, but also may serve as the basis for legal liability. Employees and managers should exercise the same care and sensitivity in communicating via electronic mail as they would communicate in person or in traditional forms of writing. Offensive electronic mail received from others should not be forwarded, and the recipient should ask the sender to refrain from sending inappropriate electronic mail.
- (d) Provide context. As with other forms of communication, there is a risk that an electronic mail message may be taken out of context. To reduce the risk that the message will be taken out of context, consider including the original message to which the reply electronic mail relates.
- (e) Know your audience. When sending an electronic mail, always double-check to whom the electronic mail is addressed, especially when using the "reply to all" button. Ask whether it is appropriate for each addressee to receive the electronic mail and whether sending the electronic mail to a particular addressee will result in the unauthorized disclosure of Confidential Information. If in doubt, remove the doubted addressee.
- (f) Include a subject heading in each electronic mail message that communicates to the recipient (in a few words) the exact purpose of the message.
- (g) Use a signature block at the bottom of each electronic mail messages, which consists of the employee's name, electronic mail address, telephone number and postal address.
- (h) Use caution when not officially representing the District and include the following disclaimer: "The opinions expressed in this email are my own and do not represent those of the Central Basin Municipal Water District."

- (i) Identify all communications as “privileged and confidential” when it is accurate and appropriate to do so.
- (j) Be cautious in selecting a tone for any electronic communication, remembering that one may unintentionally offend the recipient because such individual cannot see your facial expressions or hear your tone of voice.
- (k) Be aware that electronic mail may not be a private communication and that others may be able to read or access the information without your knowledge for example BCC recipients.
- (l) Do not send confidential information (i.e. social security numbers, credit card numbers, etc.) to anyone via unsecured Internet connections or electronic mail. These communications should be at the very least password protected and/or encrypted to ensure only secured access.
- (m) Electronic mail should be checked regularly.

O. Audits

The District may perform auditing activity or monitoring to determine compliance with these policies. Audits of software and data stored on the District's Technology Resources may be conducted without warning at any time.

8.3 Electronic Surveillance

Employees should know that, to facilitate safety and security, the District uses electronic surveillance devices to monitor certain public areas and reserves the right to do so in other public areas as necessary. The District posts signs in public areas subject to electronic monitoring to disclose this fact.

8.4 Inspection of District Property

The District provides desks and work areas, including offices, to employees for their use during work. Although these desks and work areas are provided for the convenience of the employees, they remain the sole property of the District. Employees should understand that the District might need access to desks, work areas and the contents, effects or articles on the District premises, as well as District owned or leased vehicles and equipment. Such access is intended to insure compliance with the District's policies (including policies regarding safety and prohibited materials), access to District premises and District property, vehicles, equipment, information, records, documents, and files, and protection against the unauthorized use and removal of District property. Therefore, the District reserves the right to open and inspect employee desks and work areas, and to inspect District owned or leased vehicles and equipment, as well as any District materials and spaces at any District facility. In addition, the District also reserves the right to access at all times information and communications stored in its computer files, and on its disk-

drives, and in employee voicemail boxes and electronic-mail systems. This policy applies to all employees, and employees may be subject to discipline for failure to cooperate in an inspection.

The District likewise reserves the right to inspect all articles, packages or other containers brought onto or taken from any District facility.

Prohibited materials, including weapons (unless the employee's job description specifically requires him or her to possess one at work); explosives, illegal drugs, and alcohol (other than alcohol provided at a District-sponsored event where alcohol is served) may not be brought on the District premises or placed on or in the District employee desks. Perishable items should also not be stored in desks for prolonged periods of time. Finally, the District is not responsible for any articles that are left on the District premises or that are placed on or left in the District desks that are lost, damaged, stolen or destroyed.

Article 9 – Professional Behavior in the Workplace

9.1 Appearance, Grooming and Hygiene

Employees should be sensitive to the fact that their appearance, grooming and hygiene reflects upon the public image of the District. Employees are therefore expected to dress, groom and maintain personal hygiene in a manner which presents a clean and neat professional image to the public, customers, coworkers and management, and which enhances safety, productivity and public and customer relations. This includes wearing neat, clean, work attire (including, for employees who work in an office environment, business attire) which is neither distracting nor offensive to the public or fellow employees. Management reserves the right to judge when an employee fails to meet this standard and to correct any employee violations.

9.2 Solicitation and Prevention of Harassment in the Workplace

In order to protect employees from annoyance, harassment or interference with their work, the District has adopted the following rules concerning solicitation and distribution of literature:

- (a) Non-employees are not allowed to solicit or distribute literature on District premises at any time;
- (b) Non-employees shall not be allowed to harass, yell, curse or otherwise engage in any conduct which shall disturb the peace or rightful employment activities of a District employee.
- (c) Employees are not permitted to distribute non-District related literature in work areas at any time.

- (d) Employees are prohibited from soliciting or distributing non-District related literature to other employees during their or the other employees' work time. Work time does not include time allotted for authorized rest and meal periods or any time before or after the employee's shift.

9.3 Professional Standards and Attitude

All District employees are expected to conform to exemplary ethical standards and exhibit a high degree of personal integrity at all times. To this end, the District expects all employees to:

- (a) Conduct themselves with dignity and to demonstrate respect for others;
- (b) Avoid making negative, malicious, false or derogatory statements that may damage the integrity or reputation of the District, its employees, Directors or customers;
- (c) Always consider the public interest to be paramount in carrying out their duties;
- (d) Strive to perform their duties with the highest degree of professionalism and honesty.

Failure to adhere to these standards may lead to discipline, up to and including termination.

9.4 Rules of Conduct and Disciplinary Standards

To ensure orderly operations and provide the best possible work environment, the District expects employees to follow rules of conduct that will protect the interests and safety of the District, its employees and the public. The District has established standards of conduct that it expects all employees and Board members to follow in order to assure a productive, safe, orderly and pleasant work environment.

The rules set forth below are intended to provide employees with fair notice of what is expected of them. Necessarily, however, such rules cannot identify every type of unacceptable conduct and performance. Therefore, employees should be aware that conduct not specifically listed below but which adversely affects or is otherwise detrimental to the interests of the District, other employees, or members of the public (including customers), may also result in disciplinary action up to and including termination of employment. By providing these examples, the District in no way restricts its discretion to terminate the employee's at-will employment.

Employees should understand that discipline is directed at the specific act, not the individual. Employees should be aware that the following actions are considered to be subject to disciplinary action, up to and including immediate termination of employment:

- (a) Unsatisfactory work quality or quantity;
- (b) Poor attitude (for example, rudeness or lack of cooperation);
- (c) Excessive absenteeism, tardiness or abuse of break and lunch privileges;
- (d) Failure to properly notify the District when unable to report to work;
- (e) Failure to follow instructions or District procedures, including violations of the Districts IT Policies, Rules and Procedures;
- (f) Failure to observe standard working schedules unless otherwise authorized;
- (g) Violation of the District's policies and rules, as set forth in this Administrative Code or elsewhere;
- (h) Failure to follow established safety regulations or engaging in conduct which creates a safety hazard;
- (i) Insubordination, including but not limited to failure or refusal to obey the orders or instructions of a manager or member of management, or the use of abusive or threatening language toward a manager or member of management;
- (j) Interfering with the work performance of others;
- (k) Violating the District's Policy Against Harassment, Discrimination and Retaliation;
- (l) Failure to cooperate fully or provide truthful information in an investigation by the District;
- (m) Violating the District's Policy Against Drug and Alcohol Abuse;
- (n) Falsifying information on the District employment forms, reports, records, including personal absence, sickness, time sheets and work records;
- (o) Recording the work time of another employee or allowing any other employee to record your work time;
- (p) For nonexempt employees, working overtime without authorization or refusing to work assigned overtime;
- (q) Removing, copying, or using, without authority, property, records, or other materials of the District or other persons;

- (r) Unauthorized disclosure of the District's confidential information, or that of others which have been entrusted to the District;
- (s) Damaging or destroying the District's property or wasting of materials, including improper or unauthorized use of District property, computers or other electronic or technological devices;
- (t) Altercations;
- (u) Sleeping on the job or leaving the job without authorization, excluding authorized lunch or break periods;
- (v) Stating or making false claims of injury;
- (w) Unauthorized use of District equipment, time, materials or facilities, including violation of the District's Technology Use Policy;
- (x) Unauthorized possession of or use of keys, passwords or codes belonging to the District;
- (y) Smoking in the District facilities;
- (z) Dishonesty;
- (aa) Failure to return from leave;
- (bb) Foul and offensive language;
- (cc) Disrespectful behavior directed towards managers, coworkers, members of the public (including but not limited to customers), visitors or vendors;
- (dd) Possessing a firearm or weapon on District property or while conducting District business (unless the employee's job description specifically requires him or her to do so);
- (ee) Engaging in criminal conduct whether or not related to job performance;
- (ff) Failure to provide a certificate from a physician or other health care provider when requested or required to do so;
- (gg) Engaging in disreputable, unethical or illegal conduct while performing work on behalf of the District.
- (hh) Gambling on District premises or through the use of District property, including the District's Technology Resources.

- (ii) An employee who is absent from work for three consecutive scheduled workdays without notifying the District or having someone on his/her behalf notify the District of his or her intent to be absent will be deemed to have abandoned his or her position and voluntarily resigned.

9.5 Corrective Action Process

All District employees are expected to adhere to certain standards of job performance and conduct. When an employee's job performance or conduct fails to comport with the District's standards, the employee may be subject to disciplinary action, up to and including termination. Disciplinary action, including termination, will ordinarily be preceded by one documented verbal warning, followed by a written notice if the problem persists. The District, however, reserves the right to proceed directly to a written notice or immediate disciplinary action or termination, skipping any intervening steps, whenever the District, in its sole discretion, deems it appropriate to do so under the circumstances. Employment with the District remains entirely at-will.

All disciplinary action taken against an employee must be reviewed by Human Resources. Any proposed serious discipline, including termination, demotion, suspension or a reduction in pay or benefits, must be reviewed and approved by the General Manager in advance of any such action being taken against the employee.

9.6 Media Relations

Positive relationships with the media are developed and maintained by providing accurate and helpful information to reporters in a timely manner. To ensure that information provided to the media is accurate, comprehensive, and complete, and to ensure that reporters have appropriate access to the best sources of information, a protocol for providing information to the media has been established and outlined in this policy.

Neither District employees nor Board members shall release information which is private or confidential as identified by law and Board policy or in this code.

The General Manager serves as the primary spokesperson for the District on all matters of District wide interest. The General Manager may delegate the Director of External Affairs or other designee to serve as a primary spokesperson for their areas of responsibility.

District employees are encouraged to cooperate with members of the media, yet they will need to direct inquiries through the appropriate administrative channels. All District employees shall notify the General Manager's office and the Director of External Affairs whenever they are contacted by the media.

When a District employee is contacted by a member of the media for a comment or interview on a subject related to the employee's area of expertise, the first step shall be to notify the General Manager and the Director of External Affairs of the inquiry. The

General Manager and Director of External Affairs will then determine whether the employee should serve as the District's spokesperson for the particular inquiry. Should the employee be designated to serve as the District's spokesperson for the particular inquiry, the employee shall work with the Director of External Affairs to ensure that the response is accurate and factual.

In all cases, the employee shall inform the General Manager and the Director of External Affairs of the media request prior to releasing information. This policy does not restrict an employee's right to express a personal viewpoint. Nothing in this regulation is intended as a restraint on the expression of personal opinion by any employee of the District.

Article 10 – General Whistleblower Protection Policy

10.1 No Retaliation for Reporting of Refusing to Engage in Unlawful Activities

It is the District's policy not to retaliate against employees for reporting information to a government agency (including internal reports to the District) which the employee has reasonable cause to believe discloses a violation of (or noncompliance with) state or federal laws or for refusing to participate in an activity that would result in a violation of state or federal law. It is also the District's policy not to retaliate against employees for having engaged in such activities in any former employment.

It is also the District's policy not to retaliate against an employee because the employee is a family member of a person who has, or is perceived to have, reported information to a government agency (including internal reports to the District) which the family member has reasonable cause to believe discloses a violation of (or noncompliance with) state or federal laws or for refusing to participate in an activity that would result in a violation of state or federal law.

An employee who retaliates against someone in violation of this policy may be subject to discipline up to and including termination of employment. This Whistleblower Protection Policy is intended to encourage and enable employees to raise serious concerns within the District prior to seeking resolution outside the District.

10.2 Reporting Perceived Unlawful Activities (Other Than Harassment, Discrimination, Related Retaliation, or Alleged Accounting and Financial Misconduct)

Employees who believe that there has been a violation of the District's Equal Employment Opportunity, Anti-Harassment and Anti-Retaliation policy should report perceived violations in keeping with the provisions of the policy at issue. Similarly, employees who believe that there has been Accounting and Financial Misconduct should report such misconduct in keeping with the specific provision relating to such misconduct below. In all other cases, an employee who believes that the District is engaging in unlawful activity can report the perceived unlawful activity to the General Manager. If the employee believes that the General Manager has engaged in unlawful activity, then the employee

can report the perceived unlawful activity to the Board President, the General Counsel, the Administration and Finance Committee, or the District ethics hotline. If an employee believes that the District's Board President or Administration and Finance Committee members are engaged in perceived unlawful activity, the employee may report the matter to the General Manager, General Counsel or the District ethics hotline. Nothing in this policy prohibits an employee from making disclosures of perceived unlawful activities or reporting a refusal to engage in unlawful activities to any government or law enforcement agency.

In keeping with California Labor Code section 1102.8, the District also posts copies of the poster entitled "Whistleblowers are Protected," which independently notifies employees of their rights under the California Whistleblower Protection Act. Employees are encouraged to review the Whistleblowers are Protected poster and may also contact Human Resources for additional information.

10.3 Investigations

Reports of perceived unlawful activities (or forced participation in unlawful activities) received by the District will be investigated thoroughly and promptly. The General Manager or his or her designee, will be responsible for the investigation. Matters that are referred to the ethics hotline will be handled by General Counsel. The investigation will be handled in as confidential a manner as possible consistent with a full, fair and proper investigation and resolution, and consistent with any reporting requirements which may apply. The District will not tolerate retaliation against any employee for cooperating in an investigation or for making a complaint as set forth above.

10.4 Resolution of Internal Complaints

The District will investigate all complaints promptly and will take appropriate corrective action if warranted by the investigation.

Article 11 – Rules for Reporting and Investigating Accounting and Financial Misconduct

11.1 Duty to Report Accounting and Financial Misconduct to the District

It is the duty of District directors and employees to report any perceived Accounting and Financial Misconduct by others to the District's General Manager or General Counsel. A person is not required to report the allegation to anyone who he or she believes is in any way a party to the alleged violation. If an employee believes that the District's General Manager and General Counsel are each engaged in Accounting and Financial Misconduct, he or she may report the matter to the Board President or the Administration and Finance Committee. If an employee believes that the District's Board President is engaged in Accounting and Financial Misconduct, the employee may report the matter to the General Manager, the General Counsel, the Administration and Finance Committee or the District's ethics hotline. For purposes of this policy, Accounting and Financial

Misconduct include the following: (1) the misappropriation (including any unauthorized use) of District assets, including District money, equipment, labor, supplies, furniture, and equipment; (2) a claim for reimbursement of expenses which are not job-related or authorized by current policy, contracts, or Memoranda of Understanding (MOUs); (3) falsification of employee time sheets; (4) authorizing or receiving payment for goods not received or services not performed; (5) intentional misrepresentations of information and/or entry of false data on documents (whether in electronic, paper, or in some other format) and/or computer systems; (6) forgery or unauthorized alteration, destruction, or deletion of records (whether in electronic, paper, or in some other format), including checks, promissory notes, time sheets, independent contractor agreements, purchase orders, budgets, and financial records, including unauthorized deletion or destruction of computer records; and (7) violation of the District's Conflict of Interest policies regarding the Award or Administration of Contracts. Nothing in this policy prohibits an employee from making disclosures of perceived unlawful activities or reporting a refusal to engage in unlawful activities to any government or law enforcement agency.

This policy will be interpreted consistently with the District's Code of Conduct Policy.

11.2 No Retaliation for Reporting Accounting and Financial Misconduct

It is the District's policy not to retaliate against employees for reporting Accounting and Financial Misconduct to the District and/or to other governmental and law enforcement agencies. An employee who retaliates against someone in violation of this policy may be subject to discipline up to and including termination of employment.

11.3 Investigation of Reported Accounting and Financial Misconduct

Upon receiving a report of alleged Accounting and Financial Misconduct, the person receiving the report shall inform the General Manager, General Counsel or refer the matter to the District's ethics hotline. In order of priority, the General Counsel, the General Manager, or his or her designee shall investigate the alleged misconduct. To the extent that it is necessary to involve the services of technical experts, such as accountants and/or information technology specialists, the investigator is authorized to do so. The investigation will be handled in as confidential a manner as possible consistent with a full, fair and proper investigation and resolution, and consistent with any reporting requirements which may apply. The District will not tolerate retaliation against any employee for cooperating in an investigation or for making a complaint as set forth above.

11.4 Resolution of Internal Complaints

The District will investigate all complaints promptly and will take appropriate corrective action if warranted by the investigation.

11.5 Compliance Training

In keeping with the District's efforts to prevent Accounting and Financial Misconduct at all levels of operations and to maintain and ensure internal controls in every department,

after March 31, 2013, all existing and new employees will receive accounting and financial misconduct prevention training consistent with this policy as part of their new-employee orientation. Existing employees will receive accounting and financial misconduct prevention training consistent with this policy every two years.

It is also District policy that all District Sr. Managers and those positions deemed necessary shall receive two hours of ethics training within the first six months of commencing their employment and every two years thereafter consistent with the requirements set forth in AB 1234.

11.6 Departmental Internal Controls

Each department of the District is responsible for instituting and maintaining a system of internal control to provide reasonable assurance for the prevention and detection of Accounting and Financial Misconduct and other irregularities. Managers should be familiar with the types of improprieties that might occur within their area of responsibility and be alert for any indications of such conduct.

Article 12 – Employee Benefits and Leave Policies

12.1 General Eligibility

Full-time employees, including the General Manager, are generally eligible for all benefits set forth in this article. Part-time employees and temporary employees are eligible for some, but not all, benefits. Independent contractors are not entitled to any benefits unless otherwise required by law. If an employee takes a qualified family care/medical leave or Pregnancy Disability Leave, the employee will be allowed to continue participating in any health and benefit plans in which the employee was enrolled prior to the first day of the leave, including the HRA plan, for so long as the employee is on a qualified leave. If the employee is no longer on a qualified leave, the employee will no longer be eligible for the health benefits and the HRA plan that are funded solely by the District. Such employees may, however, be eligible to continue their health benefits (not the HRA plan) at their own expense through COBRA as more fully explained below.

12.2 Group Health Plans

Current, and retired full-time employees hired before March 1, 2019, as well as their dependents, may be eligible for medical, dental and vision health care coverage through a group health plan that has been selected and approved by the Board. Current employees become eligible for enrollment in the District's group health plans on the first day of the first month following their initial date of employment. The District shall contribute to premiums charged by the group health plan for medical, dental and vision coverage. The amount of the contribution may vary from time to time, and the District's contribution for each plan year shall be disclosed by the District in writing at the outset of the open enrollment period for the group health plan, and shall remain at the disclosed level for the plan year. The District contribution shall be at least in an amount equal to the lowest

available premium for the primary enrollee, but the District may contribute up to the full premium charged by the group health plan for the primary enrollee and all dependents. Employees should contact Human Resources to determine their eligibility for coverage and with any questions regarding coverages and premium contributions under the existing group health plan.

Employees hired before March 1, 2019, are eligible for retiree medical, dental, vision insurance coverage, if they are enrolled in the District's health plans when the employee leaves District employment and meets one of the following criteria:

(1) Receives CalPERS retirement benefits immediately and is age 55 or above with at least 10 consecutive years of District service; or

(2) Receives CalPERS retirement benefits immediately and meets the service formula of age 50 or above, plus years of CalPERS service credit equal to 75 years or higher. The last five (5) consecutive years of CalPERS service credit must be with the District.

Dependents of retired full-time employees may be eligible for coverage under the group health plan sponsored by the District only if they qualified as eligible dependents prior to the employees' retirement date. Employees hired on or after March 1, 2019, are not eligible for retiree health benefits.

12.3 Health Reimbursement Arrangement

Effective the first day of the first month following the employee's initial date of employment, eligible full-time employees will be entitled to participate in the District's Health Reimbursement Arrangement (HRA) Plan, which provides reimbursement for eligible medical, dental and vision care expenses not covered by the insurance coverage provided by the District. Only those employees that are enrolled in the District's group health insurance plans are eligible to participate in the HRA Plan. Any reimbursement made pursuant to the HRA Plan shall be reduced by the amount of reimbursement from other benefit sources so the total amount received by the member does not exceed 100 percent of the covered expenses. Employees hired by the District before March 1, 2019, upon retirement and current retired employees, as described in the District's health insurance plans, also may be eligible to participate in the HRA Plan. Employees and retirees should contact Human Resources to determine whether or not they are eligible for coverage under the HRA Plan and the maximum entitlement to reimbursement.

12.4 COBRA Coverage

Employees and/or their dependents who may otherwise become ineligible to participate in the group health plan may be entitled to continue coverage through the group health plan under provisions of the Federal Public Health Services Act providing for continuation coverage, frequently referred to as "COBRA." Dependents have independent rights to COBRA coverage regardless of whether the employee qualifies for or elects COBRA

coverage. Premiums for COBRA coverage are generally paid entirely by the employee and/or the dependent beneficiary who is receiving the benefit.

Employees who are involuntary terminated from employment with the District while receiving disability benefits and have no other source of income, may be eligible to participate in a program where the District will pay their (including dependents) COBRA premiums for up to 36 months. Once income is earned, employees and their dependents may still be entitled to COBRA coverage but the premiums become their responsibility.

Further information regarding COBRA may be obtained from Human Resources.

12.5 Employee Assistance Program (EAP)

The District provides an employee Assistance Program (EAP) for all full-time employees enrolled in the group medical insurance plan. The cost of the program is fully paid by the District.

The EAP extends a helping hand to the employees and their family with confidential services provided by professional consultants. The EAP addresses difficulties relating to family and relationships, substance abuse, legal and financial concerns, dealing with stress and emotional problems, and helps employees in developing an action plan that offers real solutions to such challenges. Employees that wish to use this benefit should contact the Human Resources Department for more information.

12.6 Flexible Spending Account (IRS Section 125 Plan)

Full-time employees are eligible to participate in the District's Dependent Care and/or Health Care Flexible Spending Account (FSA) plan. The employee may contribute up to \$5,000 per year to their Dependent Care FSA and up to \$2,500 per year to their Health Care FSA. Such contributions are to be made on a salary reduction basis. The District pays 100 percent of the administrative fees required to maintain the plan. The plan provides employees with a means of paying non-reimbursable medical and dental expenses and dependent care costs with pre-tax dollars. The FSA plan documents shall govern the administration of this program. Further information on this benefit may be obtained from Human Resources.

12.7 Long Term Care Program

The California Public Employees' Retirement System (CalPERS) provides an opportunity for employees and certain family members to obtain long-term care insurance at group rates. This program has been designed exclusively to protect California public employees and their spouses, siblings age 18 and over, parents, and parents-in-law from the potentially devastating cost of long-term custodial care. Premiums are paid entirely by the employee. Further information on this benefit may be obtained from Human Resources.

12.8 Group Life Insurance

A term Group Life Insurance Plan, fully paid by the District subject to IRS tax regulations, is provided for all full-time employees. The amount of coverage is twice the annual base salary of the employee up to a maximum determined by the plan. Insurance coverage begins the first day of the first month following the employee's initial date of employment. This benefit is in effect only while the full-time employee is employed with the District.

12.9 Disability Insurance

The District participates in an approved voluntary disability plan, and not the State Disability Insurance (SDI) program. The District provides full-time employees with Short-Term and Long-Term Disability Insurance benefits for extended illness or injury, subject to the plan document and verification process. Coverage is effective the first day of the first month following the completion of two full months of continued active employment. Premiums are fully paid by the District. Short-Term Disability benefits begin on the 15th day of disability and cover the disabled employee for up to six months (180 days). During the first 14 calendar days of disability (benefit waiting period), the employee may draw from his or her sick time or other earned time off. If the employee is disabled beyond 180 days, Long-Term Disability coverage will be triggered. While receiving disability benefits, the employee may continue to draw from his or her sick time or other earned time off. Disability benefit payments may be reduced by other compensation received by the employee (see Plan Document).

12.10 Unemployment Insurance

The District pays 100 percent of the cost of employees' unemployment insurance benefits. Benefit eligibility is determined and paid by the State Employment Development Department.

12.11 Workers' Compensation Insurance

The District provides all employees with Workers' Compensation Insurance for work-related illness or injury. This benefit begins immediately upon hire. The District pays 100 percent of the cost of coverage. An illness or injury is work-related when it arises out of and during the course of employment. The employee is responsible for immediately reporting any injury that is work-related to his or her manager or Human Resources. The manager will coordinate with Human Resources to make any necessary arrangements for treatment.

When an employee is unable to work because of a work-related injury covered by workers' compensation, the employee may use accrued sick pay to make up the difference between the employee's regular salary and workers' compensation benefits. The employee may also use accrued sick pay during any waiting period in which workers' compensation benefits are not payable.

The District shall not discharge, threaten or discriminate in any way against an employee for filing a claim, intending to file a claim or an appeal with the Workers' Compensation Board, or receiving workers' compensation benefits.

12.12 Retirement Pension Plan

The District participates in Social Security and contracts with CalPERS for retirement benefits for its employees. Full-time employees are eligible to participate in CalPERS immediately upon hire. Other employees are eligible to participate in CalPERS once they complete 1,000 hours of work in any one fiscal year. Central Basin Municipal Water District (District) offers a defined benefit pension plan through CalPERS that provides employees with a specified benefit based on their salary levels near the end of their career and their number of years of service. CalPERS retirement benefits are funded through contributions paid by contracting employers and member contributions. CalPERS members are required to contribute a fixed percentage of their pay each month to the plan.

PEPRA prohibits employer paid member contributions (EPMC) for new members. The legislation defines a new member as an individual who becomes a member of a public retirement system for the first time on or after January 1, 2012, and who was not a member of another public retirement system prior to that date. Therefore, all employees hired as new members to the system after December 31, 2012, will be required to contribute a fixed percentage of their pay to their pension benefit plan. The employee contribution will be done on a pre-tax basis.

12.13 Employee Deferred Compensation Plan

Full and part-time employees may defer portions of their compensation on a pre-tax basis pursuant to the provisions of Section 457 of the Internal Revenue Code. The purpose of the Deferred Compensation Plan is to help provide funds for retirement. Participation in the plan is entirely voluntary. An employee may elect to participate at any time, and compensation will begin to be deferred during the next pay period. Except to the extent otherwise expressly provided for under the terms of this Administrative Code or a separate written employment contract between the District and an employee which are otherwise permitted by law and the express terms of the plan documents, this plan is fully funded by the employee through payroll deductions. Detailed information on deferred compensation is available from Human Resources.

12.14 Professional Development

In order to encourage continued learning, self-development and involvement in professional organizations, the District has established a policy to pay for certain educational and professional development costs for fulltime employees. This benefit is available to full-time employees that have completed one year of continuous employment with the District.

The District will provide payment for 100 percent of the cost of approved seminars or conferences and obtaining or renewing professional licenses, certificates and annual membership dues for professional organizations that are germane to the employee's work for the District.

With an approved educational program, the District will reimburse for up to 90% up to the total maximum reimbursement of \$9,000 in a calendar year of actual tuition costs, registration fees parking fees, required books and laboratory fees for up to six units or two classes of coursework per quarter/semester. Reimbursement amounts will not be taxed as determined under IRS Publication 970 "Tax Benefits for Education". Other miscellaneous school supplies are not reimbursable. The proposed coursework from the employee must be directly related to District business or fields of employment, including general education requirements for future career growth. Employees should contact Human Resources to determine the maximum entitlement to reimbursement.

In an effort to promote within and allow existing employees to transfer to other positions, an employee may be directed by the District to enroll in an educational or training program relating to the employee's new job responsibilities. In such instances, the District will pay 100% of the cost of attending such program, including actual application fees, tuition costs, registration fees, parking fees, required books and laboratory fees. Other miscellaneous supplies are not reimbursable. Non-exempt employees will also be paid the appropriate hourly wage for any time spent preparing for or attending such program.

Employees must complete their coursework with a minimum grade of "C" or a "Pass" where the grades are given as "pass/fail." If the employee does not complete or fails a course, the employee is expected to repeat the course at his or her own expense or reimburse the District if he/she decides not to continue with the program. Reimbursement will not be provided for audited courses. The District reserves the right to request reimbursement for employees' educational and professional development expenses at a pro-rated rate if the employee voluntarily resigns within 12 months of occurred expenses. Directors are not eligible to participate in the tuition reimbursement benefit.

Employees seeking reimbursement of expenses must complete the appropriate "Professional Development Authorization" forms, which are available from Human Resources. The proposed development program must be approved by both the Department Manager and the Director of Human Resources, in consultation with the General Manager. In addition, if the program is more than a quarter/semester, the employee must submit a summary of planned coursework for each up-coming quarter/semester to his or her Department Manager for approval prior to registering.

12.15 Other Employee-Funded Benefits

Participation of full and part-time employees in these plans is entirely voluntary. These plans are fully funded by the employee. Additional information is available from Human Resources.

12.16 Earned Vacation Benefit

The District provides vacation with pay to full-time employees only. Part-time employees regularly scheduled to work less than 20 hours per week and temporary employees do not accrue vacation. Part-time employees regularly scheduled to work 20 hours or more per week are eligible for vacation accrual on a prorated basis. Vacation accrual begins on the first day of employment. Earned vacation pay is calculated based on the employee's current base pay rate at the time the vacation is taken. Eligible employees earn vacation benefits in accordance with the following schedules:

Vacation Schedule for Senior Manager Positions

Service Period	Accrual per Biweekly Pay Period (approximately)	Annualized Accrual
Beginning on the 1 st day through the 5 th anniversary year of continuous employment	5.77 hours	15 days (150 hours)
Beginning on the 1 st day of the 6 th anniversary year through the 10 th year of continuous employment	6.54 hours	17 days (170 hours)
Beginning on the 1 st day of the 11 th anniversary year of continuous employment and thereafter	7.69 hours	20 days (200 hours)

Vacation Schedule for All Other Full-Time Positions

Service Period	Accrual per Biweekly Pay Period (approximately)	Annualized Accrual
Beginning on the 1 st day through the 5 th anniversary year of continuous employment	3.85 hours	10 days (100 hours)
Beginning on the 1 st day of the 6 th anniversary year through the 10 th year of continuous employment	5.77 hours	15 days (150 hours)

Beginning on the 1st day of the 11th anniversary year through the 12th year of continuous employment	6.15 hours	16 days (160 hours)
Beginning on the 1st day of the 13th anniversary year through the 14th year of continuous employment	6.54 hours	17 days (170 hours)
Beginning on the 1st day of the 15th anniversary year of continuous employment and thereafter	7.69 hours	20 days (200 hours)

Vacation Schedule for All Other Part-Time Positions

Service Period	Accrual per Biweekly Pay Period (approximately)	Annualized Accrual
Beginning on the 1st day through the 5th anniversary year of continuous employment	1.92 hours	5 days (50 hours)
Beginning on the 1st day of the 6th anniversary year through the 10th year of continuous employment	2.88 hours	7.5 days (75 hours)
Beginning on the 1st day of the 11th anniversary year through the 12th year of continuous employment	3.08 hours	8 days (80 hours)
Beginning on the 1st day of the 13th anniversary year through the 14th year of continuous employment	3.27 hours	8.5 days (85 hours)
Beginning on the 1st day of the 15th anniversary year of continuous employment and thereafter	3.85 hours	10 days (100 hours)

Employees on an extended leave of absence of more than four weeks will not continue to accrue vacation.

Payouts – Unused, accrued vacation time may be carried forward from one year to the next. When vacation accrual exceeds 200 hours, the excess amount above 200 hours will automatically be paid out to the employee in the last payroll in June. Employees may request a payout of unused vacation time (20 hours per year) to be paid out to the employee in the last payroll of the month requested.

Except to the extent otherwise provided by law to facilitate intermittent or reduced scheduled leaves, vacation must be used in a minimum of one (1) hour increments. Furthermore, the District reserves the right to charge employees who have sufficient vacation accrued in their banks for any partial-day absences of one hour or more in one hour increments.

Scheduling Vacation – An employee is eligible to use his or her vacation benefit after it is accrued. Any employee wishing to schedule vacation time off may request to do so by completing the appropriate section of the request form. This form must be signed by the employee and the employee's manager. The manager must submit the completed and signed form to Human Resources, which will verify that the employee has sufficient accrued vacation time available and provide final approval of the request. Once approved by Human Resources, a copy of the completed and signed request form will be provided to the employee. The original form will be forwarded to the Budget & Finance Department for payroll purposes. Whenever possible, employees should submit their request for vacation time at least two weeks prior to their intended first day of vacation. The District reserves the right to schedule vacation time off to accommodate the District's business needs.

Holidays Observed During Approved Vacation – If an observed District holiday falls during the employee's scheduled vacation, no deduction from accrued vacation time will be made for the holiday.

Vacation Payout Upon Termination – Upon resignation, death or termination of the employment relationship for any other reason, all unused accrued vacation time, calculated at the employee's then current base pay rate, will be paid out to the employee or his or her estate.

12.17 District Holidays

A. District Holidays

The District observes several annual, paid holidays. All full and part-time employees who are regularly scheduled to work 20 or more hours per week will receive their current base pay rate for each observed holiday listed below for the number of hours the employee would normally be scheduled to work on that day. Temporary employees and part-time employees who are regularly scheduled to work less than 20 hours per week are not entitled to paid holidays. Employees on an unpaid leave of absence will not be eligible for holiday pay. The following is a list of holidays observed by the District:

• New Year's Day	January 1
• Birthday of Martin Luther King, Jr.,	Third Monday in January
• Washington's Birthday	Third Monday in February
• Cesar Chavez Day	March 31
• Memorial Day	Last Monday in May
• Independence Day	July 4
• Labor Day	First Monday in September
• Veteran's Day	November 11
• Thanksgiving Day	Fourth Thursday in November
• Day after Thanksgiving	Fourth Friday in November
• Christmas Eve	December 24
• Christmas Day	December 25
• New Year's Eve	December 31

If a holiday falls on a Saturday, it will be observed on the preceding Thursday. If the holiday falls on a Sunday, it will be observed on the following Monday. In the event that Friday or Monday is already a designated holiday, the holiday will be observed on the preceding Thursday or subsequent Tuesday. If the holiday falls on a Friday off, the holiday will be observed the previous scheduled workday.

Employees are not normally expected to work on holidays. Employees must receive prior approval from their manager to work on designated holidays. Paid time off for holidays will not be considered "time worked" for the purpose of calculating weekly overtime.

B. Personal Leave

Only full-time employees are eligible for personal leave. Personal leave shall accrue on January 1st of each calendar year. A new full-time employee will be credited with personal leave if the hire date is between January 1 and June 30. Senior Managers will receive eighteen personal leave hours per year; while all other employees will receive nine personal leave hours per year. Employees on an extended leave of absence of more than four weeks will not continue to accrue

personal leave hours. An employee leaving District employment will be paid for any accrued unused personal leave.

An employee shall be eligible to use his or her personal leave at any time after it is accrued, but cannot accrue more than nine or eighteen personal leave hours, respectively. In exceptional circumstances, the General Manager has the authority to allow nine hours of personal leave from the prior year to be taken in January of the next year if personal leave could not be taken in the prior year due to District business or operational needs. Any employee wishing to schedule personal leave must complete the appropriate section of the request form. Employees must schedule their personal leave hours in advance with their manager and approval is subject to the District's operating needs.

12.18 Sick Leave Pay

Employees who have worked at the District for 30 or more calendar days within a calendar year from commencement of employment with the District will be entitled to accrue paid sick leave, with the exception of retired annuitants of CalPERS, who are not eligible to receive paid sick leave. For purposes of this policy, the calendar year is the 12 consecutive month period beginning January 1st and ending on December 31st. Employees will become eligible to use their accrued paid sick leave as of their 90th day of employment with the District.

Full-time employees and part-time employees regularly scheduled to work 20 or more hours per week shall accrue up to 120 hours or 12 days of paid sick leave per calendar year. Employees will accrue paid sick leave at a rate of approximately 4.62 hours for every pay period that the employee remains on active payroll, up to a maximum accrual of 1,000 hours. Employees on an approved leave of absence will not accrue paid sick leave.

Once an employee reaches the maximum accrual of 1,000 hours, the employee will cease accruing any additional paid sick leave. If the employee later uses enough paid sick leave to fall below the maximum accrual, the employee will start again accruing paid sick leave from that date forward until he or she reaches the maximum accrual of 1,000 hours. Employees will be permitted to carry over a maximum of 1,000 hours of their accrued unused paid sick leave to the following year.

Part-time employees regularly scheduled to work less than 20 hours per week and temporary employees will receive a bank of 30 hours or three days of paid sick leave on the first day of each calendar year. Part-time employees regularly scheduled to work less than 20 hours per week and temporary employees who commenced employment with the District (a) prior to July 1, 2015, will be eligible to use accrued paid sick leave effective July 1, 2015 provided they have worked for 90 days; and (b) after July 1, 2015, will be eligible to use accrued paid sick leave beginning on the 90th calendar day from commencing employment. Paid sick leave for these employees will not carry over from one year to the next.

Sick leave pay will be calculated in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick time, whether or not the employee actually works overtime in that workweek.

Additional leave time may be available under the federal and state laws discussed in further detail in this Article 12 and Article 13.

Paid sick leave may be taken by eligible employees for the following purposes:

- (1) Diagnosis, care, or treatment of an existing health condition of, or preventative care for employee or employee's child, parent, spouse, domestic partner, grandparent, grandchild, or sibling; or
- (2) For an employee who is a victim of domestic violence, sexual assault, or stalking to take time off from work in order to obtain or attempt to obtain any relief to help ensure the health, safety, or welfare of the victim or his or her child, or to seek medical attention, obtain services from a shelter, program, or center, obtain psychological counseling, and/or participate in safety planning and other actions to increase safety from future incidences.

Hours absent for medical and dental appointments will be treated as sick leave.

An employee may request paid sick days in writing or verbally. If the need for paid sick leave is foreseeable, an employee must provide reasonable advance notification to the employee's supervisor. If the need is unforeseeable, an employee must provide notice of the need for the leave as soon as practicable.

Sick leave may be taken in increments of not less than one hour. The District retains the right to require a full-time employee to provide a doctor's note justifying any sick leave in excess of three work days after 48 hours or 6 days of sick leave in a calendar year.

If you feel you are being denied use of the paid sick time you are entitled to, or if you feel you have been retaliated against for requesting to use your paid sick leave, please alert the District as soon as possible by contacting Human Resources so that we may resolve the issue. You also have the right to file a complaint with the state or municipality where your sick leave accrued.

Unused paid sick leave will not be paid out upon termination of employment. Upon termination of employment, any accrued unused paid sick leave will be reported to CalPERS for application to the employee's service credit. If any employee separates from employment with the District and is rehired by the District within one year from the date of separation, previously accrued and unused paid sick days shall be reinstated. The employee will be entitled to use previously accrued and unused paid sick leave and to accrue additional paid sick days upon rehiring.

If you have any questions regarding paid sick leave, please contact Human Resources.

12.19 Bereavement Leave

In the event of a death of an immediate family member, full or part-time employees regularly scheduled to work 20 or more hours per week only will be allowed up to five working days of paid bereavement leave. Part-time employees regularly scheduled to work less than 20 hours per week and temporary employees are not entitled to Bereavement Leave. For purposes of this policy, immediate family members include an employee's current spouse/domestic partner, child, stepchild, child of a domestic partner, foster child, parent, stepparent, grandparent, grandchild, mother-in-law/father-in-law, son-in-law/daughter-in-law, siblings of the employee, spouse's/domestic partner's siblings, or any relative living with the employee. The General Manager may, in his or her sole discretion, grant leave in connection with the death of individuals that are not immediate family members. Leave need not be taken consecutively, but must be taken within two weeks of the death. This benefit is effective immediately upon hire. The General Manager, in his or her, sole discretion, may grant additional time off, but the time may be charged against the employee's sick leave in excess of 24 hours or other accrued time-off. The District reserves the right to request documentation for bereavement leave.

12.20 Blood Donation Leave

Full-time employees who donate blood may receive up to four hours of paid time for this purpose. To be eligible, an employee must have advance approval from his or her manager.

12.21 Organ Donor and Bone Marrow Donor Leaves

The District provides its employees with paid leaves of absence to facilitate bone marrow and organ donation, as follows: (1) a paid leave of absence not exceeding 30 days in any one (1) year period is available to an employee for the purpose of donating an organ to another person; and (2) a paid leave of absence not exceeding five (5) days in any one (1) year period is available to an employee for the purpose of donating his or her bone marrow to another person.

Employees must first exhaust, if available, up to five (5) days of earned but unused vacation or sick leave (in excess of 24 hours) before they are eligible for paid bone marrow donor leave. Employees must first exhaust, if available, up to two (2) weeks of vacation or sick leave (in excess of 24 hours) before they are eligible for paid organ donor leave. Paid bone marrow donor leave and paid organ donor leave is in addition to, and does not run concurrently with, any leave provided pursuant to the Family and Medical Leave Act of 1993 and the California Family Rights Act pursuant to the District's Family and Medical Leave Act and California Family Rights Act Leave Policy.

To qualify for paid bone marrow donor leave or paid organ donor leave, an employee must first provide the District with written verification through a medical certification that

he or she is an organ or bone marrow donor and that there is a medical necessity for the donation of the organ or bone marrow.

Employees returning from bone marrow donor leave or organ donor leave will be restored to the same or equivalent position held when the leave began, and such leave does not constitute a break in an employee's service for the purpose of his or her right to salary adjustments, sick leave, vacation, annual leave or seniority. During an employee's bone marrow donor leave and/or organ donor leave, the District will continue to pay for the employee's participation in any District group health plans, pension and retirement plans, and supplemental unemployment benefit plans offered by the District to the same extent and under the same terms and conditions as would apply had the employee not taken leave.

12.22 Time Off to Vote

In accordance with California Elections Code Section 14000, the District will grant employees up to two hours off to vote in a statewide election without loss of pay when the employee's regular schedule is such that the employee would not have sufficient time to vote without taking time off from work. Time off to vote must be at the beginning or end of the workday, whichever provides more time for voting, and should be combined with available time outside of working hours for voting.

Where possible, the employee must give his or her manager at least two (2) working-days notice that time off to vote is needed.

12.23 Jury Duty Leave

The District recognizes that serving on a jury is a responsibility of every citizen and encourages employees to serve when called. Upon receipt of a summons for jury duty, an employee should immediately notify the Department Manager and provide him/her with a copy of the summons. If necessary, employees called for jury duty should request a postponement so jury service can be performed during a period causing the least inconvenience to the District.

Full-time and part-time employees regularly scheduled to work 20 hours per week or more who are called to serve on jury duty will be paid their regular salary from the District of up to a maximum of 10 working days each calendar year and only for the hours they are normally scheduled to work on those days. Payment is contingent upon submitting proof of jury service and remitting any jury fees, except mileage reimbursement, to the District. However, exempt employees who work for the District during any portion of a workweek in which they are compelled to attend Court for jury duty will receive their full salary for that workweek. If an employee serves less than a full day of jury duty, the employee is required to report to work if there are at least four hours, including travel time, remaining in the workday. While serving on jury duty, employees must contact their manager on a daily basis regarding the status of their jury duty. Except to the extent that an exempt

employee performs work for the District during any workweek in which he or she also performs jury duty, any jury duty beyond the 10 paid days of paid leave will be unpaid. Employees may, however, draw from their accrued vacation banks for any time served beyond the allotted paid time off or may take unpaid leave.

Temporary employees and part-time employees regularly scheduled to work less than 20 hours per week are eligible to take unpaid jury duty leave and, except for the fact that they are not entitled to be paid for such leave, should otherwise generally comply with the requirements of this policy.

12.24 Witness Leave

Full-time and part-time employees regularly scheduled to work 20 hours per week or more shall be entitled to a paid leave of up to five (5) working days each calendar year to appear as a witness in court or at an administrative hearing. This benefit shall not apply in any case in which the employee is a party to the action. In such cases, employees are entitled to take unpaid leave. Employees may draw from their accrued vacation banks for the leave time not covered by this policy or for any time off in excess of the allotted five-days of paid leave. However, exempt employees who work for the District during any portion of a workweek in which they are compelled to attend court as a witness will receive their full salary for that workweek. Except to the extent that an exempt employee performs work for the District during any workweek in which he or she also appears as a witness, any witness duty beyond the allotted paid leave will be unpaid.

Temporary employees and part-time employees regularly scheduled to work less than 20 hours per week are eligible to take unpaid witness leave and, except for the fact that they are not entitled to be paid for such leave, should otherwise generally comply with the requirements of this policy.

12.25 Military Leave

In accordance with applicable law, District employees will be granted leave for participation in the Uniformed Services. The Uniformed Services include the Army, Navy, Air Force, Marine Corps, Coast Guard (and the Reserves for each such branch), Army National Guard, Air National Guard, any commissioned corps of the Public Health Service, and any other category of persons designated by the President in time of war or emergency.

The employee is entitled to reinstatement upon completion of military service provided the employee's application for reinstatement is made within ninety (90) days of the employee's discharge.

An employee returning from active military service within ninety (90) days of discharge (or released from hospitalization that continued following discharge) will be offered the same position held at the time of leaving, unless the job no longer exists, or the job has been filled in order to avoid undermining the District's ability to operate safely and efficiently, or the employee is not capable of performing the job responsibilities. If the

employee's former position is not available, a substantially similar position will be offered unless there is no substantially similar position available, or the employee filling the available position would substantially undermine the District's ability to operate safely and efficiently or the employee is not capable of performing the job responsibilities.

Employees who are called or who volunteer for active military duty, the Reserves, or the National Guard in California or another state should submit copies of their military orders to their supervisor as early as possible.

Employees will be afforded all rights to military leave, continued benefits, and reinstatement provided for by law.

In addition, the District will provide employees with up to 30 calendar days of paid leave for this purpose in any one fiscal year. Otherwise, military leave is unpaid. However, exempt employees who work for the District during any portion of a workweek in which they are compelled to perform military duty will receive their full salary for that workweek.

To be eligible for the paid military leave benefit, an employee must have been employed by the District for at least one year immediately prior to the date leave is scheduled to begin. In determining whether the employee has satisfied this one-year requirement, the District will count all time spent in recognized military service.

Paid leave does not extend to weekend reserve meetings or drills. Employees must use unpaid leave to attend such meetings. The employee may apply any accrued vacation or personal holiday leave toward any unpaid leave.

Temporary employees and full-time and part-time employees who have been employed by the District for less than one full year prior to commencement of a scheduled military leave are eligible to take unpaid military leave and, except for the fact that they are not entitled to be paid for such leave, should otherwise generally comply with the requirements of this policy.

Article 13 – Unpaid Leaves of Absence

13.1 General Information Regarding Leaves of Absence

The General Manager, in consultation with the Director of Human Resources, shall have the authority to grant leaves of absence to employees in certain circumstances. All leaves of absence, if granted, will be without pay. Employees must generally request leave as far in advance as possible. Employees are required to keep in touch with their manager and Human Resources during the approved leave and provide prompt notice if there's any changes in the return to work date. Employees out on an approved leave are prohibited from obtaining other employment. Application for or acceptance of other employment while on leave will be treated as a voluntary resignation from the employee's position with the District. If the approved leave expires and the employee fails to return to work without contacting his or her manager or Human Resources, the District will assume the employee has voluntarily resigned.

The period that an employee is on approved leave of more than four weeks is not considered time worked for the purpose of determining eligibility for certain benefits, such as vacation accrual. Employees do not accrue sick leave or holiday pay while on an unpaid leave of absence. However, employees will maintain their seniority during an unpaid leave of absence.

13.2 Emergency Duty Leave for Volunteer Firefighter, Reserve Peace Officer and Emergency Rescue Personnel

Employees are entitled to time off to perform emergency duty as a volunteer firefighter, reserve peace officer or emergency rescue personnel. Employees must provide written certification of their participation in these activities to their manager prior to the date of leave if possible. In the event of an emergency, certification should be provided as soon as reasonably practicable.

Nonexempt employees will be granted time off without pay to perform emergency duties as a volunteer firefighter, reserve peace officer or emergency rescue personnel. Employees also are eligible for leave of up to 14 days per calendar year to engage in fire, law enforcement, or emergency rescue training. For nonexempt employees, any such training time will be unpaid. Exempt employees who work any portion of a workweek in which they also perform such emergency duties or training will receive their full salary for that workweek. Otherwise, exempt employees will be granted time off without pay.

Employees may substitute vacation pay for any unpaid portion of leave to perform such emergency duties or training.

13.3 Civil Air Patrol Leave

Volunteer members of the California Wing of the Civil Air Patrol may take up to ten (10) days of unpaid leave per calendar year to respond to an emergency operational mission. However, Civil Air Patrol leave for any single emergency operational mission shall not exceed three (3) days unless such an extension is both granted by the governmental entity authorizing the emergency operational mission and approved by the District. To qualify for Civil Air Patrol leave, an employee must be employed for at least 90 days immediately preceding commencement of the leave.

Employees may, but are not required to, use accrued vacation time to cover an absence due to Civil Air Patrol leave. However, exempt employees who work for the District during any portion of a workweek in which they also take Civil Air Patrol leave will receive their full salary for that workweek.

Employees must provide the District with as much notice as possible of the intended dates upon which any Civil Air Patrol Leave will begin and end. An employee requesting Civil Air Patrol leave must provide the District with certification from the appropriate Civil Air

Patrol authority to verify his or her eligibility for the requested leave, and failure to do so may result in denial of the Civil Air Patrol leave.

13.4 Leave for Victims of a Crime, Domestic Violence or Sexual Assault

The District seeks to provide a safe, secure, and violence-free environment for all employees, and other people working on behalf of the District. The District therefore considers any form of workplace violence and threats of violence as misconduct that will not be tolerated in any form. In accordance with this policy, the District seeks to protect those employees who are victims or suspected victims of domestic violence, sexual assault, stalking, and/or other serious or violent crimes and will extend reasonable accommodations in an effort to provide for their safety in the workplace.

In accordance with this policy, the District will provide unpaid time off to an employee to attend judicial proceedings related to a serious crime, including a violent or serious felony (including felony theft or embezzlement), if that employee is a victim of crime, an immediate family member of a victim, a registered domestic partner of a victim, or the child of a registered domestic partner of a victim. For the purpose of this policy, an “immediate family member” is a spouse, domestic partner, child, stepchild, brother, stepbrother, sister, stepsister, mother, stepmother, father or stepfather. The employee must provide his or her manager with advance notice of his or her intent to take time off, unless reasonable notice is not feasible. Should an unscheduled absence occur, the employee must provide his or her manager with documentation evidencing the judicial proceeding within a reasonable time after the absence. Such documentation may be provided by any one of the following:

- (a) The court or government agency setting the hearing;
- (b) The district attorney or prosecuting attorney’s office; or
- (c) The victim/witness office that is advocating on behalf of the victim.

The District will provide time off to an employee who has been the victim of domestic violence, sexual assault, or stalking to seek any relief, including but not limited to, a temporary restraining order, restraining order or other injunctive relief, to help ensure the health, safety, or welfare of the domestic violence victim or his or her child. This includes time off for court proceedings, services from a domestic violence shelter, program or rape crisis center, counseling, medical attention and participation in safety planning programs. The District requires reasonable advance notice of the leave when feasible. In cases of emergencies, the District will take no action against affected employees if, within a reasonable time after the appearance, they provide the District with documentary evidence of the need for leave, such as:

- (a) A police report;

- (b) A court order or other documentation from the court or prosecuting attorney;
or
- (c) Documentation from a medical professional, healthcare provider, counselor or domestic violence advocate.

Any leave taken under this policy is unpaid. However, employees that are victims of domestic violence, sexual assault or stalking can use accrued paid sick leave when they need time off to appear in legal proceedings or for medical treatment. Employees may also choose to apply any accrued but unused vacation toward any unpaid time off. The District will maintain the confidentiality of any request for time off under this policy to the extent allowed by law.

The District will not discriminate, discharge, or in any way retaliate, against an employee who is a: (1) victim, or suspected victim, of domestic violence or a victim of sexual assault and/or stalking for taking time off from work to obtain or attempt to obtain any relief, including but not limited to, a temporary restraining order, restraining order, or other injunctive relief to help ensure the health, safety, or welfare of the victim or his or her child; or (2) victim, immediate family member of a victim, or a registered domestic partner of a victim of a crime defined as a violent felony or serious felony pursuant to the Penal Code or felony theft (embezzlement) for taking time off in order to attend judicial proceedings related to that crime.

The District will also not discriminate against any employee who is a victim of domestic violence, sexual assault, stalking, or serious and violent crime and requires accommodations, such as implementation of safety measures at work and/or taking time off from work to seek medical attention for injuries caused by such acts, to obtain services from a domestic violence or victim program, to obtain psychological counseling, or to participate in actions to increase safety from future crimes, including temporary or permanent relocation.

13.5 Leave for Child-Related Activities

Employees who are the parents, guardians, stepparents, foster parents, or grandparents of, or a person who stands in loco parentis to, a child in kindergarten or grades 1 to 12, or a child in a licensed child care provider, may take time off for a school activity up to forty (40) hours per calendar year for the following child-related activities: (1) to find, enroll, or reenroll the child in a school or with a licensed child care provider or to participate in activities of the school or licensed child care provider; or (2) to address a child care provider or school emergency.

Except for the need to address a child care provider or school emergency, the use of school activities leave is not to exceed eight (8) hours in any calendar month. Employees must first utilize any accrued vacation for purposes of a planned absence under this policy. Except when vacation is used, school visitation time will be unpaid. However, the salary of an exempt employee will not be reduced if he or she misses only a portion of a day for school related activities.

Employees wishing to take time off under this policy must provide their managers with as much advance as possible of the planned absence. If more than one parent of a child is employed by the District at the same worksite, the request for time off under this policy will be granted to the first parent to provide notice of the need for time off. The request from another parent will be accommodated if possible.

The District reserves the right to request that the employee furnish written verification from the school or child care provider as proof that the employee participated in child-related activities on the specific date and at a particular time.

13.6 Pregnancy Disability Leave

Female or transgender employees who are disabled as a result of pregnancy, perceived pregnancy, childbirth or related conditions such that the employee is unable to perform one or more of the essential functions of the job or one or more such functions without undue risk to the employee's self, the pregnancy itself, or other facts, are eligible to take a pregnancy disability leave ("PDL"). If the employee is affected by pregnancy or a related medical condition: (1) the District will provide the employee with reasonable accommodation if the employee requests it with the advice of the employee's health care provider; and (2) the employee is also eligible, temporarily, to transfer to a less strenuous or hazardous position, for which the employee is qualified, for the duration of the employee's pregnancy disability if the employee so requests with the advice of her health care provider, provided the transfer can be reasonably accommodated. However, as an accommodation, the District is not required to create a new job that the District would not have otherwise created or to discharge another employee.

The PDL is for any period(s) of actual disability caused by the employee's pregnancy, perceived pregnancy, childbirth or related medical conditions up to four months (693 hours of leave for a full-time employee who works 40 hours per week over 17.3 weeks) per pregnancy. The actual amount of PDL available will depend on the number of hours an employee normally would work within a 17.3 week period and therefore, some employees could be entitled to more or less than the 693 hours of leave based on the amount of hours worked each week.

Employees who need to take Pregnancy Disability Leave (PDL) must provide notice sufficient to alert the District to the fact that such employee needs to take leave. The notice should include the anticipated timing and duration of the leave. If the need for the leave is foreseeable, the employee must provide at least 30 days advance notice before PDL is to begin. If 30 days advance notice is not possible because of changing circumstances, medical emergency, or other good cause, notice must be given as soon as practicable. Failure to provide adequate notice may result in delay or deferral of the employee's requested leave until the employee has provided such notice.

The employee may be required to obtain a medical certification, which is a written communication, from her health care provider of her pregnancy disability or the medical advisability for a transfer to a less strenuous or hazardous position or other reasonable

accommodation. The employee will have fifteen (15) days to provide medical certification from the date the District requests the certification, unless it is not practicable under the particular circumstances despite the employee's diligent, good faith efforts.

A medical certification for a reasonable accommodation or transfer request should include:

- (a) A description of the requested reasonable accommodation or transfer.
- (b) A statement that describes the medical advisability of the reasonable accommodation or transfer because of pregnancy.
- (c) The date on which the need for reasonable accommodation or transfer became/will become medically advisable and the estimated duration of the reasonable accommodation or transfer.

A medical certification requesting pregnancy disability leave should include:

- (a) A statement that the employee needs to take pregnancy disability leave because she is disabled by pregnancy, childbirth, or a related medical condition; and
- (b) The date on which the employee became disabled because of pregnancy and the estimated of leave.

PDL is for any period(s) of time of actual disability caused by the employee's pregnancy, perceived pregnancy, childbirth or related medical condition, which includes time off for prenatal or postnatal care, severe morning sickness, doctor-ordered bed rest, gestational diabetes, pregnancy induced hypertension, preeclampsia, childbirth, loss or end of pregnancy, recovery from childbirth or loss or end of pregnancy, and/or postpartum depression.

PDL does not need to be taken in one continuous period of time and may be taken intermittently or on an as-needed schedule, as medically necessary. Because an employee is also eligible for leave under the federal Family Care and Medical Leave Act ("FMLA"), the District may count the PDL against the employee's FMLA entitlement, up to a maximum of 12 weeks.

Leave may be taken in minimum increments of one (1) hour. Employees should consult with their manager regarding the scheduling of any planned medical treatment so as to minimize any disruption to the District's operations. Any such scheduling is subject to the approval of the health care provider of the employee.

The District is not required to pay the employee during pregnancy disability leave. Employees may, but are not required to, use any available paid sick leave or accrued but unused vacation during PDL. Vacation days and sick leave do not accrue during any period of a leave of absence of more than four weeks. However, the employee may also

be eligible for state disability insurance for the unpaid portion of her leave and the employee may contact the California Employment Development Department for more information.

If the employee is on a PDL, at the end of such period, or at the end of four months of PDL, whichever occurs first, the employee may be eligible to request CFRA leave of up to 12 workweeks for the birth of the employee's child. Should the employee exhaust the four months of PDL prior to childbirth and her health care provider determines that continuation of leave is medically necessary, the District may permit the employee to utilize CFRA leave prior to childbirth as a reasonable accommodation. The District is not required to provide more CFRA leave than the amount which the employee is otherwise entitled under CFRA.

Employees will continue to be covered by the District's health care insurance coverage for the duration of the PDL. Employees may also continue to participate in other benefit programs during leave subject to certain limitations. Employees will be provided with a detailed statement of the terms and conditions under which health and other insurance benefits will be continued at the time that leave is granted. Employees may be entitled to continue the insurance coverage beyond the initial coverage period under COBRA. Please contact Human Resources for further information.

Failure to return to work at the end of a leave of absence may result in termination of employment.

An employee who has taken a pregnancy-related disability leave or transfer is allowed to return to work when the employee is able to present the Director of Human Resources with a release from the employee's health care provider authorizing the employee to return to work. After the employee provides a release to the District by the date agreed upon between the employee and the District, or within two business days if no date has been agreed upon, or as soon as it is possible for the District to expedite the employee's return after notifying the District of the employee's readiness to return, the employee is guaranteed reinstatement to the same or to a comparable position except where the law authorizes a different result.

An employee returning from PDL has no greater right to reinstatement than if the employee had been continuously employed rather than on leave. The District is not required to reinstate an employee to the same or comparable position if the District would not have otherwise offered the employee a comparable position had him or her not taken leave, or a position for which the employee is qualified is not available on the scheduled date of reinstatement or within 60 days thereafter.

Employees affected by pregnancy may also request other reasonable accommodations, including, but not limited to, making the existing facilities and workspace more accessible to the employee or modifications to their work schedules. Employees desiring such a reasonable accommodation should inform their manager or contact Human Resources. The District may require that employees submit medical certification in support of their request for a reasonable accommodation. The District will attempt to honor all requests

for a reasonable accommodation, except where doing so would present an undue hardship to the District.

13.7 Military Spouse and Domestic Partner Leave

Qualified California employees will be given up to 10 days leave during that time in which the employee's spouse or domestic partner is on leave from deployment in a combat zone with the active duty or reserve military or national guard during a period of military conflict. Employees may use accrued vacation time to cover this absence. If the employee has no accrued vacation, the employee must request time off without pay.

Qualifying employees are employees who work an average of 20 hours per week and have a spouse or domestic partner who is serving as: (1) a member of the U.S. Armed Forces and who has been deployed during a period of military conflict to an area designated as a combat theater or combat zone by the President of the United States, or; (2) a member of the Armed Forces Reserve Components or the National Guard and has been deployed during a period of military conflict.

Qualifying employees who wish to request this leave must provide the District with a written request for such leave within two business days of receiving official notice that the military spouse or domestic partner will be on leave from deployment. The employee must also provide written documentation to the District certifying that the military member will be on military leave from deployment.

13.8 Family and Medical Leave Act and California Family Rights Act Leave

A. Eligibility

The District provides family care leave, medical leave, military caregiver leave, and exigency leave to employees who qualify for such leave under the Family and Medical Leave Act of 1993 (FMLA) and the California Family Rights Act (CFRA). To be eligible for family care leave, medical leave, military caregiver leave, or exigency leave, an employee must: (1) have worked for the District for at least twelve months prior to the date on which the leave is to commence; and (2) have worked at least 1,250 hours in the twelve (12) months preceding the leave. Employees who work at a location where the District employs fewer than 50 persons within 75-miles are not ordinarily eligible for family care leave, medical leave, military caregiver leave or exigency leave pursuant to FMLA and CFRA. However, the District, as an exception to this rule, will allow such employees to apply for and take family care leave, medical leave, military caregiver leave or exigency leave if they are otherwise eligible for such leave under the terms of the FMLA and/or CFRA as set forth in this policy and subject to all other rules relating to leaves under the FMLA and/or CFRA. As with other policies, the District reserves the right to change this policy in the future to exclude employees who work at a location where the District employs fewer than 50 persons within 75-mile from eligibility for family care leave, medical leave, military caregiver leave or exigency leave. The District uses the period from the date an employee's first

family leave begins and measures backward for a twelve (12) month period to calculate the amount of leave time for which the employee is eligible.

B. Reasons for Family Care and Medical Leave

Family care/medical leave time up to twelve (12) weeks in a twelve (12) month period is permitted for:

- (1) The birth or adoption of an employee's child and to bond with or provide care for such child;
- (2) The placement of a foster child with the employee for adoption or foster care and to bond with or care for the new child;
- (3) Caring for the employee's spouse (which includes domestic partner and same-sex partner in marriage), child, or parent who has a serious health condition;
- (4) For the employee's own serious health condition, which renders the employee unable to perform his/her job; or
- (5) For any qualifying exigency (i.e. military leave) arising out of the fact that the employee's spouse, domestic partner, child or parent is on "covered active duty" (or has been notified of an impending call or order to "covered active duty") in the Armed Forces in support of a contingency operation ("Exigency Leave").

Family care/medical leave time up to twenty-six (26) weeks in a twelve (12) month period is permitted to care for the employee's spouse, domestic partner, child, parent, or next of kin who is a "covered service member" recovering from a serious injury or illness suffered while on active duty in the Armed Forces, National Guard or Reserves ("Military Caregiver Leave"). The individual must be undergoing treatment, recuperation, or therapy, be on outpatient status, or be on the temporary disability retired list for a serious injury or illness. A "covered service member" includes a veteran if the veteran was a member of the Armed Forces "at any time during the period of five (5) years preceding the date on which the veteran undergoes that medical treatment, recuperation, or therapy."

C. Definitions

"Child" means a son or daughter who can be any biological, adopted, or foster child, a stepchild, a legal ward or a child of a person standing in loco parentis, who is either (A) under 18 years of age, or (B) 18 years of age or older and incapable of self-care because of a medical or physical disability (i.e., an adult dependent child). A person standing in loco parentis with a child is someone with day-to-day responsibilities to care for and financially support the child; there is no requirement

for a biological or legal relationship between the person and child. For children under 18 years of age, an employee need only show that leave is required because a child is suffering from a serious health condition without regard as to whether the child has a disability. For adult dependent children, an employee is eligible to take medical leave to care for that adult child upon showing the following: the adult son or daughter (1) has a disability as defined under the American Disabilities Act (“ADA”), (2) is incapable of self-care due to that disability (i.e., needing assistance in three or more activities of daily living such as bathing, dressing, eating, transportation, etc.), (3) has a serious health condition (i.e. an illness, injury, impairment, or physical or mental condition that involves inpatient care (overnight stay or expectation of overnight stay) or continuing treatment by a health care provider), and (4) is need of care due to the serious health condition. While the adult son or daughter’s serious health condition need not be directly related to his or her disability, the same condition may satisfy both the ADA definition of a disability and a serious health condition.

“Covered active duty” for members of a regular component of the Armed Forces means duty during deployment of the member with the Armed Forces to a foreign country. “Covered active duty” for members of the reserve components of the Armed Forces (members of the U.S. National Guard and Reserves) means duty during deployment of the member with the Armed Forces to a foreign country under a call or order to active duty in a contingency operation, which may include deployment in international waters.

“Covered service member” is (a) any member of the Armed Forces (including a member of the National Guard or Reserves) who is undergoing medical treatment, recuperation, or therapy or is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness or (b) a veteran who is undergoing medical treatment, recuperation, or therapy, for a serious injury or illness and who was a member of the Armed Forces (including a member of the National Guard or Reserves) at any time during the period of five (5) years preceding the date on which the veteran undergoes that medical treatment, recuperation, or therapy.

“Qualifying exigencies” include: (1) addressing any issue arising out of short notice deployment, (2) attending military events and related activities, (3) attending or arranging for child care and school activities, (4) making financial and legal arrangements, (5) attending counseling, (6) spending time with a covered military member on rest and recuperation leave, (7) attending post-deployment activities, (8) providing or arranging for parental care, and (9) any additional activities that the Company and employee agree to as leave.

“Serious health condition” is any illness, injury, impairment, or physical or mental condition that involves either inpatient care (overnight stay or expectation of overnight stay) in a hospital, hospice, or other residential medical care facility, or continuing treatment or supervision by a health care provider. A “serious injury or

health condition” with respect to a current member of the Armed Forces (including the National Guard and Reserves) means an injury or illness that existed before the beginning of the member’s active duty and was aggravated by service in line of duty on active duty in the Armed Forces that may render the member medically unfit to perform the duties of the member’s office, grade, rank, or rating. For a covered veteran, a serious injury or illness means a qualifying injury or illness that was incurred by the member in line of duty on active duty in the Armed Forces (or existed before the beginning of the member’s active duty and was aggravated by service in line of duty on active duty in the Armed Forces) and that manifested itself before or after the member became a veteran.

D. Maximum Allotment of Family Care/Medical Leave

Provided all the conditions of this policy are met, an eligible employee may take a maximum of up to 12 weeks of family care/medical leave in a rolling 12-month period measured backwards from the date the employee’s leave commences.

Provided all the conditions of this policy are met, an eligible employee may take a maximum of up to 26 weeks of Military Caregiver Leave in a single 12-month period, measured forward from the date of the employee’s first leave to care for a covered service member. This Military Caregiver Leave is available during a single 12-month period during which an eligible employee is entitled to a combined total of 26 weeks of all types of FMLA and CFRA leave, of which no more than 12 weeks can be for non-Military Caregiver Leaves. For example, an eligible employee could take 12 weeks of medical leave as well as an additional 14 weeks of Military Caregiver Leave, but may not take more than 26 weeks of FMLA and CFRA leave, during a single 12 month period.

The substitution of paid leave for FMLA and CFRA leave does not extend the total duration of family care/medical leave to which an employee is entitled to beyond 12 weeks in a 12-month period, nor does it extend the total duration of Military Caregiver Leave to which the employee is entitled beyond 26 weeks in a single 12-month period. For example, if an employee has two weeks of vacation at the time of the request for family care/medical leave, that paid vacation time will be substituted for the two weeks of family care/medical leave, leaving up to eight additional weeks of unpaid leave.

E. Ability to Take Intermittent and/or Reduced Schedule Leave

Leave taken for the birth, adoption or foster care placement of a child generally must be taken in blocks of at least two weeks’ duration. However, the District will provide employees with leave for birth, adoption or foster care placement of less than two (2) weeks’ duration on any two (2) occasions. Leaves for the birth, adoption or foster care placement of a child must be concluded within one (1) year of the birth, adoption or placement.

Leave because of a serious health condition or Military Caregiver Leave may be taken intermittently or on a reduced schedule where medically necessary. Employees have an obligation to try to schedule intermittent and reduced schedule leaves in support of planned medical treatments so that they do not unduly disrupt the District's operations. If such leave is taken intermittently or on a reduced schedule, the District retains the discretion to transfer the employee temporarily to an alternative position with equivalent pay and benefits which better accommodates the employee's leave schedule.

Where necessary, Exigency Leave may also be taken on an intermittent or reduced schedule basis.

F. Unpaid Status and Substitution and Coordination of Paid Leave

Except to the extent that other paid leave is substituted for family care/medical leave, such leave is unpaid. Employees are required to substitute accrued sick leave and vacation (in that order) for all medical leaves except for those where the employee is otherwise in a paid work status, such as while collecting workers' compensation or Short or Long Term Disability benefits. Employees receiving disability benefits or partial wage replacement benefits while on FMLA/CFRA Leave are not required to (but may) use accrued paid leave during the time they are receiving such benefits.

Employees may, but are not required to, substitute paid sick leave and must otherwise substitute accrued vacation for Military Caregiver Leaves and all family care leaves other than those related to bonding time resulting from the birth, adoption, or placement for foster care of a child. Employees are also required to substitute accrued vacation for all Exigency Leaves and leaves taken to bond with a newborn or relating to the placement of a child with the employee for adoption or foster care. The substitution of paid leave does not extend the total duration of combined leave to which an employee is entitled to beyond 12 or 26 weeks in a 12-month period.

Employees may be entitled to Short or Long Term Disability Insurance during a medical leave.

To the extent otherwise permitted by law, an employee receiving workers' compensation benefits may elect to, but is not required to, use paid leave balances to receive the difference in those benefits and his or her regular compensation.

G. Leave's Effect on Pay

Except to the extent that other paid leave is substituted for family care/medical leave, all such leave is unpaid.

H. Leave's Effect on Benefits

During an employee's qualified family care/medical leave, the District will continue to pay for the employee's participation in any District group health plans, pension and retirement plans, and supplemental unemployment benefit plans offered by the District to the same extent and under the same terms and conditions as would apply had the employee not taken leave.

If the employee fails to return from the leave for a reason other than the recurrence or continuation of a health condition that brought about the leave or other circumstances beyond the employee's control, the District can recover any health premiums paid by the District on the employee's behalf during any unpaid periods of the leave.

With respect to benefits other than the District's group health plan, an employee on FMLA and CFRA leave is entitled to continue to participate in the plan, subject to the terms and limitations of the respective plans, during the course of the FMLA and CFRA leave. With regard to any employee benefit plan, FMLA and CFRA leave will not constitute a "break in service" for the purposes of longevity under the plan.

Employees on FMLA and CFRA leave are entitled to earn or accrue employment benefits only when paid leave is being substituted for unpaid leave and only if the employee would otherwise be entitled to earn such benefits or to such accrual.

I. Procedure for Requesting Leave and Notice Requirements for Employees and the District

Employees should notify the District of their request for family care/medical leave as soon as they are aware of the need for such leave. Upon receiving a request for any form of FMLA and CFRA leave, the District will provide the requesting employee with a Notice of Eligibility and Rights & Responsibilities within five (5) business days, followed by (if the employee is deemed eligible) a Designation Notice within five (5) business days of obtaining sufficient information to determine whether the leave is FMLA and CFRA-qualifying. If the District determines that the leave is not protected, the District will also notify the employee of that determination. The District may, in its discretion, use a single combined Notice of Eligibility and Rights & Responsibilities and Designation Notice, in which case the combined form will be provided within five (5) business days of the employee's request.

If the event necessitating the family care/medical leave becomes known to the employee more than 30 calendar days before the need for the leave, the employee must provide notice as soon as the employee learns of the need for a leave and the leave request must be submitted in writing at least thirty (30) days before the time the leave is needed. For events that are unforeseeable 30 days in advance, but are not emergencies, the employee must notify the District as soon as he or she learns of the need for the leave, ordinarily no later than one (1) to two (2) working days after the employee learns of the need for the leave. If the leave is

requested in connection with a planned, nonemergency medical treatment, the employee may be requested to reschedule the treatment so as to minimize disruption of the District' business.

An employee seeking to use Military Caregiver Leave must provide 30 days advance notice of the need to take such leave for planned medical treatment for a serious injury or illness of a covered service member. If leave is foreseeable but thirty (30) days advance notice is not practicable, the employee must provide as much advance notice as is reasonable and practicable.

If an employee fails to provide the requisite 30-day advance notice without any reasonable excuse for the delay, the District reserves the right to delay the taking of the leave until at least 30 days after the date the employee provides notice of the need for such leave

For Exigency Leave, the employee must provide the District with notice of the need for such leave as soon as practicable.

All requests for family care/medical leave should include the anticipated date(s) and duration of the leave. Any requests for extensions of a family care/medical leave must be received at least five (5) working days before the date on which the employee was originally scheduled to return to work and must include the revised anticipated date(s) and duration of the family care or medical leave.

J. Medical Certification for Employee's or Family Member's Serious Health Condition

Any request for family care/medical leave to care for a child, spouse, domestic partner or parent with a serious health condition must be supported by medical certification from a health care provider which states:

- The name, address, telephone number and fax number of the health care provider and type of medical practice/specialization;
- Date of commencement of the serious health condition or serious injury or illness;
- Probable duration of the condition;
- Estimated amount of time the employee will provide care; and
- Confirmation that the serious health condition or serious injury or illness warrants the participation of a family member.

If the leave is needed for the employee's own serious health condition, he/she must provide a certification from the health care provider which states:

- Date of commencement of the serious health condition or serious injury or illness;

- Probable duration of the condition; and
- A statement that the employee is unable to perform the essential functions of his/her position because of the serious health condition.

For foreseeable leaves, employees must provide the required medical certification before the leave begins. When this is not possible, employees must provide the required certification within 15 calendar days after the District' request for certification, unless it is not practicable under the circumstances to do so, despite the employee's good faith efforts. Failure to provide the required medical certification may result in the denial of leave. Any request for an extension of the leave also must be supported by an updated medical certification.

The District will normally request medical certification in support of family care or medical leave at the time the employee gives notice of leave or within five (5) business days thereafter. Once requested, it is the employee's responsibility to provide the department with the medical certification within 15 calendar days.

For an employee's medical leave only, the District may require a second opinion from a health care provider designated by the District, provided it has a good faith, objective reason to doubt the validity of the first medical certificate, and in which case the District will pay the cost of the second opinion. If there is a difference between the medical certification and the second opinion, the District may require a third opinion from a mutually agreeable provider, at the District's expense, who will make a final determination.

Except for when an employee has completed intermittent or reduced schedule medical leave, he or she must provide the District with a fitness-for-duty medical certification that he or she is able to return to work before the District will permit the employee to return to work from medical leave.

K. Medical Certification for Military Caregiver Leave

Leave requested to care for a covered service member with a serious injury or illness must be supported by a certification completed by an authorized health care provider of the covered service member. The health care provider must provide the following information:

A general statement providing:

- The name, address, and appropriate contact information of the covered service member's health care provider, the type of medical practice, the medical specialty, and whether the health care provider is (1) a United States Department of Defense ("DOD") health care provider, (2) a United States Department of Veterans Affairs health

care provider, (3) a DOD TRICARE network authorized private health care provider, or (4) a DOD non-network TRICARE authorized private health care provider.

- Whether the covered service member's (1) injury or illness was incurred in the line of duty on active duty or aggravated when the veteran was a member of the Armed Forces and rendered the service member unable to perform the duties of the service member's office, grade, rank, or rating, or (2) physical or mental condition received a disability rating of 50% or higher from the Department of Veterans' Affairs Service, or (3) physical or mental condition impairs the service member's ability to secure gainful occupation as a result of the service-related disability, or (4) would do so absent treatment.
- The approximate date on which the serious injury or illness commenced, and its probable duration.
- Information sufficient to establish that the covered service member is in need of care and whether the covered service member will need care for a single continuous period of time, including any time for treatment and recovery, and an estimate as to the beginning and ending dates for this period of time.
- If request is for intermittent or reduced schedule basis for planned medical treatment appointments for the covered service member, whether there is a medical necessity for the covered service member to have such periodic care and an estimate of the treatment schedule of such appointments.
- If request is for intermittent or reduced schedule basis to care for a covered service member other than for planned medical treatment, whether there is a medical necessity for the covered service member to have such periodic care, which can include assisting in the covered service member's recovery, and an estimate of the frequency and duration of the periodic care.

An additional statement setting forth:

- The name and address of the employer of the employee requesting leave to care for a covered service member, the name of the employee requesting such leave, and the name of the covered service member for whom the employee is requested leave to care.
- The relationship of the employee to the covered service member for whom the employee is requesting leave to care.

- Whether the covered service member is a current member of the Armed Forces, the National Guard or Reserves, and the covered service member's military branch rank, and current unit assignment.
- Whether the covered service member is assigned to a military medical facility as an outpatient or to a unit established for the purpose of providing command and control of members of the Armed Forces receiving medical care as outpatients (such as a medical hold or warrior transition unit), and the name of the medical treatment facility or unit.
- Whether the covered service member is on the temporary disability retired list.
- A description of the care to be provided to the covered service member and an estimate of the leave needed to provide the care.

The District will provide eligible employees requesting Military Caregiver Leave with a copy of the Department of Labor Form Certification for serious injury or illness of covered service member for Military Family Leave, to be completed by the employee and an authorized military health care provider of the covered service member. Alternatively, the employee may present, and the District will accept, Invitational Travel Orders or Invitational Travel Authorizations for the purpose of certifying the existence of a serious injury or illness.

The District will normally request medical certification in support of family care or medical leave at the time the employee gives notice of leave or within five (5) business days thereafter. Once requested, it is the employee's responsibility to provide the department with the medical certification within 15 calendar days.

The District requires an employee to provide evidence confirming that the employee has a family relationship with a servicemember supporting a grant of Military Caregiver Leave.

The District may seek authentication and clarification of a certification in support of Military Caregiver Leave, including Invitational Travel Orders or Invitational Travel Authorizations. However, under no circumstances will the District seek recertification and second or third opinions for Military Caregiver Leave.

When certification is requested, it is the employee's responsibility to provide the employer with timely, complete and sufficient certification and failure to do so may result in delay or denial of FMLA and CFRA leave.

L. Exigency Leave Certification

Employees requesting Exigency Leave will be provided with a copy of the Department of Labor's form, Certification of Qualifying Exigency for Military Family Leave for completion within 15 calendar days of the District's request for certification. The completed form along with the documentation that the employee provides will be used to determine if the leave request qualifies and the length of the leave. It is the employee's responsibility to provide the District with timely, complete and sufficient certification and failure to do so may result in delay or denial of FMLA and CFRA leave.

A certification for Exigency Leave must include the following information:

- A statement or description, signed by the employee, of appropriate facts regarding the qualifying exigency for which family care/medical leave is requested;
- The approximate date on which the qualifying exigency commenced or will commence;
- The beginning and end dates for the absence;
- If the leave will be taken on an intermittent or reduced schedule basis, an estimate of the frequency and durations of the qualifying exigency; and
- If the qualifying exigency involves meeting with a third party, appropriate contact information for the individual or entity (i.e., name, title, organization, address, phone number, fax number and e-mail address) and a brief description of the purpose of the meeting.

M. Fitness-for-Duty Certification

Where an employee takes medical leave, other than intermittent or reduced schedule leave, the District requires the employee to provide medical certification that he or she is fit for duty and able to return to work with or without limitations. The District may delay restoring an employee to his or her position or terminate his or her employment should the employee fail to provide proper fitness-for-duty medical certification.

Once the District has sufficient information to determine whether the leave qualifies as family care/medical leave, the District will notify the employee whether the leave will be designated as FMLA and/or CFRA qualifying leave and, if known at that time, the amount of leave that will be counted against the employee's leave entitlement. If the District determines that the leave is not protected, the District will also notify the employee of that determination.

N. Leave's Effect on Reinstatement

Employees returning from an FMLA and/or CFRA leave are entitled to reinstatement to the same or comparable position consistent with applicable law. An employee who fraudulently obtains or uses CFRA leave will not have job restoration protection. The District retains the right to deny reinstatement to employees who are among the highest paid 10 percent of the District's employees within a 75-mile radius of their worksite and whose reinstatement would cause substantial and grievous economic injury to the District's operations. In such a case, the affected employees will be notified of the District's intent not to restore them to their employment at the time the determination is made and will be given an opportunity to return to work at that time.

Article 14 Drug and Alcohol Policy

14.1 Zero Tolerance Policy

The District maintains zero tolerance for drug and alcohol abuse by its employees. The District prohibits the unlawful distribution, dispensation, possession or use of a controlled substance in or around the workplace and while conducting District business (including being under the influence of a controlled substance while conducting District business); the use of (or being under the influence of) alcohol while conducting District business (except as set forth below); and the misuse of prescribed drugs while conducting District business. For purposes of this policy, controlled substances are mind-altering and/or addictive substances included under the provisions of the Controlled Substances Act of 1970 (21 U.S.C. § 801 et seq., as amended). Examples include:

- (a) Opiates (e.g. heroin, morphine, codeine, methadone);
- (b) Cocaine;
- (c) Cannabinoids (e.g. marijuana, hashish);
- (d) Amphetamines;
- (e) Barbiturates;
- (f) Other narcotics and hallucinogens; and
- (g) Benzodiazepines (e.g. valium, librium).

Employees who violate the District's drug and alcohol policy will be subject to discipline, up to and including termination.

As an agency receiving federal grant or project funding, the District will maintain a Drug-Free Workplace Awareness Program compliant with that portion of the Drug-Free

Workplace Act of 1988 (41 U.S.C. § 701 et seq, as amended) and implementing regulations applicable to grants and cooperative agreements.

As a condition of employment with the District, all employees will abide by the terms of the District's Zero Tolerance Policy, set forth above. Any employee who is convicted of a violation of a criminal drug statute involving the manufacture, distribution, dispensing, use or possession of any controlled substance occurring in the workplace shall notify his or her manager of the conviction in writing no later than five calendar days after the conviction. For this purpose, a conviction means a finding of guilt, including a plea of nolo contendere or the imposition of a sentence by any judicial body having responsibility for determining violations of federal or state criminal statutes.

The use of prescription and/or over-the-counter drugs may also affect an employee's job performance and create safety risks. Any employee who is using prescription or over-the-counter drugs that may impair his or her ability to safely perform or that may affect the safety or well-being of others must submit a physician's statement that the prescription drug use will not affect job safety. The employee is not required to identify the medication or underlying illness. Various federal, state and local laws protect the rights of individuals with disabilities and others with regard to the confidentiality of medical information, medical treatment and the use of prescription drugs and substances taken under medical supervision. Nothing contained in this policy is intended to violate or interfere with individual rights under these laws.

14.2 Alcohol Consumption at District Sponsored Events

On occasion, employees may entertain business contacts during work hours or after work hours as representatives of the District. These occasions may include lunches, dinners and business conferences where alcohol is served. In addition, the District occasionally sponsors events where alcohol is served. Employees shall not consume alcohol during regular business hours. Employees attending workplace events outside of regular business hours are expected to limit alcohol consumption and to remain responsible, professional and sober at all times while entertaining people or attending social events sponsored by the District. Alcohol may be served at District events only with the prior approval of the General Manager.

14.3 Testing Program

The District reserves the right to require drug and/or alcohol testing under certain circumstances, including after an initial offer of employment has been extended and where there is a reasonable suspicion that any employee is under the influence of alcohol and/or any controlled substances while conducting District business in violation of the District's Drug and Alcohol Policy.

Additionally, the District may be required to conduct (and employees may be required to submit to) drug and/or alcohol testing pursuant to the administration of federal (or other governmental) grants and/or contracts. The District will notify employees subject to drug

and/or alcohol testing pursuant to a grant or contract of their particular obligations under the specific grant or contract.

14.4 Accommodation of Treatment/Rehabilitation Programs

The District will attempt to reasonably accommodate employees who wish to voluntarily enter a treatment and/or rehabilitation program for drug or alcohol abuse, provided that such accommodation does not impose an undue hardship on the District. The District, at its sole discretion, may also require an employee to undergo drug or alcohol rehabilitation or treatment as a condition of continued employment. The District will take reasonable steps to protect the privacy of employees seeking treatment for drug or alcohol dependency.

Employees returning to work after participation in a treatment or rehabilitation program, will be required to demonstrate that they are alcohol, drug or substance-free before being allowed to return to work. Employees will also be required to submit to random testing for up to one year after they return to work. Any subsequent positive test result will result in immediate termination.

Article 15 – Health and Safety

15.1 Safety Regulations and Accident Reporting

The District is committed to providing its employees with a safe and healthful work environment. The District has developed and Injury & Illness Prevention Program to establish a framework for reducing risks associated with workplace injuries and illnesses, and identifying what is required to promote the safety and health, and create an outline of policies and procedures to achieve safety and health goals. To this end, all employees are expected to abide by all applicable safety regulations and to avoid unsafe practices. Employees are to immediately report any unsafe act or condition to the District so that necessary action may be taken. Employees should also immediately report any accidents, illnesses or injuries in the workplace, no matter how minor they may appear, to the Director of Human Resources or another Senior Manager. Questions and/or suggestions about safety and health concerns should be directed to the Director of Human Resources.

15.2 Smoking

Smoking is not allowed within or upon the District's offices or property, except within designated smoking areas. District employees shall not smoke at District functions or events which are conducted away from District property, except during authorized break periods.

Article 16 – Termination of the Employment Relationship

16.1 Voluntary or Involuntary Termination

Pursuant to and consistent with Water Code sections 71340 and 71362, all employment with the District is at the pleasure of the Board and/or the General Manager, meaning that all such employment is at-will. Accordingly, either the District or the employee may terminate the employment relationship at any time and for any reason, with or without advance notice. Employees are nevertheless strongly encouraged to provide the District with at least two weeks' notice of their intent to terminate their employment so as to ensure that pending projects are not adversely affected by their departure.

An employee who is absent from work for three consecutive scheduled workdays without notifying the District of his or her intent to be absent will be deemed to have abandoned his or her position and voluntarily resigned.

16.2 Severance

In the event the District decides to terminate the employment relationship not due to a reduction in force (RIF) or layoff, the District may offer the employee severance pay in recognition of his or her service to the District. Severance pay is offered at the sole discretion of the District and is contingent upon the execution of a general release of all claims. Any offered severance may not exceed the maximum permissible under applicable law. The amount of severance pay is at the discretion of the General Manager who shall develop a policy and report to the Board every severance payment made. Acceptance of termination pay is a waiver of the right to request reconsideration of the termination or to challenge the termination decision in any forum.

16.3 Layoff Policy

Circumstances may arise that prompt the District to reduce its workforce. When a layoff does occur, all earnings and unused accrued benefits will be paid out to the employee at his or her current base pay rate as of the last day of employment.

In the event of a layoff, the District will offer all affected full-time employees severance pay to assist them in the transition to new employment. The amount of severance pay is at the discretion of the General Manager who shall develop a policy and report to the Board every severance payment made.

Receipt of severance pay is contingent upon the employee's execution of a severance pay and general release agreement.

Those individuals that are employed pursuant to a contract of employment for a specified period of time shall be entitled to the above severance compensation only to the extent it does not exceed maximum allowable severance benefits prescribed by law.

16.4 Name-Clearing Hearing

An employee that is subject to termination or deprived of a right or status recognized by state law may request a hearing to clear his or her name before discipline is imposed where: 1) the proposed disciplinary action is in response to a charge that stigmatizes the employee's reputation for honesty or morality, seriously impairs the employee's opportunity to seek alternative employment or seriously damages the employees standing or associations in the community; 2) the employee denies the charge, or at least, challenges its accuracy; and 3) the District has publicly disclosed the charge.

The conduct of any such hearing shall be appropriate to the nature of the case, but, at a minimum, shall include the following procedures:

- (a) At least 10 days before discipline is imposed, Human Resources will provide the employee with written notice of any proposed disciplinary action, the basis for such action and any documentary evidence relied upon by the Manager in reaching his or her decision, exclusive of any trade secret or confidential information;
- (b) Within five (5) working days of receipt of such notice, the employee may file a written appeal with the Director of Human Resources or the General Manager;
- (c) Director of Human Resources or the General Manager shall then review the appeal and determine whether the charges are unfounded or should be sustained;
- (d) If the employee is unsatisfied with the decision reached by the Director of Human Resources or the General Manager, he/she may within three working days request a hearing before a panel comprised of a representative of management (other than the manager that imposed the subject discipline), Director of Human Resources and a member of the Board of Directors;
- (e) Every reasonable effort shall be made to schedule such hearing within 30 calendar days of receipt of the employee's request;
- (f) The employee may be represented by counsel and will be given the opportunity to refute the charges in writing and to present any additional evidence he/she believes is relevant to clearing his or her name. The panel, based upon the seriousness of the charges, may, but is not required to, allow for live testimony and opportunity to cross-examine witnesses if such additional safeguards appear both appropriate and necessary to ensure adequate due process.

- (g) The decision of the panel is final. The General Manager may elect to place an employee on paid or unpaid administrative leave pending the outcome of any disciplinary proceedings pursuant to this section.

16.5 Reemployment

An employee who voluntarily resigns or was laid-off from employment with the District and is subsequently rehired by the District within six months may retain the same years of service for vacation accrual rate, service tenure, and for retirement service credit, in accordance with that allowed by CalPERS. Reemployment depends on the availability of positions for which the employee is qualified.

16.6 Exit Interview

Upon termination of the employment relationship, employees shall participate in an exit interview. The exit interview will allow the District to ensure that it has resolved various administrative matters, answered any questions about continuation of benefits, and listened to any of the employee's comments or ideas about improving the District's operations.

16.7 Return of District Property

Upon termination of the employment relationship, whether voluntary or involuntary, employees are required to return all District property in their possession, including, but not limited to, documents (including any copies or duplicates) keys, credit and phone cards, District files, computer equipment, intellectual property, software programs, computer reports, documents or data maintained as electronic or software files, identification badges, and other tangible and intangible District property in the employees' possession or control. Upon their return to the District in connection with termination of employment or a request of the District, employees must also delete copies of any intellectual property, programs, documents, or data maintained as electronic or software files within their possession.

16.8 References

It is the District's policy to only provide verification of employment dates and position in response to inquiries from third-parties concerning current or former employees. Information regarding the employee's compensation will only be provided where the employee has authorized, in writing, the release of such information. All requests for references or verification of employment should be referred to Human Resources. Managers and other employees are not authorized to respond to third-party inquiries regarding current or former employees. Failure to adhere to this policy may subject the employee to discipline.

Chapter 7 Travel Expenses and Reimbursement for District Employees

Article 1 – Expenses and Reimbursement

1.1 General Policy

Payment for travel and other expenses shall be allowed when reasonably necessary to represent the interests and objectives of the District. Business expenses shall normally be paid per the schedule described in this section.

1.2 Expense Limits

Expenditures for lodging, meals, transportation and other activities should provide for a reasonable level of comfort and convenience, but sound judgment shall be exercised to ensure reasonable cost to the District. Reasonable cost will vary depending on locality. All travel arrangements, including airfare, train, lodging and car rental, should be made through a District employee. Whenever possible, travel arrangements and other activity costs (especially conference fees) should be pre-paid. District employees will work to ensure that travel arrangements are conducted using government or conference rates, whenever possible.

When reimbursement is permitted, employees will be reimbursed only up to the actual and necessary expenses incurred in performance of their official District duties. Expenses in excess of \$20.00 require receipts for reimbursement. For reimbursable expenses of \$20.00 or less, it is expected that an itemized receipt be provided, however, a written explanation is required if receipts are not available.

1.3 Travel Authorization

Employees must receive the prior approval of the General Manager to travel outside of Los Angeles and Orange Counties and the District's services area on District business. The General Manager may travel within the United States on District business without prior approval. Any travel outside of the United States by the General Manager or any other employee must be approved in advance by the Board. Unauthorized travel expenses will generally not be reimbursed.

1.4 Authorized Expenses

A. Expenses in General

Authorized expenses normally include lodging, meals, common carrier fares, rental of automobiles, tips (not to exceed 20% of the cost of food or service), trip cancellation insurance costs and parking fees.

Employees are not entitled to reimbursement for expenses incurred by non-District employees or for expenses already reimbursed by another party.

B. Lodging/Overnight Travel

Lodging should only be obtained when outside of the local area (Los Angeles and Orange Counties) or in extenuating circumstances with prior approval by the General Manager. Lodging shall be obtained at the most economical rate available. Government rates should be utilized, if available. Use of conference headquarter hotels is encouraged. Whenever practical, hotel expenses for room, parking and taxes will be charged on the District credit card. If an employee uses his or her personal credit card, the charges will be reimbursed. Personal and other incidentals (movies, snack bar fees, personal phone calls, etc.) should not be charged to the District. It is the responsibility of the individual traveling to pay for personal and other incidentals and to obtain the hotel folio for reimbursement submittal purposes at the time of check out from the hotel. Business center charges such as faxes, email, etc. are reimbursable if necessary to the performance of official District duties and the business purpose is documented. Business calls to District facilities will be reimbursed in full.

C. Business Meals

Reimbursement for meal expenses shall be provided by the District only upon full compliance with the requirements of the provisions of this section.

1. Only costs associated with conducting business that are reasonably necessary to further the interest of or benefit the purposes or objectives of the District will be reimbursed.
2. Employees shall make every effort to hold meetings at the District's headquarters to limit unnecessary expenses.
3. A meal receipt must be accompanied by an itemized account of charges or the bill/statement, and must include the cost of meals and non-alcoholic beverages from the restaurant or food establishment where the meeting/meal was conducted, and shall include a description of the business purpose (i.e. the topics covered which relate to District business) of the meeting.
4. A meal furnished by a District employee to a person who is not a District representative will be reimbursed if the business conducted is reasonably necessary to further the interest of or benefit the purposes or objectives of the District.
5. Reimbursement of costs of meals provided to third parties and District contractors are prohibited. The District defines third parties as spouses, family, friends, or persons not doing business with the District.
6. When claiming reimbursement for meals the names of individuals doing business with the District must be provided. At the time of submitting meal expenses, employees need to submit a personal

check for costs incurred for third parties. Separate receipts should be requested, whenever possible, for third parties not doing business with the District.

7. Meals that occur in the local service area between District representatives (i.e. between Directors or between employees) are not reimbursable unless there is a business necessity to conduct the meeting during the breakfast, lunch, or dinner hours. A brief explanation of the business necessity must accompany the itemized meal receipt when submitting for reimbursement.

The one exception to the rule is when district representatives (2 or more) are at a conference and one receipt includes the cost for all District representatives. Meals provided to staff during working hours such as staff meetings and mandated trainings which prevent employees from taking their meal break are also reimbursable.

8. All meals for which expenses are incurred while traveling shall be reimbursed at the daily maximum rate of \$85 per District representative. Meal reimbursement is intended to cover the incremental expense of having to eat out while traveling. It is not intended to cover the entire cost of the meal. Hence, the daily maximum meal allowance includes the meal, non-alcoholic beverages and tips. When the cost of meals is included in a registration fee, separate reimbursement for the covered meal is not allowed.

D. Attendance at Conferences

Employees shall be entitled to reasonable expenses incurred for traveling to attend approved conferences, beginning one day prior to the start of the conference/business meetings and no later than one day following the conclusion of the conference.

E. Transportation

Use of air travel, train, rental car or private car shall be selected on the basis of the most reasonable and appropriate method, taking into consideration distance, time and total costs to the District. The following types of travel expenditures while on District business are allowable:

- (1) Travel by private automobile – The employee must possess a valid California driver's license and carry automobile insurance. Each employee shall provide proof of a valid California driver's license and proof of insurance to the Human Resources Department which shall be reviewed and updated annually. The District shall register for the California Department of Motor Vehicle's Motor Vehicle Record pool

for purposes of confirming on-going compliance. It is the responsibility of all District employees to practice safe and defensive driving. Any damages to the vehicle or service repairs are of a personal nature and shall not be reimbursed by the District. Mileage reimbursement will be based on the vehicle (i.e., the owner of the vehicle will be reimbursed and not the passengers). All employees who drive on behalf of or for District business or purposes shall comply with the driver's license and insurance requirements as set forth in this Section. Any employee not in compliance with the requirements set forth above shall not drive on behalf of or for District business or purposes and shall be ineligible to receive automobile or transportation allowance or mileage reimbursement.

- (2) Automobile/Transportation Allowance – Unless otherwise approved by the District Board, the only District employee to be provided an automobile or transportation allowance shall be the District General Manager. The automobile or transportation allowance is provided to reimburse the General Manager for his/her reasonable and necessary automobile or alternative transportation expenses, which include the cost of vehicle acquisition/lease, maintenance and repairs, insurance and gasoline costs for vehicle use or for the reasonable cost of obtaining alternate means of transportation for District business or purposes.
- (3) Mileage reimbursement shall be at the prevailing IRS established rate. Mileage will be reimbursed for business conducted on behalf of the District and will be reimbursed from and to the District's office to the location of conference/business meetings.

To process mileage reimbursement, employees must submit a mileage reimbursement form within two (2) months of incurring the mileage expense. The balance of miles after subtracting miles that are usually traveled from the employee's home to the District's office will be reimbursed. Documentation verifying the miles traveled such as Google maps or MapQuest directions must accompany the mileage reimbursement form.

Any mileage incurred for conferences and training in which the schedule requires that the employee travel on a non-business day will be fully reimbursed.

Mileage will not be reimbursed to employees who receive automobile or transportation allowance. Parking will be reimbursed upon presentation of the original receipt.

- (4) Air Travel – Air travel shall be in coach class or equivalent service, unless the General Manager determines some physical problem or

exceptional circumstance warrants travel in a higher class. In the event that trip cancellation protection insurance is purchased, all proceeds paid from any claim shall be paid or reimbursed to the District. If an employee wishes to drive rather than fly to a destination, he/she may do so, subject to all requirements set forth in this Section.

Train Travel - Train travel shall be in coach class or equivalent service, unless the General Manager determines some physical problem or exceptional circumstance warrants travel in a higher class. In the event that trip cancellation protection insurance is purchased, all proceeds paid from any claim shall be paid or reimbursed to the District.

- (5) Rental vehicles – When rental vehicles are used, the least expensive, appropriate vehicle is to be used. The District’s standard classes of rental car are compact or mid-size models, unless district-related business requires a larger car. Limousines or chauffer/driver rentals are prohibited.

The employee is responsible for all out-of-pocket expenses in excess of the District’s recommendation that are not approved in advance by the General Manager.

Vehicles rented using District funds (whether directly or indirectly) can only be rented and driven by the Employee. The length of the rental vehicle shall be limited to the day before the conference starts and to the next day after the conference ends. Business hours for vehicle rental pick up and drop off will also be taken into consideration under this policy.

Gas is reimbursable only for rental vehicle expenses. The employee should refuel the car prior to returning it to the rental agency to avoid excessive gasoline charges. Rental vehicle insurance is an authorized expense. Any employee involved in an accident while driving a rental car must immediately report the incident to the rental agency and their supervisor, or general manager.

1.5 Unauthorized Expenses

Items of a personal nature are not reimbursable including: movies, entertainment, premium television services, alcoholic beverages, dry-cleaning, spas, gyms, barber, magazines, shoeshine, travel insurance which insures the individual (not trip cancellation protection insurance), purchase of clothing or toiletries, loss of tickets, fines or traffic violations or other items of a personal nature. If unauthorized expenses have been paid

by the District, the employee will be responsible for immediate reimbursement to the District either by personal check or a payroll deduction.

1.6 Reimbursement of Expenses

All claims for reimbursement of expenses shall be submitted to the District for review as soon as practicably possible, however, must be submitted no later than sixty (60) days after the expense is incurred. Claims submitted after sixty (60) days, must be approved by the Board of Directors. Claims must be submitted on forms supplied by the District. Such forms must include a description of the expense, names (if appropriate), date incurred and a description of the business purpose of the expense. Expenses incurred by a District employee but prepaid by the District or charged on a District credit card must be listed on the expense claim form and noted as paid by the District.

1.7 Credit Card Usage

All employees authorized to use a District credit card shall sign and be subject to the provisions of the District's policy regarding expenditures allowable by the District while on work-related business. Failure to adhere to the provisions of the District's policy can result in a deduction of funds from the employee's wages, disciplinary action, up to and including termination, and potential legal action. District credit cards shall be issued and used only for District business. Personal usage of a District credit card is strictly prohibited. If personal expenses are charged to a District credit card unintentionally, those expenses must be reimbursed to the District within ten (10) days of discovery.

Chapter 8 Directors' Benefits and Payroll

Article 1 – Directors' Benefits

1.1 Group Health Plans

Current Directors, as well as their eligible dependents, may be eligible for medical, dental and vision health care coverage through a group health plan that has been selected and approved by the Board. Current Directors become eligible for enrollment in the District's group health plans on the first day of January following the Director's assumption of office by regular election. If assuming office by Board appointment or special election, eligibility begins the first of the month following the Director's assumption of office. The District shall contribute to premiums charged by the group health plan for medical, dental and vision coverage. The amount of the contribution may vary from time to time, and the District's contribution for each plan year shall be disclosed by the District in writing at the outset of the open enrollment period for the group health plan, and shall remain at the disclosed level for the plan year. Directors' benefits in no event shall exceed the benefit contributions for employees' benefits. Directors should contact Human Resources to determine their eligibility for coverage, and with any questions regarding coverages and premium contributions, under the existing group health plan.

1.2 Health Reimbursement Arrangement

The effective date is the same as that of the health insurance plans. Eligible Directors will be entitled to participate in the District's Health Reimbursement Arrangement (HRA) Plan, which provides reimbursement for eligible medical, dental and vision care expenses not covered by the insurance coverage provided by the District. Only those Directors that are enrolled in the District's group health insurance plans are eligible to participate in the HRA Plan. Any reimbursement made pursuant to the HRA Plan shall be reduced by the amount of reimbursement from other benefit sources so the total amount received by the member does not exceed 100 percent of the covered expenses. Directors should contact Human Resources to determine their eligibility for coverage under the HRA Plan and the maximum entitlement to reimbursement.

1.3 COBRA Coverage

Directors and/or their dependents who may otherwise become ineligible to participate in the group health plan may be entitled to continue coverage through the group health plan under provisions of the federal Public Health Services Act providing for continuation coverage, frequently referred to as "COBRA." Dependents have independent rights to COBRA coverage regardless of whether the employee qualifies for or elects COBRA coverage. Premiums for COBRA coverage are generally paid entirely by the Director and/or the dependent beneficiary who is receiving the benefit. Further information regarding COBRA may be obtained from Human Resources.

1.4 Employee Assistance Program (EAP)

The District provides an Employee Assistance Program (EAP) for all Directors enrolled in the group medical insurance plan. The cost of the program is fully paid by the District.

The EAP extends a helping hand to Directors and their family with confidential services provided by professional consultants. The EAP addresses difficulties relating to family and relationships, substance abuse, legal and financial concerns, dealing with stress and emotional problems, and helps Directors in developing an action plan that offers real solutions to such challenges. Directors that wish to use this benefit should contact Human Resources for more information.

1.5 Flexible Spending Account (IRS Section 125 Plan)

Active Directors are eligible to participate in the District's Dependent Care and/or Health Care Flexible Spending Account (FSA) plan. The Director may contribute up to \$5,000 per year to their Dependent Care FSA and up to \$2,500 per year to their Health Care FSA. Such contributions are to be made on a salary reduction basis. The District pays 100 percent of the administrative fees required to maintain the plan. The plan provides

Directors with a means of paying non-reimbursable medical and dental expenses and dependent care costs with pre-tax dollars. The FSA plan documents shall govern the administration of this program. Further information on this benefit may be obtained from Human Resources.

1.6 Long Term Care Program

The California Public Employees' Retirement System (CalPERS) provides an opportunity for Directors and certain family members to obtain long-term care insurance at group rates. This program has been designed exclusively to protect California public employees and their spouses, siblings age 18 and over, parents, and parents-in-law from the potentially devastating cost of long-term custodial care. Premiums are paid entirely by the Director. Further information on this benefit may be obtained from Human Resources.

1.7 Group Life Insurance

A term Group Life Insurance Plan, fully paid by the District subject to IRS tax regulations, is provided for active Directors. Insurance coverage begins on the same effective date as the health insurance plans. The covered policy amount shall be determined by the plan. This benefit is in effect only while the Director is employed with the District.

1.8 Workers' Compensation Insurance

The District provides active Directors with Workers' Compensation Insurance for work-related illness or injury. This benefit begins immediately upon hire. The District pays 100 percent of the cost of coverage. An illness or injury is work-related when it arises out of and during the course of employment. The Director is responsible for immediately reporting any injury that is work-related to the General Manager, Director of Administration & Board Services or Director of Human Resources. The General Manager or Director of Administration & Board Services will coordinate with Human Resources to make any necessary arrangements for treatment.

1.9 Deferred Compensation Plan

Directors may defer portions of their compensation on a pre-tax basis pursuant to the provisions of Section 457 of the Internal Revenue Code. The purpose of the Deferred Compensation Plan is to help provide funds for retirement. Participation in the plan is entirely voluntary. A Director may elect to participate at any time, and compensation will begin to be deferred during the next pay period. Except to the extent otherwise expressly provided for under the terms of this Administrative Code or a separate written contract which are otherwise permitted by law and the express terms of the plan documents, this plan is fully funded by the Director through payroll deductions. Detailed information on the Deferred Compensation is available from Human Resources.

Article 2 – Directors' Payroll Information

2.1 Pay Periods

Directors are paid on a biweekly basis, 26 times per calendar year. Directors receive their wages for each biweekly work period on the first Thursday following the completion of each biweekly pay period, or, if that day is a holiday, the first preceding business day. Each December, a calendar of payday days for the following year will be distributed. The standard workweek begins at 12:01 a.m. Monday morning and ends at 12 midnight on the following Sunday. The District pays Directors via direct deposit or by check. If a Director elects direct deposit, his or her wages will be deposited directly into his or her designated account. If a director elects to be paid via check, the check should be picked up by the Director from Human Resources or another representative designated by the District. At the Director's written request, the check can be mailed to the Director's home address. Written authorization, signed by the Director, is required to release the Director's paycheck to anyone other than the Director.

2.2 Payroll Withholdings and Deductions

Both federal and state law require the District to make proper deductions from the Directors' paychecks. The amounts withheld will vary depending on earnings, marital status, and the number of exemptions claimed. These required deductions include, but are not limited to, state and federal income tax, Social Security and Medicare ("FICA"), and any applicable garnishments (court-ordered attachments). If elected, deferred compensation contributions (except for employer contributions, if any) will also be deducted. All amounts deducted are indicated on the Director's pay stub.

Article 3 – Keeping the District Informed

Directors are required to immediately advise the Human Resources Department of any changes in personal status including, but not limited to, changes with respect to the Director's name, marital status, entry into a domestic partnership, address, telephone number, tax withholding information, DMV driving status and emergency contact information.

Directors are also required to advise the Human Resources Department of the following events, which may impact benefits coverage for a spouse or dependents:

- (1) Divorce, legal separation or termination of a domestic partnership;
- (2) Facts affecting a dependent's eligibility for insurance coverage (i.e., a child reaches the maximum age of 26 for coverage);
- (3) A determination is made by the Social Security Administration that the Director or covered dependent is disabled. The District must be advised of any disability determination within 60 days from the date of the written notification of a determination by the Social Security Administration.

Chapter 9 Directors' Code of Conduct

Article 1 – Code of Conduct Policy

1.1 Policy Statement

The District is committed to upholding the highest ethical standards in all of its business and professional operations and relationships. We will carry out its mission with unquestionable ethics and integrity, the cornerstone of achieving and maintaining credibility and ensuring public trust. We owe this, and no less, to the public we serve.

The ability of the District to achieve its mission is directly dependent on the day-to-day choices we make and our actions while representing the District. We are accountable for creating and maintaining credibility and trust with our customers, dealing fairly and honestly with our suppliers, contractors and consultants, and avoiding actual or perceived conflicts of interest that may arise due to outside activities, employment and gifts.

1.2 Board Governance Process

The Board shall cultivate a governance process with focus on long-term vision, strategic leadership rather than the daily affairs of the District. The Board shall encourage diversity of viewpoints, act in consistency with defined Board and General Manager roles, and strive for collaboration rather than individual decisions.

Pursuant to Part 2, Chapter 1, Article 3.3, "Duties and Role of Board Officers," Directors do not have individual power or authority over the District. The power and authority lie with the full Board. The Board directs the General Manager and the General Manager directs staff.

The Board is encouraged to foster group responsibility and to strive for excellence in governance. Pursuant to Part 2, Chapter 1, Article 3.2, "General Duties of the Board of Directors," the Board shall

- a) Be the initiator of policy with long-term focus and impact;
- b) Use the expertise of individual Directors to enhance the ability of the Board as a body;
- c) Cultivate group responsibility;
- d) Regularly discuss and evaluate its performance as a body;
- e) Engage in Board media relations training to promote a united message;
and

Revised October 25, 2021

- f) Invest in Board development, ethics trainings, and conference and policy briefings to assure excellence in governance.

1.3 Core Values Upheld by the Board

While it is not essential that all Directors share the same set of personal values, it is necessary that all Directors align and support the set of District's core values that are chosen as the basis for organizational decisions. The District's core values will direct all actions of the Board. On May 26, 2015, the Board of Directors approved the following core values in the establishment and implementation of its policies and practices:

- a) Integrity – Directors will consistently adhere to high moral and ethical principles;
- b) Collaboration – Directors will cooperatively work together and with stakeholders to further the mission and goals of the District;
- c) Customer Service – Directors will professionally and responsively serve the needs of the District's customers;
- d) Fair, open, and responsive – Directors will engage the District's stakeholders and interact with them in a fair, open, and honest manner;
- e) Accountability – Directors will take responsibility for and be accountable for all the District's actions
- f) Innovation – Directors will encourage and value the introduction of new ideas and methods

1.4 Administration and Finance Committee

The Administration and Finance Committee is the committee that investigates and/or refers ethics complaints against Directors, officers and employees of the District and addresses compliance issues related to the Code of Conduct or the Conflict of Interest provisions of the Administrative Code.

The Administration and Finance Committee shall be comprised of three District Directors with the authority to recommend action to the Board. The General Manager, Director of Human Resources, Director of Administration and Board Services and District General Counsel will also be in attendance to provide administrative and legal support.

The District encourages good faith reporting of suspected violations of the Code of Conduct or the Conflict of Interest provisions of the Administrative Code. Until the District determines that an actual violation of these Codes has occurred, the alleged violator is presumed to be innocent of the violation. There shall be no

adverse consequences suffered by anyone making a good faith report of a suspected violation nor shall there be any adverse consequences suffered by anyone accused of violating these standards and subsequently found not to have violated these Codes.

The District has adopted a two part system to address ethical complaints against Directors, officers and employees of the District, as follows:

- 1) Members of the Board, staff, or members of the public who feel comfortable reporting potential ethical or conflict of interest issues may do so to the Administration and Finance Committee and feel assured that a fair, complete, and appropriate process will be used to determine if a violation has in fact taken place, and if so, that the appropriate disciplinary action will be taken.

Individuals who wish to pursue this process may contact the General Manager's Office or General Counsel. Any suspected or reported potential violations will be agendaized at the next scheduled Administration and Finance Committee meeting. The Administration and Finance Committee may direct General Counsel to conduct an investigation. The Committee shall submit its findings involving Directors, along with any dissent, to the Board of Directors for action.

- 2) Individuals who wish to remain anonymous, who either require anonymity because of fear of retaliation, or simply lack trust in the ability of the District to execute an impartial process may report potential ethical or conflict of interest issues to the independent hotline.

Complaints received through the hotline will be directed to General Counsel who shall: 1) determine if the nature of the complaint is such that it can be sent to the Administration and Finance Committee; or 2) the complaint requires investigation by General Counsel. Upon completion of the investigation, General Counsel may refer the issue to the Administration and Finance Committee or the Board, the Board President, the General Manager, the Fair Political Practices Commission, the District Attorney's office or the U.S. Attorney's Office, as appropriate. If General Counsel refers the issue to the Administration and Finance Committee, the Committee shall submit its findings involving Directors, along with any dissent, to the Board of Directors for action.

Any ethics violation alleged to have occurred on the part of the General Manager may be reported to General Counsel or the hotline. Any ethics violation alleged to have occurred on the part of General Counsel may be reported to the General Manager or the Board President. If a member of the Administration and Finance Committee is a subject of the charge or allegation, he/she shall excuse himself/herself from discussing or participating in the matter. Violations of the Administrative Code, including its Conflict of Interest provisions, by officers or employees will be handled through existing disciplinary procedures for employees.

A Director who is subject to a finding of violation or non-compliance with the Code of Conduct shall, at the time the matter is referred to the Administration and Finance Committee or General Counsel, be provided a copy of the material upon which the determination was based and have the opportunity to present any relevant information, data or facts in his or her own defense prior to the final determination.

Any Director who is dissatisfied with the final determination that a violation or non-compliance with the Code of Conduct occurred may appeal to the Board of Directors by providing written Notice to the Administration and Finance Committee or the investigating firm within five (5) business days of the decision.

After investigation, determination and any appeal to the Board, and, with the advice of General Counsel, that substantial evidence exists indicating that a member of the Board is in non-compliance with this Code of Conduct or Administrative Code but not in violation of state law, the matter shall be referred to the Board, with notice to the Board member, with a recommendation for appropriate action, which can include, but is not limited to notification of a finding of non-compliance, issuance of a letter of reprimand, censure, loss of travel privileges, leadership positions, appointments to the Metropolitan Water District or other Boards. In the case that substantial evidence does exist indicating a violation of state or federal law the Board will refer the matter to the District Attorney's Office or the U.S. Attorney's Office for criminal charges, or to the Fair Political Practices Commission, as appropriate.

General Counsel will notify the General Manager of any complaints submitted to the hotline unless the complaints involve the General Manager. The Administration and Finance Committee and General Counsel shall review and summarize all ethics complaints in a quarterly report to the Board of Directors. General Counsel shall maintain copies of all findings, reports and actions concerning complaints.

1.5 Board Training

a) Ethics Training

Each Director who commences service with the District shall receive at least two (2) hours of training in general ethics principles and ethics laws relevant to his or her public service no later than one (1) year from the first day of service with the District. Each Director shall receive ethics training at least once every two (2) years.

The District shall inform the Directors annually of ethics training opportunities. Group study or self-study ethics curricula developed by the District must be approved by the Fair Political Practices Commission and the Attorney General and may include local ethics policies.

b) Sexual Harassment Prevention Training

In compliance with AB1825 which makes sexual harassment prevention training mandatory for elected officials, Directors will receive at least two (2) hours of sexual harassment prevention training every two (2) years and after six (6) months from the first day of taking office.

c) Brown Act and Parliamentary Procedure Training

Each Director shall receive Brown Act and Parliamentary procedure training at least once every two (2) years. Each Director who commences service with the District shall receive Brown Act and Parliamentary procedure training no later than six (6) months from the first day of service with the District.

d) New Board of Directors Training

Newly elected or appointed Directors shall receive at least one training on laws related to ethics, conflict of interest requirements, government transparency, open government, and fair government processes within the first six months of taking office. In addition, new Directors shall receive an orientation in the District's governance policies. This training is to be provided by the General Manager, his/her staff designee, or General Counsel.

e) Additional Annual Trainings

Directors shall participate in annual trainings, conferences and briefings with respect to understanding water and public service trends and developments in the Southern California region and at the state level, including Board governance and open government regulations.

Board members shall report during regular Board meetings on trainings, conferences and briefings that were funded by the District.

f) The Board President and Board Committee Chairs shall be offered and encouraged to receive training in the facilitation of meetings.

1.6 Oversight of Directors' Expenses

All expense claims and meeting compensation (per diem) are subject to the District's annual audit review to verify compliance with the Code of Conduct and applicable state laws and regulations.

1.7 Use of District Property and Equipment

A Director can be assigned selected District equipment for use on District business. No Director shall use or permit the use of District equipment, telephones, materials or

property, including but not limited to the District's mascot and other outreach supplies for personal or political gain or profit. Outreach supplies may include posters, signage, table cloths, outreach promotional items, and equipment.

No Director shall request a District employee to perform services for their personal or political gain or profit. Each Director must protect and properly use any District asset within his or her own control, including information recorded on paper or in electronic form.

Directors of the District shall not use or alter the District logo, stationery or other facsimile thereof, for business or non-District business, including any solicitation or other political activity.

Directors should contact the General Manager's office for an overview of permissible uses of the District's mascot or other outreach supplies and equipment. Directors who wish to request the District's mascot or request outreach supplies should contact the External Affairs Department to submit a request in accordance to the process approved by the Board.

1.8 Employment

Employment decisions such as hiring, promoting, evaluating, compensation and terminating employees are based on qualifications for the position, ability and performance. Pursuant to Part 3, Chapter 1, Article 1, the General Manager shall have the authority in all matters of employment of District staff. Directors shall abstain from participating in any aspect of employment and personnel matters with the exception of matters pertaining to the General Manager.

All contact or communications with individuals interested in employment with the District should be referred to the Human Resources Department.

1.9 Confidential Information

From time to time, Directors have access to confidential information. With regards to this information:

- (a) A Director shall not use his or her position to obtain official information about any person or entity for any purpose other than the performance of official duties.
- (b) Unless specifically authorized in writing by the Board of Directors, a Director shall not intentionally, knowingly or recklessly disclose confidential information concerning the property, operations, policies or affairs of the District including private information of any District personnel. This rule does not prohibit any disclosure that is no longer confidential by law or the confidential reporting of illegal or unethical conduct to authorities designated by law.

- (c) Pursuant to Government Code section 54963, a Director shall not disclose confidential information that has been acquired by being present in a closed session (refer to Part 2, Chapter 1, Article 4.6).

1.10 Conflict of Interest

- (a) A Director shall not make, participate in making or in any way attempt to use his or her official position to influence a District decision in which he/she has a financial interest.
- (b) A Director shall not make, participate in making or use his or her official position to influence any District decision directly relating to any contract where the Board member knows or has reason to know that any party to the contract is a person or entity with whom the Board member or any member of his or her family has engaged in any business transaction or transactions on terms not available to the public.
- (c) A conflict of interest may exist any time when a Director's position or decisions provide financial benefit or improper advantage. Directors will comply with the Political Reform Act, Government Code section 1090, et seq., and all other applicable statutes and regulations. To further protect the Directors, all potential contracting parties with the District shall be required to complete a conflict of interest questionnaire prior to the award.
- (d) A Director shall not, directly or indirectly, induce or attempt to induce any District employee:
 - (1) To participate in an election campaign, contribute to a candidate or political committee or engage in any other political activity relating to a particular party, candidate or issue;
 - (2) To refrain from engaging in any lawful political activity.
- (e) For a period of one year after the termination of official duties, a former Director shall not represent any person, group or entity in a lobbying type activity before the District Board or before District employees having responsibility for making recommendations to or taking any action on behalf of the District.

1.11 Award or Administration of Contracts

- (a) Application of Section: This Section shall pertain to matters involving the award or administration of contracts by the District.
- (b) No Director of the District or employee, officer or agent of the District shall participate in the selection, or in the award or administration of a contract or

project funding if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

- (1) A Director or an employee, officer or agent of the District,
 - (2) Any member of his or her immediate family,
 - (3) His or her domestic or business partner, or
 - (4) An organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award.
- (c) A Director or an employee, officer or agent of the District will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub agreements. A Director or an employee, officer or agent of the District, however, may accept an unsolicited gift if the item is of nominal intrinsic value.
- (d) In the event that a Director fails to comply with the standards of conduct set forth in this Section 1.10 (a) through (c) and a conflict of interest is found, the Board reserves the right to nullify the vote of the Director with the conflict and/or revoke or rescind the contract entered into by the Board, unless otherwise prohibited by law, and the Director may be subject to discipline as provided in this Administrative Code.
- (e) If an employee, officer or agent of the District fails to comply with the standards of conduct set forth in this Section 1.10 (a) through (c), then the employee, officer or agent may be subject to discipline as provided in this Administrative Code.
- (f) If a contractor or its employee, officer or agent, or each of them, fails to comply with the standards of conduct set forth in this Section 1.10 (a) through (c), then the contractor may be rendered ineligible for any future contracting with the District.
- (g) If a subcontractor or their agents, or each of them, fails to comply with the standards of conduct set forth in this Section 1.10 (a) through (c), then the contractor or subcontractor may be rendered ineligible for any future contracting with the District.

1.12 Ex-Parte Communications

- (a) The District strives to ensure the protection of due process and fairness in its decision-making process. The District promotes transparency in its decision-making process and strives to ensure that all District decisions are made on the basis of information available to all District Board members

and to the public. When Directors are making any contact with District employees or other District Directors, all parties must exercise sound judgment and caution to prevent an actual or implied impression that such contacts will result in preferential treatment of the prospective contractor.

- (b) Communication Blackout – No person or entity who has a potential new contract with the District, either for professional and other services or for the furnishing of any material, supplies, equipment or real estate to the District shall communicate directly or indirectly with a Director while that matter is pending before the District. Persons or entities that violate this policy will be disqualified from the procurement process. This communication blackout policy will be included in RFPs, RFQs, and related Districts materials to create disclosure and awareness of the policy.

All communications received by District Directors regarding contractual matters during the procurement process or pending review before the Board shall be reported to the General Manager. The General Manager shall designate a single point of contact within the District to whom prospective bidders, vendors and proposers are to direct questions and related communications. District Directors who are contacted shall make no representations regarding the pending contractual matter other than the communication will be forwarded to the General Manager.

- (c) All such communications requesting clarification or further information concerning the pending contractual matter shall be responded to by a District employee in a manner that ensures all other bidders, proposers, vendors or contractors receive identical responses.
- (d) All communications that are not handled as described above, are ex-parte communications which are prohibited. Board action that was the subject of the ex-parte communication may be revoked.

1.13 Participation in Political Activities

The District is subject to the Political Reform Act of 1974, as amended (the "Act"), and regulations of the Fair Political Practices Commission. The purpose of this section is to impose additional ethics requirements on the directors of the District as permitted by Section 81013 of the Act.

A. Definitions – For purposes of this section, the following definitions shall apply:

- (a) "Contribution" means a payment, a loan, an extension of credit, a forgiveness of a loan, a payment of a loan by a third party or an enforceable promise to make a payment, except to the extent that full and adequate consideration is received, unless it is clear from the surrounding circumstances that it is not made for political purposes. An expenditure made at the behest of a candidate, committee or elected officer is a

contribution to the candidate, committee or elected officer, unless full and adequate consideration is received for making the expenditure.

The term "Contribution" includes the purchase of tickets for events such as dinners, luncheons, rallies and similar fund-raising events; the granting of discounts or rebates not extended to the public generally or the granting of discounts or rebates by television and radio stations and newspapers not extended on an equal basis to all candidates for the same office; and the payment of compensation by any person for the personal services or expenses of any other person if such services are rendered or expenses incurred on behalf of a candidate or committee without the payment of full and adequate consideration.

The term "contribution" further includes any transfer of anything of value received by a committee from another committee.

The term "contribution" does not include amounts received pursuant to an enforceable promise to the extent such amounts have been previously reported as a contribution. However, the fact that such amounts have been received shall be indicated in the appropriate campaign statement.

The term "contribution" does not include volunteer personal services or payments made by any individual for his or her own travel expenses if such payments are made voluntarily without any understanding or agreement that they shall be directly or indirectly repaid to him/her.

A loan or extension of credit shall be considered a contribution from the maker and guarantor of the loan and shall be subject to the contribution limitations of this policy except that such limitations shall not apply to loans or extensions of credit made to the candidate by a commercial lending institution in the lender's regular course of business on terms available to members of the general public for which the candidate is personally liable.

- (b) "Candidate." For the purposes of this section, a person shall be considered a "candidate" when the filing of a statement of intention to be a candidate is filed with the Los Angeles County Registrar Recorder. All limitations on contributions shall apply from that date.
- (c) "Person." For the purposes of this section, "person" shall mean an individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, company, corporation, association, committee, or any other organization or group of persons acting in concert. "Person" shall also mean any spouse, child or other member of the immediate family of the person or entity making said contribution.

- (d) "Pending." means the time period between the District issuing a Request for Proposal or other formalized solicitation for the provision of contracting, management or professional services or for the furnishing of any material supplies, equipment or real estate and the approval date by the Board.
 - (e) "Time Restrictions." No person or entity who has a potential new contract as set forth above in section D, has applied to perform services for the district, or is otherwise seeking or lobbying to engage in providing services or doing business with the district, or any person or entity doing business with the District shall contribute directly or indirectly to a Director or director-elect, or anyone running for the office of member of the Board of directors of the District during the period three (3) months prior to the date of election and up to and including the period three (3) months after the date of the election.
- B. Contributions Made on Behalf of Another – No person shall make a contribution on behalf of another, or while acting as the intermediary or agent of another, without disclosing to the recipient of the contribution both the person's, intermediary's or agent's own full name and street address, occupation and the name of the person's, intermediary's or agent's employer, if any, or the person's, intermediary's or agent's principal place of business if the person, intermediary or agent is self-employed; the recipient of the contribution shall also be made aware of the full name and street address and occupation and the name of the employer, if any, or principal place of business, if self-employed, of the actual contributor.
 - C. Assumed Name Contributions – No contribution shall be made, directly or indirectly, by any person or combination of persons acting jointly in a name other than the name by which they are identified for legal purposes, nor in the name of another person or combination of persons. No person shall make a contribution in his or her or its name of anything belonging to another person or received from another person on the condition that it is used as a contribution.
 - D. Political Contributions – No person or entity who has a potential new contract with the District, either for professional and other services or for the furnishing of any material, supplies, equipment or real estate to the District shall contribute directly or indirectly to a Director while that matter is pending before the District.
 - E. Soliciting Political Contributions - Directors are prohibited from soliciting political contributions at District facilities or by using District resources.
 - F. Use of District Property - Directors shall not use the District's official seal, or facsimile thereof, in any solicitation for political donations.

1.14 Review of Contracts

All contracts entered into by the General Manager under his authority pursuant to the Administrative Code shall be submitted to the Administration and Finance Committee on a quarterly basis.

1.15 Expense Reimbursement

Payment for travel and other expenses shall be allowed when reasonably necessary to represent the interests and objectives of the District. Business expenses shall normally be paid per the schedule described in this section.

1.16 Expense Limits

Expenditures for lodging, meals, transportation and other activities should provide for a reasonable level of comfort and convenience, but sound judgment shall be exercised to ensure reasonable cost to the District. Reasonable cost will vary depending on locality. All travel arrangements, including airfare, lodging, and train, should be made through a District employee, with pre-payment, whenever possible, especially for conference fees. District employees will work to ensure that travel arrangements are conducted using government or conference rates, whenever possible.

When reimbursement is permitted, Directors will be reimbursed only up to the actual and necessary expenses incurred in performance of their official duties. Expenses in excess of \$20.00 require receipts for reimbursement. For reimbursable expenses of \$20.00 or less, a written explanation is required if receipts are not available.

1.17 Travel Authorization

Actual and necessary travel expenses may be incurred in connection with official representation of the District in order to:

- (a) Attend seminars, conferences, hearings or other meetings directly related to the business of the District;
- (b) Interview persons, inspect facilities or exchange professional information;
- (c) Participate in other activities, as approved by the Board requiring expenditures for travel, meals and lodging that are necessary and in the best interests of the District.
- (d) Each Director shall be permitted a budget not-to-exceed \$7,000 per fiscal year to attend conferences or seminars to carry out the duties described in section 1.3 Board Training. . Attendance or expenses which would exceed the permitted budget shall require District Board approval prior to attending or registering for said seminar or conference.

1.18 Authorized Expenses

A. Expenses in General

Authorized expenses normally include lodging, meals, common carrier fares, rental of automobiles, tips (not to exceed 20% of the cost of food or service), trip cancellation insurance costs and parking fees.

A Director may not submit a claim to the District for reimbursement of an expense reimbursed by another party.

B. Lodging/Overnight Travel

Lodging should only be obtained when outside of the local area (Los Angeles and Orange Counties) or in extenuating circumstances with prior approval by the Board in a public meeting. Lodging shall be obtained at the most economical rate reasonably available. Government rates should be utilized, if available. Use of conference headquarters hotels is encouraged. Lodging in connection with a conference or organized educational activity conducted in compliance with Government Code Section 54952.2(b) shall not exceed the maximum group rate published by the group or activity sponsor, provided that lodging at the group rate is available.

Costs associated with travel will be the Director's personal responsibility. The Director will submit expenses for reimbursement and only those charges deemed eligible for reimbursement will be reimbursed. Personal and other incidentals (movies, snack bar fees, personal phone calls, etc.) will not be charged to the District. It is the responsibility of the individual traveling to pay for personal and other incidentals and to obtain the hotel folio for reimbursement submittal purposes at the time of check out from the hotel. Business center charges such as faxes, email, etc. are reimbursable if necessary to the performance of official District duties and the business purpose is documented. Business calls to District facilities will be reimbursed in full.

C. Business Meals

Reimbursement for meal expenses shall be provided by the District only upon full compliance with the requirements of the provisions of this section.

1. Only costs associated with conducting business that are reasonably necessary to further the interest of or benefit the purposes or objectives of the District will be reimbursed.
2. Directors should make every effort to hold meeting at the District's headquarters to limit unnecessary expenses.

3. A meal receipt must be accompanied by an itemized account of charges or the bill/statement, and must include the cost of meals and non-alcoholic beverages from the restaurant or food establishment where the meeting/meal was conducted, and shall include a description of the business purpose (i.e. the topics covered which relate to District business) of the meeting.
4. A meal furnished by a District Director to a person who is not a District representative will be reimbursed if the business conducted is reasonably necessary to further the interest of or benefit the purposes or objectives of the District.
5. Reimbursement of costs of meals provided to third parties and District contractors are prohibited. The District defines third parties as spouses, family, friends, or persons not doing business with the District.
6. When claiming reimbursement for meals the names of individuals doing business with the District must be provided. At the time of submitting meal expenses, Directors need to submit a personal check for costs incurred for third parties. Separate receipts should be requested, whenever possible, for third parties not doing business with the District.
7. Meals that occur in the local service area between District representatives (i.e. between Directors or between Directors and employees) are prohibited from being reimbursed unless there is a business necessity to conduct the meeting during the breakfast, lunch, or dinner hours. A brief explanation of the business necessity must accompany the itemized meal receipt when submitting for reimbursement.
The one exception to the rule is when district representatives (2 or more) are at a conference and one receipt includes the cost for all District representatives.
8. All meals for which expenses are incurred while traveling shall be reimbursed at the daily maximum rate of \$85 per District representative. Meal reimbursement is intended to cover the incremental expense of having to eat out while traveling. It is not intended to cover the entire cost of the meal. Hence, the daily maximum meal allowance includes the meal, non-alcoholic beverages and tips. When the cost of meals is included in a registration fee, separate reimbursement for the covered meal is not allowed.

D. Attendance at Conferences/Business Meetings

Directors shall be entitled to reasonable expenses incurred and per diem for traveling to attend approved conferences, beginning one day prior to the start of the conference/business meetings and no later than one day following the conclusion of the conference. Travel to and from conference/business meetings in Los Angeles and Orange Counties is not normally reimbursed except under extenuating circumstances.

E. Transportation

Use of air travel, train, rental car or private car shall be selected on the basis of the most reasonable and appropriate method, taking into consideration distance, time and total costs to the District.

The following types of travel expenditures while on District business are allowable:

- a) Travel by private automobile –The Director must possess a valid California driver's license and carry automobile insurance. Each Director shall provide proof of a valid California driver's license and proof of insurance to the Human Resources Department which shall be reviewed and updated annually. The District shall register for the California Department of Motor Vehicle's Motor Vehicle Record pool for purposes on confirming ongoing compliance. It is the responsibility of Director to practice safe and defensive driving. Any damages to the vehicle or service repairs are of a personal nature and shall not be reimbursed by the District. Mileage reimbursement will be based on the vehicle (i.e., the owner of the vehicle will be reimbursed and not the passengers). All Directors who drive on behalf of or for District business or purposes shall comply with the driver's license and insurance requirements section as set forth in this Section. Any Director not in compliance with the requirements set forth above shall not drive on behalf of or for District business or purposes and will be ineligible to receive automobile or transportation allowance or mileage reimbursement unless the Director cannot meet such requirements due to a qualifying disability.

Automobile or Transportation Allowance – District Directors may receive a monthly automobile or transportation allowance. The automobile or transportation allowance is provided to reimburse Directors for his/her reasonable and necessary automobile or alternative transportation expenses, which include the cost of vehicle acquisition/lease, maintenance and repairs, insurance and gasoline costs for vehicle use or for the reasonable cost of obtaining alternate means of transportation for District business or purposes. Directors who may be unable to drive due to a qualifying disability may use the automobile or transportation allowance for alternative transportation expenses as long as medical certification

is provided on an annual basis. An appointed Water Purveyor shall not be eligible to receive this allowance.

- b) The automobile or transportation allowance amount is \$397 per month. Expenses incurred for use of private automobile for travel within Los Angeles County is covered by the director's car allowance. Mileage incurred for travel beyond these limitations is reimbursable at the standard IRS mileage reimbursement rate. The auto or transportation allowance amount may be increased by the Consumer Price Index (CPI)-Fuel percentage for the previous 12-month period or the increase in the Internal Revenue Service (IRS) mileage rate, whichever is higher.
- c) To process mileage reimbursement, eligible Directors must submit a mileage reimbursement form within two (2) months of incurring the mileage expense. Mileage reimbursement forms must identify the destination, purpose, and date of meeting. Documentation verifying the miles traveled such as Google maps or MapQuest directions must accompany the mileage reimbursement form. Parking will be reimbursed upon presentation of the original receipt.
- d) Automobile or transportation allowance and mileage reimbursement are contingent on annual verifications of valid driver's license, automobile insurance, and an acceptable driving record. Suspension of the automobile or transportation allowance and mileage reimbursement will occur for an indefinite period of time until the requirements set forth are met again.
- e) Air travel – Travel shall be in coach class or equivalent service, unless the Board determines some physical problem or exceptional circumstance warrants travel in a higher class. Exceptional circumstances may include special accommodations necessitated by a medical or physical condition or prolonged travel in excess of four hours. If a Director wishes to drive rather than fly to a destination, he/she may do so subject to all requirements set forth in this Section. In the event that trip cancellation protection insurance is purchased, all proceeds paid from any claim shall be paid or reimbursed to the District.
- f) Train Travel – Train travel shall be in coach class or equivalent service, unless the Board determines some physical problem or exceptional circumstance warrants travel in a higher class. Exceptional circumstances may include special accommodations necessitated by a medical or physical condition or prolonged travel in excess of four hours. If a Director wishes to drive rather than to travel by train to a destination, he/she may do so subject to all

requirements set forth in this Section. In the event that trip cancellation protection insurance is purchased, all proceeds paid from any claim shall be paid or reimbursed to the District.

- g) Rental vehicles – When rental vehicles are used, the least expensive, appropriate vehicle is to be used. The District’s standard classes of rental car are compact or mid-size models, unless district-related business requires a larger car. Limousines or chauffer/driver rentals are prohibited.

The Director is responsible for all out-of-pocket expenses in excess of the District’s recommendation that are not approved in advance by the Board.

Directors who wish to rent a vehicle for conference travel, shall rent vehicle with their personal credit card and will seek reimbursement in accordance with this policy. Rental vehicles must be rented under the Director’s name and can only be driven by the Director. The length of the rental vehicle shall be limited to the day before the conference starts and to the next day after the conference ends. Business hours for vehicle rental pick up and drop off will also be taken into consideration under this policy.

Gas is reimbursable only for rental vehicle expenses. The Director should refuel the car prior to returning it to the rental agency to avoid excessive gasoline charges. Rental vehicle insurance is an authorized expense. Any Director involved in an accident while driving a rental car must immediately report the incident to the rental agency and the General Manager.

F. Authorized Expenses for Metropolitan Representatives

All transportation costs incurred by the District’s Metropolitan Water District of Southern California (“Metropolitan”) representatives, for travel done on behalf of Metropolitan, shall be reimbursed by Metropolitan.

The District’s Metropolitan representatives, who are not District Directors, are not entitled to an automobile allowance from the District.

G. Incoming Directors

Directors who have been elected but have not been sworn in shall be reimbursed for reasonable and prudent travel and conference expenses incurred while on District business, under the same requirements as sworn Directors, with the approval of the current Board.

1.19 Unauthorized Expenses

Items of a personal nature are not reimbursable including: movies, entertainment, premium television services, personal phone calls, alcoholic beverages, dry-cleaning, spas, gyms, barber, magazines, shoeshine, travel insurance which insures the individual (not trip cancellation protection insurance), purchase of clothing or toiletries, loss of tickets, fines or traffic violations or other items of a personal nature.

If unauthorized expenses have been paid by the District, the Director will be responsible for immediate reimbursement to the District either by personal check or a payroll deduction.

1.20 Reimbursement of Expenses

All claims shall be submitted to the District for review within two (2) months after the expense is incurred. Claims submitted after two (2) months, must be approved by the Board of Directors.

- a) Claims shall be submitted on forms supplied by the District. Such forms must include a description of the expense, names (if appropriate), date incurred and a description of the business purpose of the expense.
- b) For meal reimbursements, meal receipts must be accompanied by an itemized account of charges, and the names of the guests when claiming reimbursement for meals that include guests. Separate receipts should be requested, whenever possible, for personal guests not doing business with the District.
- c) Expenses incurred by a District Director but prepaid by the District or charged on a District credit card must be listed on the expense claim form and noted as paid by the District.
- d) Receipts that are not submitted with the instructions set forth will not be reimbursed and will be returned for corrections.

1.21 Cash Advances and Credit Card Usage

- e) District Directors shall not be issued District credit cards.
- f) The District will not make cash advances.

1.22 Communication Allowance

District Directors may receive a communications allowance of \$200 per month. The District's Metropolitan representatives who are not District Directors shall not receive this allowance. An Appointed Water Purveyor shall not be eligible to receive this allowance.

This monthly amount reflects the necessary cost to cover the following equipment and services:

- All-in-one printer, copier and scanner,
- cellular phone,
- computer and monitor,
- dedicated phone line,
- fax machine,
- printer,
- software, and
- wireless communication and Internet.

District Directors will receive a flat monthly communications allowance. The monthly payment shall be in-lieu of the payment or reimbursement for any telephone calls, Internet fees, equipment or media.

1.23 Compensation to Directors for Attendance at Meetings

It is the policy of the District to compensate its Directors for the time they dedicate to advancing the projects and activities of the District. Directors shall be compensated for each day's attendance at meetings of the Board and committees thereof, or for each day's work at direction of the Board, not exceeding a total of 10 days in any calendar month. Such amount may be established by ordinance or resolution. Directors will also be reimbursed for authorized travel and other expenses when on official duty or when acting on behalf of Board. (For Metropolitan Water District Representatives, please refer to the Directors' Code of Conduct.)

"Meetings" are defined as meetings of the Board, committee meetings and such other meetings and events as reasonably necessary to further the interests of the District, subject to Board approval. The District will pay each Director per diem for each day's attendance at approved meetings as set forth below and reimburse expenses.

The amount of compensation to Directors may be increased each March pursuant to Ordinance No. 01-24 by the Consumer Price Index (CPI) percentage for the previous 12-month period or five percent (5 percent), whichever is less.

1.24 Number of Meetings

- g) Each Director shall be compensated (a per diem) in the amount established by Ordinance 01-24 for each day's attendance at approved meetings of the District and conferences as described below, not exceeding a total of 10 meetings in each calendar month. Directors are prohibited from receiving compensation for more than one meeting in the same day.
- h) Each Representative of the Metropolitan Water District of Southern California ("Metropolitan") appointed by the District, and who is not a District Director shall be compensated (a per diem) in the amount established by Ordinance 01-24 for no more than 10 Metropolitan meetings or conferences in each calendar month, as described below.
- i) Each District Director who is also appointed by the Board as a Metropolitan Representative shall be compensated (a per diem) in the amount established by resolution for each day's attendance at approved meetings of the Board and the Metropolitan Board and conferences as described above, not exceeding a total of 20 days in each calendar month. However, no more than 10 meetings per month for any one District are allowed. Each person who represents the District on the Metropolitan Board shall attend Metropolitan committee and Board meetings and their Board's committee and Board meetings and such other meetings as are reasonably necessary to adequately represent the interests of the District to which they have been appointed.
- j) Each Director who is also appointed by the Board as a Metropolitan Representative shall not receive more than the amount established by Ordinance 01-24 for each day's attendance at approved meetings. Directors are prohibited from receiving compensation for more than one meeting in the same day, even when such Director attends a Metropolitan and any of their approved Board meetings.

1.25 Approved Ad Hoc and Non-District Meetings

“Each Director of the District is authorized to receive compensation for attendance at conferences of organizations of which the District is a member, pays dues, or is determined by the Board to be important to further the interests of the District. These organizations are listed in Exhibit “C” attached hereto and incorporated herein.

For all other conferences and meetings, except meetings of the District and Committees, prior approval of the Board or General Manager is required, and Directors who are approved to attend must make brief oral or written reports to the other Board members at the next scheduled District Board meeting.

The following meetings shall be assigned by the Board President to individual Directors who will receive compensation for attendance at such meetings:

- k) ACWA Joint Powers Insurance Authority/Region 8.
- l) District ad hoc committee meetings.

1.26 Metropolitan Water District Representatives Approved Meetings

The District’s Metropolitan representatives, who are not District Directors, are authorized to attend the meetings and events listed below on behalf of the District and for which compensation (a per diem) will be paid by the District unless otherwise compensated by Metropolitan:

- m) Board and committee meetings of the Metropolitan Water District
- n) Board meetings of the Central Basin Municipal Water District
- o) District sponsored inspection trips of Metropolitan Water District facilities
- p) Presentations made to outside agencies on behalf of Metropolitan Water District
- q) Association of California Water Agencies – Semi-Annual Conference
- r) Colorado River Water Users Association – Annual Conference
- s) Southern California Water committee meetings

Revised October 25, 2021

- t) Scheduled meetings with the Metropolitan Water District of Southern California staff
- u) General Manager-approved meetings with District employees
- v) General Manager-approved meetings with Special Counsel

1.27 Non-Compensable Meetings

The following are examples of non-compensable meetings that are not necessary to represent the interests of the District. Such non-compensable meetings include, but are not limited to the following:

- w) Canceled Board and Committee meetings due to a lack of quorum;
- x) Service club meetings where a Director is not making a presentation on behalf of the District;
- y) Meetings a Director has with other elected officials or their representatives, which are not reasonably necessary to represent District interests;
- z) Informal or non-scheduled meetings with District employees;
- aa) Meetings with other Directors;
- bb) Meetings with vendors/contractors;
- cc) Informal or non-scheduled meetings with the Metropolitan Water District of Southern California staff;
- dd) Purely social or ceremonial events not pre-approved by the Board;
- ee) Parades, festivals, holiday events, retirement dinners; and
- ff) Meetings with a partisan and/or non-partisan political organization, candidate or staff.

1.28 Extraordinary or Emergency Meetings

If a need arises for a Director to attend or participate in a meeting not covered by this policy, and for which timely approval by the District Board or District Administration and Finance Committee is not practical, the Director must seek review and recommendation from the Administration and Finance Committee at the earliest possible date, followed by Board approval at the next scheduled Board meeting.

1.29 Rules of Conduct at Board Meetings

As emphasized in earlier Board Meetings section:

- (a) Board members shall conduct themselves in a respectful manner at all times during Board and Committee meetings, and act civilly when engaging with the public, staff or fellow Directors.

1.30 Submittal and Review of Per Diem and Expense Claims

For all meetings, Directors can submit claims for per diem compensation on forms provided by the District within two (2) months of the attendance date of meeting. Claims received after two (2) months require Board approval prior to payment. The entries on this form shall clearly document each Director's attendance of the meeting, the purpose of each meeting, the location and the names and affiliations of other parties who were in attendance.

Each form is to be submitted to the District for processing. Upon receipt of the form, it will be reviewed to ensure that the claims adhere to the policies outlined above. Any claims submitted that do not fall under this policy's guidelines will be forwarded to the District Administration and Finance Committee for review prior to payment. The Administration and Finance Committee will review all Directors' expenses monthly, during their regularly scheduled Administration and Finance Committee meeting.

Director's per diem and other expenses should be submitted to the District as provided per the District's schedule and will be processed for payment for the following Wednesday. Directors may choose payment via direct deposit or check.

1.31 Public Awareness and Outreach

The District recognizes the importance of promoting water awareness, conservation and education. Accordingly, the District is authorized to initiate or participate in non-political public awareness activities.

Such activities shall include events of a non-political nature, including educational events, community issues forums, community festivals, environmental events, senior citizen forums and others which do not entail political, partisan, and/or religious participation, but which serve as outlets of information related to water issues and which may bring about institutional recognition for the District.

The District is not a charitable organization, and thus is refrained from engaging in activities that do not meet the criteria as described in the policy below.

1.32 Outreach Guidelines

A. Introduction and Purpose

An important goal of the District's outreach strategy is the promotion of water issues and to increase awareness of District programs, projects and policies. The District produces various events (District Hosted Events) designed to promote water issues and to increase awareness of District programs, projects and policies. The District supports certain organizations and events on an annual basis as identified in its budget. The District recognizes there are other organizations that organize, produce, or host events which offer opportunities for the District to promote water issues and to increase awareness of District programs, projects and policies. Such public events are considered "Non-District Sponsored Events."

Sponsorships made by the District to support events hosted by organizations in the service area should promote discussion of water issues from a local, regional, statewide or national perspective and/or provide the opportunity to increase awareness of District programs, projects and policies. The District provides support for community water awareness programs and projects, water-related education outreach programs, and public policy water conferences.

B. Budgeted and Pre-Approved Sponsorships

The District approves on an annual basis, through its budgetary process, participation in and sponsorship of certain water related events, conferences, and programs, which bear a direct relationship to the District's operations and activities.

C. District Hosted Events

The District may produce events to promote water issues and to increase awareness of District programs, projects and policies, provided that such events are not political, partisan and/or religious in nature. The District may also partner on regional events.

D. Requirements for Non-District Sponsored Events

The General Manager or Director of External Affairs (in accordance with the District's Procurement Policy) may decide to sponsor or authorize participation in Non-District Sponsored Events provided that such events: (1) provide the opportunity to promote water issues or increase awareness of District programs, projects and policies; (2) are not political, partisan and/or religious in nature; 3) are open to the community; and 4) meet the requirements as defined by this policy.

The requesting party must complete the District's Community Outreach Application (Application) and provide clearly defined reasons for District participation in the Non-District Sponsored Event, including details about how the Non-District Sponsored Event promotes water issues or provides an opportunity to increase awareness of District programs, projects and policies.

The Non-District Sponsored Event must have a staff member present and include at least one of the following criteria:

- a. A speaking opportunity for a District representative; or
- b. A District booth or table at the event to distribute District information or promotional items to promote District awareness

Verification of a speaking event or hosting of a booth for the Non-District Sponsored Event must include supporting documentation (i.e. a flyer) and submitted to the Director of External Affairs at the time the application is submitted at least 30 days in advance.

The District will only issue payment through checks paid directly to host organizations which meet these guidelines. No cash disbursements will be made for events covered by these guidelines. Invoices for such payments must be submitted at least 30 days prior to the requested event.

E. Proposed Expenditures

A pre-determined amount approved in every fiscal year budget is available to pay sponsorship or participation fees for designated Non-District Sponsored Events. Any expenditure made for Non-District Sponsored Events must be related to the promotion of water issues or increase awareness of the District's programs, projects and policies.

F. Restrictions

Collateral or promotional materials will not qualify for Non-District Sponsorship. Expenditures for outreach should not exceed \$200 per event per fiscal year. Sponsorship per organization is dependent upon available funds in budget.

1.33 Code of Conduct Enforcement and Sanctions

A Director who is subject to a finding of violation or non-compliance with the Code of Conduct or other section of the Administrative Code shall be reported to the Administration and Finance Committee, which in turn can make recommendations to the Board. The sanction imposed should depend upon the severity of the violation and may be progressive unless the violation is determined to be so egregious as to warrant more severe action as an initial sanction.

While the Board does not have the power to remove any Director from office, the Board, by a majority vote, may take other action as deemed appropriate, including:

- a) Public or private censure by the Board;

- b) Disqualification from participation in any discussion or vote on the matter related to the violation;
- c) Removal of the Director from one or more committee appointments or designated MWD representative appointment; and
- d) Any other sanction determined by the Board of Directors to be appropriate and reasonable based upon the nature of the violation that is permissible under the law.

EXHIBIT “A” Conflict of Interest and Disclosure Code

CATEGORY 1

Persons in this category shall disclose all interests in real property within the jurisdiction. Real property shall be deemed to be within the jurisdiction if the property or any part of it is located within or not more than two miles outside the boundaries of the jurisdiction or within two miles of any land owned or used by the agency.

Persons are not required to disclose a residence, such as a home or vacation cabin, used exclusively as a personal residence; however, a residence in which a person rents out a room or for which a person claims a business deduction may be reportable.

CATEGORY 2

Persons in this category shall disclose all investments and business positions.

CATEGORY 3

Persons in this category shall disclose all income (including gifts, loans and travel payments) and business positions.

CATEGORY 4

Persons in this category shall disclose all business positions, investments in, or income (including gifts, loans and travel payments) received from business entities that manufacture, provide or sell service and/or supplies of a type utilized by the agency and associated with the job assignment of designated positions assigned this disclosure category.

CATEGORY 5

Individuals who perform under contract the duties of any designated position shall be required to file Statements of Economic Interests disclosing reportable interests in the categories assigned to that designated position.

In addition, individuals who, under contract, participate in decisions which affect financial interests by providing information, advice, recommendations or counsel to the agency which could affect financial interests shall be required to file Statements of Economic Interests, unless they fall within the Political Reform Act's exceptions to the definition of consultant. The level of disclosure shall be as determined by the General Manager of the agency. (See footnote in Exhibit “B” for clarification.)

EXHIBIT “B” Designated Positions/Disclosure Categories

<u>Designated Positions</u>	<u>Disclosure Categories</u>
Directors	1, 2, 3
General Manager	1, 2, 3
General Counsel	1, 2, 3
Accounting Manager	2, 3
Assistant Engineer	4
Director of Administration & Board Services	4
Finance Director	2, 3
Education & Grant Manager	4
Engineering and Operations Manager	1, 4
Director of Human Resources	2, 3
Director of Technology	1, 4
Director of External Affairs	4
Public Information Officer	4
Conservation Manager	4
Water Resources Manager	4
Contracts & Procurement Analyst	4
Chief Engineer	1, 4
Consultants/New Positions*	5

EXHIBIT “B” (Cont’d)

*Consultants/New Positions are included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code, subject to the following limitations:

The General Manager or his or her designee may determine in writing that a particular consultant or new position, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with disclosure requirements in this section. Such written determination shall include a description of the consultant’s or new position’s duties and, based upon that description, a statement of the extent of disclosure requirements. The General Manager or his or her designee’s determination is a public record and shall be retained for public inspection in the same manner and location as this conflict-of-interest code. (Gov. Code Section 81008.)

Exhibit “C” District Approved Meetings

1. Central Basin Municipal Water District Board meetings
2. District Committee meetings
3. Prescheduled and calendared meetings with the General Manager through District Board and Administrative Services
4. General Manager-approved and scheduled meetings with District staff
5. Meetings formally requested by General Counsel pertaining to legal matters of the District
6. Meetings formally requested by Special Counsel pertaining to legal matters of the District
7. District events or events which are sponsored by the District
8. American Water Works Association Conference
9. Association of California Water Agencies — Semi-annual Conferences
10. Association of California Water Agencies/Joint Powers Insurance Authority Conferences
11. Association of Metropolitan Water Agencies Conference
12. California Association of Sanitation Agencies Conference
13. California Contract Cities Association – Annual Conference, and Seminars
14. California Special Districts Association Conference
15. Colorado River Water Users Association Conference
16. Independent Cities Association Conference
17. League of California Cities Conference

Revised October 25, 2021

18. Metropolitan Water District (MWD) of Southern California – Board meetings, committee meetings, and inspection trips of MWD facilities (MWD Appointed CBMWD Directors)
19. Metropolitan Water District (MWD) of Southern California inspection trips of MWD facilities (Approved CBMWD Directors)
20. National Association of Latino Elected and Appointed Officials Conference
21. Urban Water Institute, Inc. Conference
22. Water Education for Latino Leaders – Conferences and Workshops
23. WaterReuse Association – Conferences
24. WaterReuse Foundation Conferences

Exhibit “D” Description of Committee Functions

COMMITTEES (NOTE: The following are “Standing Committees”, which have either: 1) a continuing subject matter jurisdiction or 2) a meeting fixed by charter, ordinance, resolution or other formal action of the legislative body. Standing committees comprised of less than a quorum of the governing body are covered by the Brown Act.)

WATER RESOURCES & GOVERNMENTAL AFFAIRS COMMITTEE

The Water Resources and Governmental Affairs Committee studies, advises and makes recommendations with regard to the following:

- Policies, sources, and means of importing water required by the District;
- Reviews the water rates and conditions governing the sales and exchanges of water;
- Policies regarding the sale and delivery of water for optional uses;
- Policies regarding allocation of water standby charge, or availability of service revenue requirements among member public agencies;
- Water standby or availability of service charges within the District;
- Policies regarding annexation and the requirements, procedures, terms, and conditions for annexation;
- Energy matters relating to water supply;
- Policies regarding water conservation, reclamation, reuse, and underground storage of water and the use thereof.
- Ensuring that the residents within the District boundaries, the member agencies and cities within the area, and other agencies that the District activities involve have an understanding of, and support the measures and programs that are necessary for the District to continue to provide adequate service and meet the water supply needs of its communities;
- Selection of local and state government services consultants; making recommendations for effective governmental relations with state, federal, and local legislators;
- Selection of outreach consultants when new project will impact the service area constituents;
- Review of promotional items, bottled water distribution, and publications;
- Reviewing both inside and outside communications efforts of the District, including media and public relations;
- Review of education and conservation programs; and
- Review special event planning.

ENGINEERING AND OPERATIONS COMMITTEE

The Engineering and Operations Committee studies, advises and make recommendations with regard to the following:

- Reviews plans, specifications, and bids;
- The initiation, scheduling, contracting, and performance of construction programs and work, and the equipment or materials to be used, replace, disposed of, or salvaged;

- The operation, protection, and maintenance of the plants and facilities required for the production, exchange, sale, storage, treatment, and delivery of water and power for the storage and treatment of water; and for the distribution of electrical energy to the pumping plants; and
- The providing of storage and distribution facilities and connections for the delivery of water.

ADMINISTRATION & FINANCE COMMITTEE

The Administration and Finance Committee studies, advises and makes recommendations with regard to the following:

- The form of the District's organization and the flow of authority and responsibility;
- Periodic independent reviews and studies of the organization, the classification of positions, job duties, salaries, and salary ranges;
- Relations between the District and its employees including all matters affecting wages, hours, pension plans, and other employee benefits, and other terms and conditions of employment;
- Areas of special concern to the District and its employees, including, but not limited to, equal employment opportunity, affirmative action, and work rules pertaining to the health and safety of employees;
- Policies and rules regarding the employment, discipline and discharge of District employees;
- Selection of management personnel consultants and the determination of the scope of their assignments; and
- Individuals to serve in positions requiring Board approval.
- Addresses compliance issues related to the Code of Conduct or the Conflict of Interest provisions of the Administrative Code;
- Preparation of budgets;
- Sale of bonds and borrowing and repayment of monies;
- Disposition and investment of funds;
- Authorization of appropriations;
- The determination of revenues to be obtained through the sale of water, water standby charges or availability of service charges, and the levying of taxes;
- The financial impact and requirements of policies concerning annexation;
- The financial aspects of the District's risk management program;
- Questions pertaining to insurance coverage and self-insurance;
- The selection of auditors and financial and insurance consultants, and the determination of the scope of their assignments, and the selection of attorneys to act as bond counsel; and
- Form and contents of accounts, financial reports, and financial statements.

Additionally, the Administration and Finance Committee investigates and/or refers ethics complaints against Directors, officers and employees of the District, and addresses Auditors' periodic and annual reports.

Part 4 INVESTMENT POLICY

Chapter 1 Investment Rules

Article 1 – Guidelines and Practices

1.1 Investment Authority and Delegation of Authority

This investment policy is intended to outline the guidelines and practices to be used in effectively managing the District's available cash and investment portfolio. District monies not required for immediate cash requirements will be invested in compliance with the California Government Code § 53600 et seq.

The authority to invest public funds is expressly delegated to the Board of Directors, the Board re-delegates the investment function annually to an appointed Treasurer, which will be District staff, who shall thereafter assume full responsibility for those transactions until the delegation is revoked or expires. The appointed Treasurer may delegate the day-to-day operations of investing to the Deputy Treasurer, but not the responsibility for the overall investment program. All transactions will be reviewed by the appointed Treasurer on a regular basis to assure compliance with the Investment Policy. (California Government Code §53607)

It is the District's full intent, at the time of purchase, to hold all investments until maturity in order to ensure the return of all invested principal.

1.2 Statement of Objectives

The District has established the following as a guideline to prudent investment strategy:

- A. Legal Investment Authority - temporary idle funds are to be invested in accordance with California Government Code § 53600 et.seq.
- B. Safety of Principal - investments shall be undertaken which first seeks to ensure the preservation of principal in the portfolio. The Treasurer shall ensure each investment transaction is evaluated or cause to have evaluated each potential investment, seeking both quality in issuer and in underlying security or collateral, and shall diversify the portfolio to reduce exposure to principal loss. The District shall seek to preserve principal by mitigating the two types of risk in order of importance:
 - a) Credit Risk - defined as the risk of loss due to failure of an issuer of a security. This shall be mitigated by purchasing securities guaranteed by the U.S. Government or high grade securities.

- b) Interest Rate Risk - risk that the market value of securities in the portfolio will fall due to changes in general interest rate. This may be mitigated by structuring portfolio to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term securities.
- C. Liquidity - investments shall be made whose maturity date is compatible with cash flow requirements and which will permit easy and rapid conversion into cash without substantial loss of value.
- D. Yield on Investment - investments shall be undertaken to produce an acceptable rate of return after first considering safety of principal and liquidity and the prudent investor standard.

1.3 Prudent Investor Standard

The Board of Directors and Treasurer adhere to the guidance provided by the “prudent investor rule”, California Government Code (§ 53600.3) which obligates a fiduciary to ensure that “When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.”

1.4 Reporting Requirements

In accordance with California Government Code § 53646, the Treasurer shall submit a monthly report to the Executive Secretary of the Board of Directors via the General Manager indicating the types of investment by fund, institution, date of maturity, and amount of deposit, and shall provide the current market value of all securities with a maturity of more than 12 months, rates of interest, and expected yield to maturity.

The Treasurer shall also submit a monthly summary report to the Board of Directors via the General Manager showing investment activity and the status of cash by depository. Finally, the Treasurer’s report shall include a certification regarding the District’s ability to meet the expenditure requirements for the next six months, or provide an explanation as to why sufficient funds shall, or may, not be available.

1.5 Investment Policy Administration

The Treasurer may, at any time, further restrict the securities approved for investment as deemed appropriate. This policy shall be reviewed at least annually by the Board of Directors.

Additionally, the Treasurer shall annually send a copy of the current Investment Policy to all approved dealers. Each dealer is required to return a signed statement indicating receipt and understanding of the District's investment policies.

1.6 Internal Control

Internal policies and procedures have been developed to assure that appropriate controls are in place to document and confirm all transactions. An independent analysis by external auditor shall be conducted annually to review internal controls, account activity and compliance with policies and procedures.

Chapter 2 Institutions and Dealers

Article 1 - Authorized Financial Institutions and Securities Dealers

1.1 Brokers and Dealers

For brokers/dealers of government securities and other investments, the Treasurer shall select only brokers/dealers who are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organizations. Before engaging in investment transactions with a broker/dealer, the Treasurer shall obtain a signed verification form that attest the individual has reviewed the District's Investment Policy, and intends to present only those investment recommendations and transactions to the District that is appropriate under the terms and conditions of the Investment Policy.

The Board of Directors may engage the services of one or more external managers to assist in the management of the District's investment portfolio. Such external managers may be granted discretion to purchase and sell investment securities in accordance with this Investment Policy. Such managers must be registered under the Investment Advisors Act of 1940.

Chapter 3 Investment Portfolio

Article 1 – Security Investments

1.1 Portfolio Limitations

Any reference to the portfolio shall mean the total of the District's cash and securities under management by the Treasurer. The Treasurer may invest in any security authorized for investment under state law, subject to the limitations described herein:

- (a) Maturity Limitations - The Treasurer is authorized to invest District funds for terms set forth below. For certain instruments, the term of the investment is limited by market convention or as otherwise prescribed herein. No investments may be acquired that exceed 5 years.
- (b) Investment Transactions - Information concerning investment opportunities and market developments will be gained by maintaining contact with the financial community. Confirmations of all investment transactions will be maintained by the Budget and Finance Department for the annual audit. When practicable, the Treasurer shall solicit more than one quotation on each trade.

Eligible securities could be purchased at their original sale or after they have been issued. (California Government Code §53603)
- (c) Exchange of Securities - An exchange of securities is a shift of assets from one instrument to another and may be done for a variety of reasons, such as to increase yield, lengthen or shorten maturities, to take a profit, or to increase investment quality. In no instance shall an exchange be used for speculative purposes. Any such exchange shall be simultaneous (same day execution of sale and purchase), and shall require the approval of the Treasurer.
- (d) Safekeeping - All securities purchased should be made on a delivery versus payment (DVP) basis, registered under the name of Central Basin Municipal Water District, and held in safekeeping by a third party bank trust department, acting as agent for the District pursuant to the terms of a custody agreement. The trust department of the District's bank may act as third party custodian, provided that the custodian agreement is separate and apart from the banking agreement.
- (e) Prohibited Investments - Under the provisions of the California Government Code §53601.6 and 53631.5, the District shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, mortgage-derived, interest-only strips or any investment that may result in a zero interest accrual if held to maturity.

1.2 Authorized Investments

The District is governed by the California Government Code, § 53600 et. seq. Within the context of these limitations, the investments listed below are authorized. Those investments not identified in this section are considered to be ineligible. Credit criteria and maximum percentages listed in this section are calculated at the time the security is purchased.

Where this Policy addresses specific portfolio percentage limitations by category, compliance will be measured as of the date of purchase as stated in the California Government Code §53601: “Where this section specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase.”

If an investment in the District’s portfolio is downgraded by a nationally recognized statistical rating organization (NRSRO) to a level below the credit quality required by this investment policy, the Treasurer will review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio based on its current maturity, the economic outlook for the issuer, and other relevant factors. If a decision is made to hold a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported.

Any investment held at the time prior to a revision of the Policy which does not meet the new policy guidelines may be held until maturity, and the Policy shall not apply to the prior investment currently held. At the time of the investment’s maturity or liquidation, such funds shall be reinvested only as provided in the current adopted policy.

A. Time Deposits

The Treasurer may invest in certificates of deposit issued by bank or savings and loans chartered by the United States or California. For purposes of this policy, collateralized time deposits shall be considered investments.

The following criteria will be used in evaluating financial institutions and form of collateral to determine eligibility for deposits:

- a) The financial institution must have been in existence for at least five years.
- b) Eligibility for deposits shall be limited to those financial institutions which maintain a rating equivalent to “A” or higher by one of the nationally recognized statistical-rating organizations (NRSRO).
- c) The deposit shall not exceed 25 percent of the shareholders’ equity of any depository bank. For the purposes of this constraint, shareholders’ equity shall be deemed to include capital notes and debentures. (California Government Code § 53638 (a))

- d) The deposit shall not exceed 25 percent of the total of the net worth of any depository savings and loan association.
- e) The total deposits shall not exceed 25 percent of the eligible financial institution's paid-up capital and surplus. (California Government Code § 53638 (b))
- f) To secure such deposits, the financial institution shall maintain in the collateral pool, marketable securities having a market value of at least 10 percent in excess of the total amount deposited. (California Government Code § 53652)
- g) The maximum term for time deposits or bank certificate of deposits shall be one year.

B. Local Agency Investment Fund (LAIF) Deposits

Deposits for the purpose of investment in the Local Agency Investment Fund of the State Treasury may be made up to the maximum amount permitted by State Treasury policy.

C. Negotiable Certificates of Deposit

The Treasurer may invest in negotiable certificates of deposit as follows:

- (a) Investment in negotiable certificates of deposit shall not exceed 30 percent of the total portfolio in effect immediately after any such investment is made.
- (b) To be eligible, a certificate of deposit must be issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by California Financial Code § 5102), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. (California Government Code § 53601 (i))
- (c) All deposits may only be made in institutions that enable the deposit in addition to accrued interest to be fully FDIC insured.
- (d) The investment shall not exceed 25 percent of the shareholders' equity of any depository bank. For the purposes of this constraint, shareholders' equity shall be deemed to include capital notes and debentures. (California Government Code § 53638(a))
- (e) The investment shall not exceed 25 percent of the total net worth of any depository savings and loan association.

(f) The total investment in an eligible financial institution shall not exceed 25 percent of the total portfolio available for investment in this investment category.

(g) The maximum maturity shall be limited to five years.

D. Bankers' Acceptances

The Treasurer may invest in bankers' acceptances as follows:

(a) Investment in prime bankers' acceptance shall not exceed 15 percent of the portfolio in effect immediately after any such investment is made.

(b) Eligibility shall be limited to those bankers acceptances' issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest category by one or more of the NRSRO.

(c) No more than 15 percent of this category of investments may be invested in any one commercial bank's acceptances. (California Government Code § 53601(g))

(d) The maximum maturity shall be limited to 180 days. (California Government Code § 53601 (g))

E. Commercial Paper

The Treasurer may invest in commercial paper as follows:

(a) Only commercial paper of prime quality of the highest ranking or of the highest letter and numerical rating as provided for by NRSRO. (California Government Code § 53601 (h))

(b) Eligible paper is further limited to issuing corporations that are organized and operating within the United States as a general corporation and having total assets in excess of \$500,000,000.

(c) Eligible issuer's debt other than commercial paper, if any, that is rated "A" or higher by a NRSRO.

(d) Investments in commercial paper shall not exceed 25 percent of the portfolio.

(e) No more than 10 percent of the outstanding commercial paper of an issuing corporation may be purchased.

(f) The term shall not exceed 270 days.

F. U.S. Treasuries

The Treasurer may invest in United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest. (California Government Code §53601 (b))

G. Federal Agencies or United States government-sponsored enterprise obligations

The Treasurer may invest in Federal Agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. (California Government Code §53601 (f))

Includes obligations issued by the Federal Home Loan Banks, the Government National Mortgage Association, the Farm Credit System, the Federal Home Loan Mortgage Association, the Federal National Mortgage Association, or obligations or other instruments of or issued by a federal agency or a United States Government sponsored enterprise.

H. Money Market Funds

The Treasurer may invest in shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940. (California Government Code § 53601(l))

The following criteria will be used in evaluating funds:

- a) Attain the highest ranking letter and numerical rating provided by not less than two NRSRO; or
- b) Have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years experience managing money market mutual funds and with assets under management in excess of \$500,000,000.
- c) The maximum purchase price of shares shall not exceed 20% of the portfolio.

I. Medium-Term Notes

The Treasurer may invest in medium-term notes issued by U.S. Corporations with “A” ratings or higher. The term shall not exceed five years and shall not exceed 10% of the portfolio.

J. Municipal Bonds

The Treasurer may invest in municipal bonds with “A” ratings or higher by Standard and Poors and A2 by Moody’s. The term shall not exceed five years and shall not exceed 20% of the portfolio.

K. Los Angeles County Pooled Investment Fund

Deposits for the purpose of investment in the Los Angeles County Pooled Investment Fund administered by the Los Angeles County Treasurer may be made up to the maximum amount permitted by the Treasurer’s policy.

1.3 Market Yield (Benchmark)

The Treasurer shall determine whether market yields are being achieved using one of the following basis:

- Local Agency Investment Fund (LAIF)
- Los Angeles County Pooled Investment Fund (LACPIF)
- 3-month, 6-month, and 1-year Treasury Bills

1.4 Bond Funds

Investment of bond proceeds shall be subject to the conditions and restrictions of bond documents and are not governed by this policy.

1.5 Trust Funds

Investment of District pension trust funds are governed by the provisions of California Government Code § 53215 through 53224.

Investment of District post-employment health benefit trust funds are governed by the provisions of California Government Code § 53620-53622.

1.6 Glossary Of Terms

AGENCIES: Federal agency securities and/or Government-sponsored enterprises.

ASKED: The price at which securities are offered.

BANKERS’ ACCEPTANCE (BA): A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BID: The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See Offer.

BROKER: A broker brings buyers and sellers together for a commission.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a Certificate. Large denomination CD's are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual report of the (entity). It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment. Delivery versus payment is delivery of securities with an exchange of money for the securities.

DERIVATIVES: (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued a discount and redeemed at maturity for full face value (e.g., U.S. Treasury Bills.)

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

DURATION: A measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to \$250,000 per entity.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FHA mortgages. The term “pass-throughs” is often used to describe Ginnie Maes.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

OFFER: The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC RULE 15(C)3-1: See Uniform Net Capital Rule.

STRUCTURED NOTES: Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.) and Corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

TREASURY NOTES: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) **INCOME YIELD** is obtained by dividing the current dollar income by the current market price for the security. (b) **NET YIELD** or **YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

Part 5 PROPERTY

Chapter 1 Procurement Policy and Procedure

Article – 1 Rules

1.1 Policy and Procedure Statement

This Procurement Policy and Procedure implements state procurement laws and represents a governance decision made by the District's Board of Directors for providing information and direction designed to achieve value in conformance with procedure for each acquisition.

1.2 Definition of Terms

The following terms shall apply to this policy and procedure:

- (a) Agreement - a situation in which two or more parties share the same opinions and agree to the terms and conditions in order to enter into a binding contract.
- (b) Amendment / Change Order - a change, modification or addition to the terms and conditions of an existing fully executed Contract or other Legal documentation.
- (c) Bidder – a contractor that provides a solicitation response that satisfactorily addresses all the requirements specified in a solicitation.
- (d) Board – The District's collective four elected Board of Directors.
- (e) Centralized Purchasing – Finance Department staff responsible for processing the acquisition of goods and services; all Board approved contracts and pre-approved Justification Memos for procurement of goods and services require purchase orders from Centralized Purchasing and are created only by Finance Department.
- (f) Consultant - an individual, firm, company, or entity that provides professional services.
- (g) Contract - a binding written agreement between two or more parties for procurement of goods or services (Professional or Non-Professional), and that includes elements of offer, acceptance, consideration, insurance requirements and indemnification for Professional Services Agreement (PSA), Service Agreement (SA) and Service Purchase Order (SPO).

- (h) Contractor (also referred to as Service Provider) - an individual, firm, company or entity that provides or undertakes a contract to provide materials or labor to perform a Non-Professional Services.
- (i) Construction – means building or other infrastructure construction, alteration improvements or repair.
- (j) Construction Agreement (Public Works) (CA) – a binding contract for the construction, alteration, improvement or repair to any public structure, building, road or other improvement awarded in accordance with the terms and conditions of the Request for Bid (RFB) documentation and process.
- (k) Conflict of Interest - A situation that has the potential to undermine the impartiality of a person because of the possibility of a clash between self-interest and professional interest or public interest.
- (l) Cooperative Purchase – The acceptance of contract terms and conditions competitively created by another jurisdiction.
- (m) Department (Senior) Manager Authority – Authority to purchase goods in value up to \$2,500, and non-professional services in value up to \$5,000. Department (senior) managers have no authority to independently purchase professional services.
- (n) Disadvantaged Business Enterprise (DBE) – DBEs are for-profit small businesses where socially and economically disadvantaged individuals own at least a 51% interest and also control management and daily business operations, owned by women or members of a minority group. Minority group refers to African Americans, Hispanics, Native Americans, Asian-Pacific and Subcontinent Asian Americans who are citizens and lawful permanent residents of the United States.
- (o) Emergency Repairs & Services – Repairs and Services performed on District's facilities that are unplanned, unexpected and which are essential to the continued operation of the District facilities as determined by the General Manager.
- (p) Formal Solicitation – a written solicitation process for goods or services valued \$25,000 or more in response for Request for Bids (RFB), Request for Proposals, (RFP) or Statement of Qualifications (SOQ). The contracts that result from formal solicitation are approved by Board authority and executed by General Manager after approval as to form by General Counsel.
- (q) General Ancillary Services - Services that fall within the scope of work as defined by a vendor's contract with the District, but which the vendor is not capable of or not legally or otherwise authorized to perform. This includes, but is not limited to,

subcontracts or other third party agreements involving maintenance services at water pumping stations, electrical services, or other services requiring a special license or certification to perform.

- (r) General Manager's Authority - Authority to approve informal solicitation, non-procurement and sole source awards up to \$25,000; to grant contract time extensions; to expense Board-approved contract contingencies; to approve legal settlements up to \$10,000; to dispose of surplus property up to \$5,000 in value; and to designate and expend funding up to \$25,000 for a procurement or payment.
- (s) Goods - Supplies, materials, equipment, consumer products, and any other tangible personal property.
- (t) Informal Solicitation – written solicitation process for goods or services valued at \$25,000 or less. Written requests created by Central Basin staff may take the form of and possess content similar to a Request for Proposals (RFP) or Request for Quotations (RFQ) but shall be clearly identified as “Request for Informal Solicitation.” The contracts that result from informal solicitation, as approved to form by General Counsel, are executed under the General Manager's authority.
- (u) Justification Memo (JM) – document prepared by the project manager justifying and establishing a requirement for, and requesting authorization under General Manager's authority. An approved JM is an essential component in the creation of certain contract and binding documents (PSA, SA, SPO or PO) for the procurement of goods or services. The District's use of the JM is limited herein to specified elements of informal solicitations, the expensing of contract contingencies, the award of sole source contracts less than \$25,000, and requests for contract time extension.
- (v) Lease - a written contract conveying from one party to another the use of real estate or personal property for a designated period in return for payment or other consideration.
- (w) Local Business - business that is located within the District service area and Los Angeles County.
- (x) Non-Professional Services – services provided by a contractor, including, but not limited to, construction, repair, operation, maintenance services, janitorial services, landscape maintenance, or security services.
- (y) Professional Services – any specifically trained or experienced person, firm or entity specializing in financial, economic, accounting, engineering, information technology, legal, architectural, public relations, or other specialized disciplines. Services may include the provision of a report, study, plan, design,

specification, document, program, advice, recommendation, analysis, review, opinion, inspection, investigation, audit, brokering or representation of the District before or in dealings with another party.

- (z) Professional Services Agreement (PSA) – a written binding contract for a Professional Services provider.
- (aa) Proposer - Consultant or contractor that submits a written proposal in response to a formal or informal solicitation.
- (bb) Purchase Order (PO) – An authorization form generated and issued by the District under which the vendor is to provide goods for which the District agrees to pay. A purchase order sets forth the descriptions, quantities, agreed prices (as per quotations), discounts, shipment, delivery requirements and other associated terms and conditions.
- (cc) Request for Quotation (RFQ) - A written request for the submission of a price quotation to provide goods or services.
- (dd) Request for Bids (RFB) – A solicitation process in which the terms, conditions and specifications are described in a written request for the submission of a sealed price bid to perform construction work on Public facilities. Bids are opened and awarded in a public meeting. Once awarded, Bids are not subject to negotiations.
- (ee) Request for Proposal (RFP) – A solicitation process in which the terms, conditions and specifications are described in a written request for the submission of a sealed price proposal for the procurement of goods and services requested by the District. Once received by the District Proposals are negotiated to achieve best quality and value for the District.
- (ff) Request for Services (RFS) - A solicitation process in which the terms, conditions and specifications for an Engineering & Operations Services are described in a written request for the submission of a price proposal to perform Engineering & Operations work on District’s request. RFS is only issued to all the vendors from the Pre-qualified list prepared from the RFQ.
- (gg) Services – The labor, intellectual property or other work product provided by a contractor or consultant that is not tangible personal property.
- (hh) Services Agreement (SA) – A written binding contract for a Non-Professional Services provider.
- (ii) Service Purchase Order (SPO) – A written binding contract that may also be issued for the procurement of Professional or Non-Professional Services that are short term or for a “one time” engagement. This SPO must include

indemnification and at least one of the District's insurance requirements depending on the nature of services.

- (jj) Sole Source Procurement - An acquisition made without competitive bidding in response to emergency or in circumstances when only, one vendor can meet the District's needs.
- (kk) Solicitation – The process used to communicate procurement requirements and to request responses from interested vendors. A solicitation may be, but is not limited to, a RFB or RFP.
- (ll) Statement of Qualifications (SOQ) - A solicitation process in which a Statement of Required and/or Desired Qualifications is issued in a written request for the submission of qualifications to procure a prep-qualified list for a particular service. The SOQ process is primarily used to get a prep-qualified list of vendors for Engineering Services. Only those vendors who successfully respond to the SOQ and meet the qualification criteria will be included in the subsequent Request for Services (RFS) solicitation process
- (mm) Supplier – A provider of tangible goods and services such as contractor or consultant or a provider of goods.

1.3 Vendor Registration (“Doing Business With Us”)

Vendors desiring to receive solicitation notices from the District's posting of RFP, RFQ, RFB, and/or SOQ information are encouraged to register on the Vendor Registration page on the District's website. The vendor will receive an email message each time they match a new solicitation posted by the District. The Vendor Registration database shall be maintained by the Finance Department.

1.4 Solicitation

A. Informal Solicitations for Goods and Services Valued at Less than \$25,000

For informal solicitations, a minimum of three (3) competitive written price quotations from different vendors shall be solicited. If fewer than three quotes are obtained or are available, the reason, including the efforts or actions taken to obtain quotes, shall be documented and included in the District records of the transaction with the other quotes received. Requests for written price quotations may take the form of and possess content similar to a RFP or like documents, but shall be in all cases clearly identified as “Request for Informal Solicitation.” Proposer responses to a Request for Informal Solicitation shall in all cases be clearly identified as “Response to Informal Solicitation.”

Informal solicitations shall be advertised on the District's website, for a minimum of seven (7) calendar days.

Proposals submitted in response to the informal solicitation process will be evaluated by District staff. Third parties with relevant expertise may be added to the evaluation process according to the discretion of District staff. The decision to award contract or agreement in informal solicitations, however, is predicated upon approval of a justification memorandum.

B. Formal Solicitations for Goods and Services Valued at \$25,000 or more

Formal solicitations shall be advertised on the District's website, and as otherwise required by law for a minimum of fourteen (14) calendar days.

(a) The formal solicitation process requires a written Request for Proposal (RFP), and should include the following (as applicable):

1. Scope of work to be performed or Goods to be acquired.
2. A list of basic questions regarding each firm (address, number of personnel, qualifications, experience, key personnel, etc.).
3. A description of the proposal requirements and evaluation criteria to be used by the District.
4. A fee schedule.
5. An explanation of the District's insurance requirements.
6. A sample contract, which the vendor will be required to execute, if selected.
7. An admonition which shall obligate the proposer to clearly indicate pages or sections of the proposal that are considered confidential or proprietary in the event that the District is called upon to comply with disclosure laws requiring public dissemination of the proposal.
8. An admonition which shall be in substantially the following format:

“As of the date of this Request for Proposals and continuing until the notice of intent to award is released or the recommended contract is placed on the agenda of the Board for a public meeting, all proposers are specifically directed not to hold any discussions, meetings, conferences or technical discussions regarding the RFP with District officials or employees. During the submittal period, questions regarding this RFP may be directed only to the person indicated in the cover letter or emailed to the individual.

Contact with any other District official or employee during the submittal period regarding this RFP may be cause for immediate disqualification of the Proposer as determined in the sole discretion of the District Board.”

9. An admonition which shall be in substantially the following format:

“It is improper for any District officer, employee, or agent to solicit consideration, in any form, from a Proposer with the implication, suggestion, or statement that the Proposer’s provision of the consideration may secure more favorable treatment for the Proposer in the award of the contract or that the Proposer’s failure to provide such consideration may negatively affect the District’s consideration of the Proposer’s submittal. A Proposer shall not offer or give, either directly or through an intermediary, consideration, in any form, to a District officer, employee, or agent for the purpose of securing favorable treatment with respect to the award of the contract.

A Proposer shall immediately report any attempt by a District officer, employee, or agent to solicit such improper consideration. The report shall be made to the District’s General Manager and/or the District’s General Counsel. Failure to report such a solicitation may result in the Proposer’s submittal being eliminated from consideration.

Among other items, such improper consideration may take the form of a campaign contribution, cash, discounts, services, the provision of travel or entertainment, or tangible gifts.”

In all cases, solicitation documents, proposals and resulting contracts shall include in the scope of work specific, well-defined project deliverables, measurable results, timelines or progress reports, and evaluations of the contractor(s) once work is completed.

- (b) All proposals submitted in response to a formal solicitation process will be evaluated by a review panel consisting of District staff. A third party (not an employee of the District) with relevant expertise may be added to the review panel according to the discretion of the General Manager.

1. Interviews may be conducted with the most qualified proposers and proposed project team to assure a mutual understanding of the project and to obtain additional details related to their capabilities. A third party (not an employee of the District) with relevant expertise may be added to the interview panel according to the discretion of the General Manager.

2. Based upon a review of proposals and interviews (as applicable), the District shall select the most qualified proposal by taking into account the panelists' scores and rankings of the proposers by score based on all of the information obtained.
- (c) The following criteria, as applicable, shall be considered in the RFP proposal evaluation of qualified Consultants and Contractors to provide professional and non-professional services:
1. Suitability of the vendor's proposed services to meet the District's needs.
 - a. Understanding the project requirements, including identification of critical elements and key issues.
 - b. Project approach that includes comprehensive scope of work.
 - c. Project work plan that clearly defines project deliverables.
 - d. Project work plan that provides quantitative and/or qualitative measurement criteria for results.
 - e. Project work plan that offers estimated timelines for milestone completion as an aid to creating systematic progress reporting on vendor performance.
 2. Experience and knowledge of the vendor considering the type of services required and the complexity of the project.
 3. Experience and qualifications of identified team members and sub-consultants.
 4. Past record of performance on contracts with the District, other public agencies, and private industry, including control of costs, quality of work, safety history, and ability to meet schedules. Reference checks will only be conducted for a short list of vendors or the top rated vendors.
 5. Clarity and completeness of proposal.
 6. Pricing or fee schedule included for the proposed services.
 7. Evidence of how long the Vendor has been in business by submitting a copy of their business and/or any other relevant license(s).
 8. Evidence of insurance certificates.
 9. Meeting all criteria of District's conflict of interest form.
 10. Other key factors as appropriate for the type of services.

(d) Board Review and Approval

After the recommendation of a vendor is presented and reviewed by any applicable Committee, the Project Manager will provide written notice (U.S. Mail, electronic mail or facsimile) to all vendors of the recommendation the staff will present to the Board. This notice will advise vendors of the opportunity to publicly address the Board at the next meeting at which the Board plans to authorize the contract before the Board authorizes any contract for such work, goods, or services.

1.5 Exceptions to Competitive Solicitation Requirements

- A. Exceptions - the following purchases, payments and procurement do not require competitive solicitation process: books, periodicals, advertising, seminars, conferences, travel, subscriptions, postage, bank administrative charges, memberships, claims, travel reimbursements, or permit fees.
- B. The Board authorizes the General Manager and the Finance Director to make the following payments in order for the District to run its daily operations efficiently:
- (a) All Southern California Edison utilities bills.
 - (b) Metropolitan Water District's water bills.
 - (c) Medical health benefit bills.
 - (d) District's liability insurance premiums.
 - (e) All other District utilities bills
- C. Sole Source - A sole source contract is a contract awarded for acquisition of goods or services without competitive bidding. Sole source contracting is limited to emergency circumstances and circumstances in which only one vendor can meet the District's needs.

All sole source acquisition requests up to \$25,000 shall be documented in the District's Sole Source Justification Memorandum, and must be approved by the Finance Director and General Manager. Sole source acquisitions up to \$25,000 shall be executed by the General Manager after approval as to form by General Counsel.

Sole source acquisitions of \$25,000 or greater require Board approval prior to execution of contract by General Manager after approval as to form by General Counsel. Agenda items presented to the Board of Directors for public approval shall strictly adhere to the topical and narrative obligations of the Sole Source Justification Memo in conformity with all District Administration formatting requirements.

The justification to support a recommendation for sole source procurement of services or goods shall meet the following criteria:

- (a) Unique capability that meets the District's needs – the goods or services to be acquired are unique to the vendor. For professional services, this shall be based on unique expertise and demonstrated competence and qualifications.
- (b) Negotiations shall be conducted with the vendor to achieve the most fair, reasonable price, terms and conditions.
- (c) A list of all sole source contracts entered under General Manager's authority shall be submitted by the General Manager to the Finance Committee on a quarterly basis and reported to the Board (see also Quarterly Contracts Reporting requirements, Section 1.16)

D. Non Procurement Agreements - Contracts, agreements and Memorandum of Understanding (MOU) with other agencies are integral and unique to the District in fulfilling its core mission to deliver high-quality water and recycled water to its customers and communities. Non-procurement agreements are the result of negotiated agreements with specific vendors to provide unique services to the District, and, as such are generally not eligible for competitive solicitation. All non-procurement agreements shall be accorded distinct evaluation and review. Non-procurement agreements up to \$25,000 shall be executed by the General Manager and approved as to form by General Counsel. Non-procurement agreements greater than \$25,000 shall be approved by the Board of Directors, executed by the General Manager, and approved as to form by General Counsel.

The following non-procurement contracts and agreements do not require procurement solicitation:

- (a) MOU with other public agencies for joint projects
- (b) Real estate leases and easements
- (c) Recycled water and imported water agreements
- (d) Conservation Partnership Agreements
- (e) Temporary staffing agencies agreements with licensed staffing agencies.

E. Cooperative Purchasing - The District may arrange to enter an agreement involving the purchase of goods or services in cooperation with another local, county, state, federal, or other public entity, or professional agency in which the District is a member in good standing, provided that:

- (a) The agreement is the result of competitive bidding or negotiation and is made in compliance with the competitive bid or proposal requirements of any participating entity or organization; and
- (b) The purchase conforms to the District's specifications for the item; and
- (c) The price established by the prior bid or negotiation is not more than six months old.

1.6 Financial Management System

Effective July 1, 2012, the District began operations with its automated Financial Management System (FMS), using software and a license purchased from New World Systems.

1.7 Approval Authority and Requirements for Procurement of Goods and Services

A. Procurement Authority

(a) Board Authority - shall be exercised and performed by the Board of Directors in a public Board meeting. This authority includes both the authority to approve procurement and the authority to authorize the District's General Manager to approve procurement. The Board may at a public meeting delegate certain procurement authorities to the General Manager.

(b) General Manager's Authority - as delegated by the Board of Directors, shall be exercised in accordance with the approved procurement process by the General Manager.

(c) General Procedures

1. All procurements shall be managed through written binding contracts or written purchase orders. Engagement in verbal contracts is expressly forbidden except in emergencies as provided by Part 5, Chapter 1, Article 1, Section 1.10.
2. Splitting or separating of goods or services to avoid any required procurement solicitation process is prohibited.
3. Controls shall be exercised to ensure that all expenditures for goods and services are pre-authorized and do not exceed budgeted amounts without Board approval.
4. The procurement of goods and services over \$500 requires a pre-approved purchase order.
5. All Purchase Orders shall be approved in advance by the Finance Director or Accounting Manager. Each Department is responsible for coordinating its purchase orders with the Finance Department.

B. Purchasing Goods

District's authorized staff may purchase goods as authorized in the guidelines below:

(a) Any Purchase of Goods up to \$500:

1. Requires a Purchase Order approved in advance by the Finance Director.

(b) Single Purchase of \$500 to \$2,500:

1. Requires at least one price quotation.
2. Requires a purchase order executed by responsible Department and approved by the Finance Director.

(c) Single Purchase of \$2,500 to \$5,000:

1. Requires three competitive price quotations.
2. Requires justification memo approved by Finance Director and General Manager.
3. Requires a purchase order approved in advance by the Finance Department.

(d) Single Purchase of \$5,000 to \$25,000:

1. Requires informal solicitation process with at least three competitive price quotations or proposals.
2. Requires justification memo approved by the Finance Director and General Manager.
3. Requires a Centralized Purchasing-approved purchase order, or, if contract required or preferred, a contract executed by the General Manager and approved as to form by General Counsel.

(e) Single Purchase of \$25,000 or More:

1. Requires formal solicitation process and Board approval prior to execution of contract by General Manager, and approved as to form by General Counsel.

C. Leasing of Goods and Equipment

Leasing of any goods or equipment requires compliance with the same criteria described in Section B above.

D. Professional Services

Professional Services for any amount requires a contract document (SPO or PSA). The District may enter into professional services arrangements as authorized below:

(a) Services up to \$5,000:

1. Requires single price quote or proposal, inclusive of service and price.
2. Requires justification memo approved by the Finance Director and General Manager.
3. Requires a professional services agreement or engagement letter executed by the General Manager and approved as to form by General Counsel.

(b) Services of \$5,000 up to \$25,000:

1. Requires informal solicitation with at least three competitive proposals, inclusive of services and price.
2. Requires justification memo approved by the Finance Director and General Manager.
3. Requires a professional services agreement executed by General Manager and approval as to form by General Counsel.

(c) Services of \$25,000 or more:

Requires formal solicitation process and Board approval prior to execution of contract by General Manager and approval as to form by General Counsel.

(d) Amendments

1. Modifications to the terms and conditions of an existing executed contract (except for contract term extension as described in Part 5, Chapter 1, Article 1, Section 1.8) requires authorization and execution in compliance with the same criteria required for an original contract as described above.
2. Contract modifications to an existing executed contract that changes the entire scope of work and/or the nature of services or work products are forbidden. Said contracts, with entire new scope of work, must be rebid in their entirety.

E. Non-Professional Services

Non-Professional Services requires a contract document (PO or SPO or SA). The District may enter into non-professional services arrangements as authorized below:

(a) Services up to \$5,000:

1. Requires single proposal or price quotation
2. Requires a purchase order by responsible Department

(b) Services of \$5,000 to \$25,000:

1. Requires informal solicitation with at least three competitive proposals, inclusive of services and price.
2. Requires justification memo approved by Finance Director and General Manager.
3. Requires a SPO or services agreement executed by General Manager and approval as to form by General Counsel.

(c) Services over \$25,000:

1. Requires formal solicitation process and Board approval prior to execution of contract by General Manager and approval as to form by General Counsel.

(d) Amendments

1. Modifications to the terms and conditions of an existing executed contract (except for contract term extension as described in Part 5, Chapter 1, Article 1,

Section 1.8) requires authorization and execution in compliance with the same criteria required for an original contract as described above.

2. Contract modifications to an existing executed contract that changes the entire scope of work and/or the nature of services or work products are forbidden. Said contracts, with entire new scope of work, must be rebid in their entirety.

1.8 Contract Term Extension

Contract term extension shall be given under the General Manager's authority through an approved justification memo 45 calendar days prior to contract expiration. This provision only applies to time extension; no other terms and conditions of the contract shall be changed, such as scope of work, consideration, insurance or indemnity.

Contract modifications that involve a change in terms and conditions other than time extension shall only be granted if approved under all relevant terms and conditions of the Procurement Policy.

1.9 Contingency

A contingency of 10% may be included in a Board-approved contracts to cover additional unforeseen work or costs that may ultimately be required. The expensing of the Board-approved contingency requires a justification memo by the Project Manager and approval by the Department Manager, Finance Director and General Manager

1.10 Procurement for Emergency Purchases and Services

In the event of an emergency, the General Manager may make immediate purchases of materials and/or services pursuant to California Government Code requirements. Emergency purchases include any purchase required to prevent imminent danger or to prevent or mitigate the loss or impairment of life, health, property, or interruption of essential public services. Every effort will be made to receive advance approvals or to obtain approvals as soon as possible following the procurement.

Any expenditure for emergency repairs or services shall be submitted to the Board of Directors at the next Board meeting for ratification.

1.11 District Credit Cards

District-issued credit cards are used when necessary to accomplish small business transactions that require immediate payment, such as business meals, conference/seminar registration, travel costs, and supplies for urgent/emergency requirements. In order to use a credit card for conference/seminar related travel or hotel accommodations, a travel authorization form shall be approved by the General Manger prior to making any transaction. Any purchase over \$500.00 requires a pre-approved PO and shall be made through the purchasing procedures described herein.

1.12 Risk Management

The District shall obligate all vendors to provide and maintain insurance in compliance with the District's requirements for the duration of their contract. This shifts the legal and financial responsibility for losses or potential losses to the vendor, which results in protecting not only the District, but also its Board members, officers, and employees, and customers.

Any exception or waiver to this insurance requirement shall be reviewed on the basis of the scope of work, consideration amount and the type of risk (nature of work) associated with the project. Upon review, the exception and waiver shall not be effective unless and until it is approved by General Manager in writing.

1.13 Multi-Year Contracts and Encumbrances

The nature of some projects requires execution of multi-year contracts. Approval of a multi-year contract not only creates a District obligation to use current year resources for the procurement of goods and services, but also encumbers District's future rates and charges as the vendor completes the deliveries of goods and services. Multi-year contracts may have the following benefits:

- (a) Cost savings through volume discount or locking in rates.
- (b) Administrative ease.

1.14 Economic Outreach Plan

Economic outreach to encourage local and disadvantaged business participation will be implemented. If this plan is in conflict with federal and state laws, the federal and state laws shall prevail.

(a) The District's economic outreach plan promotes:

- 1. Creating jobs in the community;
- 2. Supporting community groups;
- 3. Investing in the community; and
- 4. Encouraging economic growth.

(b) The District shall to the extent feasible exercise good faith effort by:

- 1. Encouraging the placement of local businesses and certified small, disadvantaged business enterprises on solicitation lists. Certification for small, minority and women's business enterprises may be obtained through various authorized entities, including the California Unified Certification Program.

2. Assuring that local and certified disadvantaged businesses are afforded equal opportunities to compete with medium to large-sized and non-minority companies for District contracts.

1.15 General Ancillary Services

- A. Procurement - The General Manager, or contracted vendor with approval from the General Manager, may procure general ancillary services in order to fulfill the vendor's scope of work as defined by the vendor's contract with the District, on an as needed basis for general ancillary services costing less than \$25,000. General ancillary services with a total cost of \$25,000 or more must be pre-approved by the Board.

No formal competitive bidding process or purchase order shall be required for general ancillary services. Vendors are encouraged, but not required, to engage in informal solicitation for general ancillary services, in accordance with the process described in Part 5, Chapter 1, Article 1, Section 1.4 of the District's Procurement Policy.

- B. Costs - All costs for general ancillary services shall not exceed the total amount allocated for the vendor's services as specified in the vendor's contract with the District.

1.16 Quarterly Contract Reporting

The General Manager shall report in detail on all contracts engaged by the District on a quarterly basis. This contracts report shall detail all contracts in force, all contract amendments, and all contract amendment dollar amounts. This reporting obligation encompasses and expands upon the requirement to report on Sole Source contracts as found in Section 1.5 C. (c).

Chapter 2 Procurement Policy for Construction Contracts

Article 1 - Guidelines

1.1 Public Works

The procurement of public works by the District shall be governed by the provisions of the California Public Contracts Code Sections 20640-20645 and 21050 through 21051. All construction projects will include a community outreach component as part of the basic project structure.

1.2 Prevailing Wages

The District shall follow California prevailing wage laws and ensure that all consultants, contractors, and sub-contractors for District's contracts comply with the prevailing wage law requirements for the benefit and protection of employees in general.

1.3 Formal Solicitation for Construction (Public Works) Contract

Formal solicitations shall be advertised on the District's website, and as otherwise required by law for a minimum of fourteen (14) calendar days.

- A. The formal solicitation process requires a written Request for Bid (RFB) covering the following (as applicable):
 - (a) Instruction to Bidders
 - (b) Detailed scope of work including plans and specifications
 - (c) An explanation of the District's insurance requirements
 - (d) A sample contract which the Bidder will be required to execute, if selected.
 - (e) Bid schedule of work item and fee
- B. Recommendation for contract award will be based on the lowest bid submitted by responsive bidder.
- C. Board Review and Approval

After the recommendation of a bidder is presented and passes through the applicable Committee meeting, the Project Manager will present the contract to the Board at the next meeting at which the Board plans to authorize the contract.

1.4 Economic Outreach Plan for Construction Contracts

All District construction projects must conform with good faith effort requirements as a matter of District policy, and conform with federal and state cost cutting requirements.

- (a) Encourage the placement of qualified small and minority businesses and women's business enterprises on solicitation lists.
- (b) Encourage the solicitation of small and minority businesses and women's business enterprises whenever they are potential sources.
- (c) Divide total requirements, when economically feasible, into small tasks or quantities to permit equal opportunities for participation by small and minority-owned businesses and women-owned business enterprises.
- (d) Establish delivery schedules when the requirements of the work permit, which will encourage participation by small and minority-owned businesses and women-owned business enterprises.
- (e) Require the prime contractor, if subcontracts are to be let, to take the affirmative steps in paragraphs (a) through (d).

Chapter 3 Procurement Policy for Disposition of Property

Article 1 - Guidelines

1.1 Property Policy

Whenever the District has materials, supplies, equipment, or other personal property no longer needed for District purposes, the General Manager, with prior Board approval, shall arrange for the sale of such items in the manner most advantageous to the District. Upon determination by the Board that certain materials, supplies, equipment, or other personal property are surplus, the General Manager shall proceed in the following manner:

- (a) If the General Manager determines and authorizes in writing that the personal property has a value of \$5,000 or less, the personal property may be sold, exchanged, or leased without notice, or donate such personal property to a public agency or non-profit organization if such donation is deemed to be in the best interests to further the purposes of the District.

- (b) If the General Manger determines, and the Board agrees, that the property, or interest in the property, has a value of more than \$5,000 or is being leased for more than a year, a notice of time and place of sale or leasing shall be given by posting three notices in three public places within the District five days before the date of sale or leasing; at the time fixed for the sale or leasing, bids shall be received and the property may be sold or leased to the highest bidder or any and all bids may be rejected.

Chapter 4 Procurement Policy for Legal Services and Related Costs

Article 1 - Guidelines

1.1 Applicability

This section applies to procurement of legal services and related costs.

1.2 Definition of Terms

The following terms shall apply to this policy in addition to those set forth in Part 5, Chapter 1, Article 1, Section 1.3:

- A. General Counsel - Engaged attorney or law firm who provides advice or counsel on legal matters to the District as outlined in Part 3, Chapter 3, Article 1, Section 1.1.
- B. Special Counsel - Any engaged attorney or law firm other than General Counsel who provides advice or counsel to the District.
- C. Legal Ancillary Services - Any service deemed necessary by the General Manager, General Counsel, or Special Counsel in support of the District for a legal matter. Such services include but are not limited to: expert witnesses, investigatory services, evidence processing, document duplication, etc.
- D. Legal Service Provider - Any agent outlined in part A, B, or C above.

1.3 Legal Services

A. Procurement

All Legal Service Providers must enter into a professional services agreement with the District as authorized below:

(a) Services up to \$5,000:

- 1. Requires single price quote or proposal, inclusive of service and price.
- 2. Requires justification memo approved by the Finance Director and General Manager.
- 3. Requires a professional services agreement or engagement letter executed by the General Manager.

(b) Services of \$5,000 up to \$25,000:

- 1. Requires informal solicitation with at least three competitive proposals, inclusive of services and price.

2. Requires justification memo approved by the Finance Director and General Manager
3. Requires a professional services agreement executed by General Manager and General Counsel.

(c) Services of \$25,000 or more:

1. Requires formal solicitation process and Board approval prior to execution of contract by General Manager and approval as to form by General Counsel.

B. Minimum Contractual Provisions

All contracts with Legal Services Providers must contain a provision that limits maximum amounts eligible to be charged to the District. Additionally, all such contracts shall include anticipated hourly billable rates and a maximum hourly billable rate.

C. Reporting

The Finance Director shall track all legal expenses by subject matter or legal case as directed by the Board.

D. Invoice Approval and Payment

The General Manager and/or Finance Director has authority to approve invoices and related payments for all costs to Legal Service Providers.

1.4 **General Counsel**

A. Qualifications

The Board will engage only an attorney authorized to practice law by the State of California. If General Counsel at any time is disbarred by the State Bar of California or is otherwise unable to practice law they shall immediately notify the District and must cease acting as legal counsel. Resuming as General Counsel shall only be permitted by approval by the Board after confirmation of the ability to resume the practice of law is given to the District.

General Counsel shall meet a list of necessary minimum qualifications as approved by the Board in order to be engaged by the District.

B. Role

General Counsel shall serve as the primary agent responsible for the provision of legal counsel and for assisting in determining the need as well as engagement and coordination of Special Counsel.

C. Scope of Duties

A list of specified routine duties and expectations shall be included in a Board approved contract for any lawyer engaged as General Counsel. This list will serve as the basis for amounts eligible to be charged against an annual maximum or retainer as approved in the contract.

D. Term Extension

General Counsel shall not be retained for a period of more than three years without a review performed by the Board as to whether it is still in the best interest for the District to retain them or select another lawyer or firm. After the review is conducted, the Board may approve to retain General Counsel for another period up to three years until such time when an additional review is necessary. These term periods may continue indefinitely at the discretion of the Board.

1.5 Special Counsel

A. Qualifications

The Board will engage only an attorney authorized to practice law by the State of California. If Special Counsel at any time is disbarred by the State Bar of California or is otherwise unable to practice law they shall immediately notify the District and must cease acting as legal counsel. Resuming as Special Counsel shall only be permitted by approval by the Board after confirmation of the ability to resume the practice of law is given to the District.

Engagement of Special Counsel should only be made in occurrences where special legal expertise is needed or due to limitations of work capacity of General Counsel and shall be made after a recommendation is given in writing by General Counsel.

B. Role

Special Counsel shall serve as supplemental legal counsel to meet legal needs requiring specialty expertise or to assist General Counsel in meeting assigned work demands.

C. Scope of Duties

Duties will be assigned to Special Counsel in writing as needed.

D. Contract Term Extension

Contract term extension for Special Counsel shall be done under General Manager's Authority through a written justification memo by the General Manager or Finance

Director or Designee prior to 45 calendar days of contract expiration. This provision only applies to time extension and no other terms and conditions of the Contract shall be changed.

1.6 Legal Ancillary Services

A. Qualifications

The General Manager or General Counsel or Special Counsel, with approval of the General Manager, may procure Legal Ancillary Services when necessary to support the District in such legal matters as specified in Part 5, Chapter 4, Article 1, Section 1.2(c).

B. Contract Term Extension

Contract term extension for Legal Ancillary Services shall be done under General Manager's Authority through a written justification memo by the General Manager or Finance Director or Designee prior to 45 calendar days of contract expiration. This provision only applies to time extension and no other terms and conditions of the Contract shall be changed.

Part 6 ENVIRONMENTAL

Chapter 1 General

Article 1 – General

1.1 General

The California Environmental Quality Act (“CEQA”) requires the District to consider the potential environmental impacts of a project before it is approved by the District. CEQA directs the Governor’s Office of Planning and Research to prepare regulations (“CEQA Guidelines”) describing how impacts are to be determined and considered by state and local agencies. CEQA and the CEQA Guidelines require the District to adopt objectives, criteria and specific procedures consistent with CEQA and the CEQA Guidelines for administering its responsibilities under CEQA, including the orderly evaluation of projects and preparation of environmental documents (“local guidelines”). This part contains the local guidelines of the District, which are meant to supplement CEQA and the CEQA Guidelines. In the event that any portion of these local guidelines are inconsistent with either CEQA or the CEQA Guidelines, the provisions of CEQA and the CEQA Guidelines shall control.

1.2 Purpose

- (a) The regulations contained in this Part implement requirements of the State CEQA Guidelines for local agencies.
- (b) This Part applies where the District has discretion over approval or an activity and:
 - (1) The activity is directly undertaken by the District;
 - (2) The activity is financed in whole or in part by the District; or
 - (3) A private activity requires an approval or discretionary permit from the District.

1.3 Scope

- (a) Environmental documents shall be prepared by a lead agency and considered by responsible agencies before a decision is made to proceed with a project that may have a significant impact on the environment. The District will sometimes act as the lead agency and sometimes as a responsible agency when considering whether or not a project will have a significant impact on the environment and whether or not to approve or otherwise authorize a project.
- (b) These guidelines set forth the process for determining:

- (1) Whether the District is the lead agency or a responsible agency;
- (2) If the District is the lead agency, what the District's duties as the lead agency are;
- (3) Alternately, if the District is a responsible agency, what the District's duties as a responsible agency are; and
- (4) Whether there are measures that would mitigate a project's adverse environmental effects that are both feasible and can be implemented.

1.4 Delegation of Responsibilities

(a) The General Manager or the General Manager's designee shall:

- (1) Determine whether the District is the lead agency or a responsible agency;
- (2) Determine whether an activity is a project as defined by CEQA and the CEQA Guidelines and subject to review under this Part;
- (3) Determine whether an activity is exempt from environmental review under either CEQA or the CEQA Guidelines and therefore not subject to review under this Part;
- (4) Conduct an initial study to determine whether an Environmental Impact Report (EIR), negative declaration (ND), or mitigated negative declaration (MND) is appropriate for the project;
- (5) Prepare or cause an EIR, ND, or MND to be prepared;
- (6) Respond to public comments made on the CEQA documentation;
- (7) Provide all of the notices required by CEQA and the CEQA Guidelines; and
- (8) Respond to requests for consultation by lead agencies where the District is a responsible agency.

(b) The Board shall:

- (1) Consider, review, certify, and either approve or disapprove the ND, MND, or draft and final EIRs before making a decision on whether or not to approve a project.
- (2) Make findings as required by CEQA, the CEQA Guidelines, and this Part.

Chapter 2 Role of District as Responsible Agency

Article 1 – Lead Agency

1.1 Lead Agency Concept

The lead agency shall prepare the ND, MND, or EIR for a project carried out or approved by more than one public agency. The determination of the lead agency shall be made only after consultation in accordance with criteria set forth in the CEQA Guidelines.

1.2 Consultation with Lead Agency

- (a) When the District acts as a responsible agency, the General Manager shall respond to the lead agency's requests for consultation and shall assist the lead agency in preparing adequate environmental documents.
- (b) As soon as possible, but not longer than 45 days after receiving a notice of preparation from the lead agency, the General Manager shall send a written reply by certified mail. The reply shall specify the scope and content of the environmental information relevant to the District's statutory responsibilities in connection with the proposed project.
- (c) Prior to the close of the public review period for an MND or draft EIR, the General Manager shall submit complete and detailed comments on the lead agency's environmental document, including objectives for mitigation measures which would address the significant environmental effects identified by the General Manager, or refer the lead agency to appropriate readily available guidelines or reference documents.

1.3 Challenge to Lead Agency

- (a) When the District is a responsible agency, it shall assume the role of the lead agency only when conditions set forth in CEQA Guidelines sections 15052 and 15096 subdivision (e) are found to exist.
- (b) If the General Manager believes the ND, MND or final EIR is not adequate for the District to rely on in granting a discretionary approval, the District must:
 - (1) File suit in the proper superior court challenging the lead agency's determination within the time limit provided by Public Resources Code section 21167 and CEQA Guidelines section 15112;
 - (2) Take no action within the time limits provided by Public Resources Code section 21167 and be deemed to have waived any objection to the adequacy of the ND, MND or final EIR; or

- (3) Prepare a subsequent environmental impact report if one is required by CEQA Guidelines section 15162.

1.4 Use of Environmental Documents

- (a) Prior to reaching a decision on whether or not to grant a discretionary approval for the project, the Board must consider the environmental effects of the project as shown in the lead agency's ND, MND or EIR.
- (b) When an EIR has been prepared for a project, the District shall not grant a discretionary approval to the project as proposed if the District finds any feasible alternative or feasible mitigation measures within its powers would substantially lessen any significant impact the project would have on the environment. When considering alternatives and mitigation measures, the District, as a responsible agency, is more limited than a lead agency. The District has responsibility for mitigating or avoiding only the environmental effects of those activities which it decides to carry out, finance, or approve, and those over which it has jurisdiction.
- (c) The District shall make the findings required by CEQA Guidelines sections 15096 and 15091 for each significant effect of the project.
- (d) The District shall file a notice of determination in the same manner as a lead agency, as provided in CEQA Guidelines section 15096 subdivision (i), except the District does not need to state that the ND, MND or EIR complies with CEQA. The District shall state it considered the ND, MND or EIR as prepared by the lead agency.

Chapter 3 – Role of District as Lead Agency

Article 1 – Exemptions

1.1 Identifying when the District is the Lead Agency

The District is a lead agency when a project is approved or carried out only by the District or when the District fulfills the criteria for identifying the lead agency provided in CEQA Guidelines section 15050. This Chapter describes the process that the District shall use when acting as a lead agency.

1.2 Review for Exemption

- (a) The General Manager shall first determine whether the activity is exempt from environmental review under the CEQA.
- (b) Possible exemptions from CEQA environmental review may include, but are not limited to:
 - (1) The activity does not fall within the definition of a “project” provided by CEQA section 21065 and CEQA Guidelines section 15378.
 - (2) The project is “ministerial”; that is, the District has no discretion with respect to the activity other than to determine whether facts exist requiring action. (See CEQA Guidelines, § 15268.)
 - (3) The project is an emergency. (See CEQA Guidelines, § 15269.)
 - (4) The project is otherwise statutorily exempt from the provisions of CEQA. (See CEQA Guidelines, §§ 15260-15285 [descriptions of statutory exemptions].)
 - (5) The project is categorically exempt from the provisions of CEQA. (See CEQA Guidelines, §§ 15300-15333 [descriptions of categorical exemptions].)
- (c) The District shall prepare a list of categorically exempt projects frequently handled by the District. This listing shall be used in preliminary review of whether or not the project is exempt from CEQA. (See CEQA Guidelines, § 15022, subd. (a)(1)(C).)
- (d) The District shall prepare a list of projects which are ministerial in nature that are frequently handled by the District. This list shall be used during the preliminary review of the project to determine whether or not the project is exempt from CEQA. (See CEQA Guidelines, § 15022, subd. (a)(1)(B).)

1.3 Ministerial Projects

- (a) The following activities are activities over which the District has only ministerial authority:
 - (1) Issuance of building permits.
 - (2) Issuance of business licenses.
 - (3) Approval of final subdivision maps.

- (4) Approval of individual utility service connections and disconnections.
 - (5) Leasing of District property where the use of the premises is not significantly changed.
 - (6) A project of less than one mile in length within a public street or highway or any other public right-of-way for the installation of a new pipeline or the maintenance, repair, restoration, reconditioning, relocation, replacement, removal or demolition of an existing pipeline or appurtenances.
- (b) Where a project involves an approval containing elements of both a ministerial action and a discretionary action, the project is discretionary and subject to the requirements of CEQA.

1.4 Emergency Projects

- (a) The following projects are emergency projects that are exempt from environmental review under CEQA:
- (1) Projects to maintain, repair, restore, demolish, or replace property or facilities damaged or destroyed as a result of a disaster in a disaster stricken area in which a state of emergency has been proclaimed by the Governor pursuant to the California Emergency Services Act, commencing with Government Code Section 8550.
 - (2) Emergency repairs to public service facilities necessary to maintain service as essential to the public health, safety, or welfare.
 - (3) Specific actions necessary to prevent or mitigate an emergency in the short-term.

1.5 Rates, Tolls, Fares and Charges

- (a) Rate increases to fund capital projects for the expansion of a system are subject to the provisions of CEQA.
- (b) As provided by CEQA Guidelines section 15273, CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by the District which the District finds are for the purpose of:
- (1) Meeting operating expenses, including employee wage rates and fringe benefits;
 - (2) Purchasing or leasing supplies, equipment or materials;

- (3) Meeting financial reserve needs and requirements; or
 - (4) Obtaining funds for capital projects, necessary to maintain service within existing service areas.
- (c) If the District claims this exemption for a project, the District shall incorporate written findings in the record of any proceeding regarding that project setting forth with specificity the basis for the claim of exemption.

1.6 Categorical Exemption

- (a) The classes of projects listed in this section usually do not have a significant effect on the environment. These projects are categorically exempt from compliance with CEQA.
- (1) Class 1: Operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing structures, facilities, mechanical equipment, or topographical features involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. (CEQA Guidelines, § 15301.)
 - (2) Class 2: Replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced. (CEQA Guidelines, § 15302.)
 - (3) Class 3: Construction and location of limited numbers of new, small facilities or structures; installation of small new equipment or facilities in small structures; and conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure. (CEQA Guidelines, § 15303.)
 - (4) Class 4: Minor alterations in the condition of land, water, or vegetation which do not involve the removal of healthy, mature, scenic trees except for forestry and agricultural purposes. (CEQA Guidelines, § 15304.)
 - (5) Class 5: Minor alterations in land use limitations in areas with an average slope of less than 20 percent, not resulting in any changes in land use or density. (CEQA Guidelines, § 15305.)
 - (6) Class 6: Basic data collection, research, experimental management, and resource evaluation activities not resulting in a serious or major disturbance to an environmental resource. These may be strictly for information gathering purposes, or as part of a study leading to an action which the public agency has not yet approved, adopted, or funded. (CEQA Guidelines, § 15306.)

- (7) Class 9: Activities limited entirely to inspection to check for performance of an operation, or quality, health, or safety of a project, including related activities such as inspection for possible mislabeling, misrepresentation, or adulteration of products. (CEQA Guidelines, § 15309.)
- (8) Class 11: Construction or placement of minor structures accessory to (appurtenant to) existing commercial, industrial, or institution facilities. (CEQA Guidelines, § 15311.)
- (9) Class 12: Sales of surplus government property except for parcels of land located in an area of statewide, regional, or area wide concern identified in CEQA Guidelines section 15206(b)(4). However, even if the surplus property to be sold is located in any of those areas, its sale is exempt if:
- a. The property does not have significant values for wildlife habitat or other environmental purposes; and
 - b. Any of the following conditions exist:
 1. The property is of such size, shape, or inaccessibility that it is incapable of independent development or use; or
 2. The property to be sold would qualify for an exemption under any other exception in the CEQA Guidelines; or
 3. The use of the property and adjacent property has not changed since the time of purchase by the District. (CEQA Guidelines, § 15312.)
- (10) Class 13: Acquisition of lands for fish and wildlife conservation purposes including (a) preservation of fish and wildlife habitat, (b) establishing ecological preserves under Fish and Game Code Section 1580, and (c) preserving access to public lands and waters where the purpose of the acquisition is to preserve the land in its natural condition. (CEQA Guidelines, § 15313.)
- (11) Class 15: Division of property in urbanized areas zoned for residential, commercial, or industrial use into four or fewer parcels when: the division is in conformance with the General Plan and zoning; no variances or exceptions are required; all services and access to the proposed parcels to local standards are available; the parcel was not involved in a division of a larger parcel within the previous two years; and the parcel does not have an average slope greater than 20 percent. (CEQA Guidelines, § 15315.)

- (12) Class 16: Acquisition, sale, or other transfer of land in order to establish a park where the land is in a natural condition or contains historical or archaeological resources and either:
1. The management plan for the park has not been prepared, or
 2. The management plan proposes to keep the area in a natural condition or preserve the historic or archaeological resources. CEQA will apply when a management plan is proposed that will change the area from its natural condition or cause substantial adverse change in the significance of the historic or archaeological resource. (CEQA Guidelines, § 15316.)
- (13) Class 19: Annexations to the District of areas containing existing public or private structures developed to the density allowed by the current zoning or pre-zoning of either the annexing or detaching governmental agency, whichever is more restrictive. However, the extension of utility services to the existing facilities must have a capacity to serve only the existing facilities. Annexations of individual small parcels of the minimum size for facilities exempted by CEQA Guidelines section 15303 regarding new construction or conversion of small structures. (CEQA Guidelines, § 15319.)
- (14) Class 20: Changes in the organization or reorganization of local agencies where the changes do not change the geographical area in which previously existing powers are exercised. (CEQA Guidelines, § 15320.)
- (15) Class 23: Normal operations of existing facilities for public gatherings for which the facilities were designed where there is past history of the facility being used for the same or similar kind of purpose. (CEQA Guidelines, § 15323.)
- (16) Class 25: Transfers of ownership of interests in land in order to preserve open space, habitat, or historical resources. (CEQA Guidelines, § 15325.)
- (17) Class 27: Leasing of newly constructed or previously unoccupied privately owned facility by a local or state agency where the governing authority determines that the building was exempt from CEQA. To be exempt under this section, the proposed use of the facility:
1. Shall be in conformance with existing state plans and policies and with general, community, and specific plans for which an ND or EIR has been prepared;
 2. Shall be substantially the same as that originally proposed at the time the building permit was issued;

3. Shall not result in a traffic increase of greater than 10% of front access road capacity; and
4. Shall include the provision of adequate employee and visitor parking facilities.

Examples of Class 27 include, but are not limited to:

1. Leasing of administrative offices in newly constructed office space;
2. Leasing of client service offices in newly constructed retail space; and
3. Leasing of administrative and/or client service offices in newly constructed industrial parks. (CEQA Guidelines, § 15327.)

(18) Class 30: Minor cleanup actions taken to prevent, minimize, stabilize, mitigate, or eliminate the release or threat of release of a hazardous waste or substance which are small or medium removal actions costing \$1 million or less. All actions must be consistent with applicable state and local environmental permitting requirements including, but not limited to, off-site disposal, air quality rules such as those governing volatile organic compounds and water quality standards, and approved by the regulatory body with jurisdiction over the site. This exemption shall not apply where the activity involves or requires the use of an on-site hazardous waste incinerator or thermal treatment unit. (CEQA Guidelines, § 15330.)

(b) Classes 3, 4, 5, 6, and 11 are qualified by consideration of where the project is to be located. A project ordinarily insignificant in its impact on the environment may be significant in a particularly sensitive environment. These classes apply except where the project may impact an environmental resource of hazardous or critical concern where designated, precisely mapped, and officially adopted pursuant to law by federal, state, or local agencies. (CEQA Guidelines, § 15300.2, subd. (a).)

(c) Categorical exemptions are inapplicable when:

- (1) Cumulative impact of successive projects of the same type in the same place, over time is significant;
- (2) There is a reasonable possibility the activity will have a significant effect on the environment due to unusual circumstances;

- (3) The project may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources within a highway officially designated as a state scenic highway;
- (4) When the project is located on a site which is included on any list compiled pursuant to Section 65962.5 of the Government Code; and
- (5) When the project may cause a substantial adverse change in the significance of a historic resource. (CEQA Guidelines, § 15300.2, subds. (b)-(f).)

1.7 Notice of Exemption

- (a) When the General Manager decides a project is exempt from CEQA and the General Manager approves or determines to carry out the project, the General Manager shall file a notice of exemption with the County Clerk.
- (b) The notice shall be filed after approval of the project. Such a notice shall include:
 - (1) A brief description of the project, including the location of the project;
 - (2) A finding that the project is exempt, including a citation to the CEQA Guidelines section under which it is found to be exempt; and
 - (3) A brief statement of reasons to support the finding; and
 - (4) The applicant's name (if any). (CEQA Guidelines, § 15062.)

Article 2 – Nonexempt Projects

2.1 General

This Article describes the procedures for preparing and processing a ND, MND, or EIR when the District is the lead agency.

2.2 Review of Application for Completeness

The General Manager shall determine whether an application for a permit or other entitlement for use is complete within 30 days of receipt of the application. If no written determination of the completeness of the application is made within that period, the application will be deemed complete on the 30th day. (CEQA Guidelines, § 15101.)

2.3 Initial Study

- (a) When a project does not qualify for an exemption, the General Manager shall conduct an initial study to determine if the project may have a significant effect on the environment. If an environmental impact report will clearly be required for the project, an initial study is not required but may still be desirable. (CEQA Guidelines, § 15063, subd. (a).)
- (b) The Initial Study shall include consideration of all phases of project planning, implementation and operation of the project. An environmental assessment or similar analysis prepared pursuant to the National Environmental Policy Act may be used to meet the requirements of an initial study. (CEQA Guidelines, § 15063, subds. (a)(1), (a)(2).)
- (c) The initial study shall contain in brief form:
 - (1) A description of the project including the location of the project.
 - (2) An identification of the environmental setting.
 - (3) An identification of environmental effects by use of a checklist, matrix or other method; providing brief explanations indicating there is some evidence to support the entries. Brief explanation may be either through a narrative or a reference to another information source.
 - (4) A discussion of ways to mitigate the significant effects identified, if any.
 - (5) An examination of whether the project would be consistent with existing zoning, plans, and other applicable land use controls.
 - (6) The name of the person or persons who prepared or participated in the initial study. (CEQA Guidelines, § 15063, subd. (d).)
- (e) The purposes of an initial study are to:
 - (1) Provide the Lead Agency with information to use as the basis for deciding whether to prepare a ND, MND, or EIR;
 - (2) Enable an applicant or Lead Agency to modify a project, mitigating adverse impacts before an EIR is prepared, thereby enabling the project to qualify for a ND or MND;
 - (3) Assist the preparation of an EIR if one is required, by:
 - a. Focusing the EIR on the effects determined to be significant,

- b. Identifying the effects determined not to be significant,
 - c. Explaining the reasons for determining that potentially significant effects would not be significant, and
 - d. Identifying whether a program EIR, tiering, or another appropriate process can be used for analysis of the project's environmental effects.
- (4) Facilitate environmental assessment early in the design of a project;
 - (5) Provide documentation of the factual basis for the finding in a ND that a project will not have a significant effect on the environment;
 - (6) Eliminate unnecessary EIRs; and
 - (7) Determine whether a previously prepared EIR could be used with the project. (CEQA Guidelines, § 15063, subd. (c).)
- (f) If the project is to be carried out by a private person or private organization, the person or organization carrying out the project shall submit data and information to the District to enable the General Manager to prepare the initial study. (CEQA Guidelines, § 15063, subd. (e).)
 - (g) As soon as the General Manager determines an initial study will be required for the project, the General Manager shall consult informally with all responsible agencies and all trustee agencies responsible for resources affected by the project to obtain the recommendations of those agencies as to whether a ND, MND, or EIR should be prepared. (CEQA Guidelines, § 15063, subd. (g).)
 - (h) When the District acts as the lead agency, the District shall determine within 30 days after accepting an application as complete, whether it intends to prepare a ND, MND, or EIR. This period may be extended by an additional 15 days upon the consent of the District and the applicant. (CEQA Guidelines, § 15102.)

2.4 Negative Declaration or Mitigated Negative Declaration

- (a) A ND shall be prepared when the initial study shows there is no substantial evidence that the project may have a significant effect on the environment. (CEQA Guidelines, § 15070, subd. (a).)
- (b) A MND shall be prepared when the initial study identifies potentially significant effects on the environment, but:
 - (1) Revisions in the project plans or proposals made by, or agreed to by the applicant before a proposed MND and initial study are released for public

review would avoid the effects or mitigate the effects to a point where clearly no significant effects would occur, and

- (2) There is no substantial evidence, in light of the whole record before the agency, that the project as revised may have a significant effect on the environment.
- (c) An enforceable mitigation monitoring and reporting program shall be adopted as part of the MND. (CEQA Guidelines, § 15097.)
- (d) The draft ND or MND circulated for public review shall include:
 - (1) A brief description of the project, including a commonly used name for the project, if any;
 - (2) The location of the project and the name of the project proponent;
 - (3) A proposed finding that the project will not have a significant effect on the environment;
 - (4) An attached copy of the initial study documenting reasons to support the finding; and
 - (5) Mitigation measures, if any, included in the project to avoid potentially significant effects. (CEQA Guidelines, § 15071.)
- (e) The District shall provide a public review period of the proposed ND or MND of not less than 20 days. When a proposed ND or MND and initial study are submitted to the State Clearinghouse for review by State agencies, the public review period shall be not less than 30 days, unless a shorter period is approved by the State Clearinghouse. (CEQA Guidelines, § 15073, subd. (a).)
- (f) The District shall mail a notice of intent to adopt a ND or MND to the last known name and address of all organizations and individuals who have previously requested such notice in writing and shall also give notice in one or more of the following ways as determined by the General Manager:
 - (1) Publication at least one time in a newspaper of general circulation in the area affected by the proposed project. If more than one area is affected the notice shall be published in the newspaper of largest circulation from among the newspapers of general circulation in those areas.
 - (2) Posting by the District on and off site in the area where the project is to be located.

- (3) Direct mailing to the owners and occupants of contiguous property shown on the latest equalized assessment roll. (CEQA Guidelines, § 15072, subd. (b).)
- (g) At the time and place stated in the notice of intent to adopt a ND or MND and prior to approving the project, the Board shall consider the ND or MND and comments received during the public review process. The Board may approve the ND or MND if it finds on the basis of the initial study and any comments received there is no substantial evidence the project will have a significant effect on the environment. (CEQA Guidelines, § 15074, subd. (b).)
- (h) With a private project, the ND or MND must be completed and approved within 180 days from the date when the District accepted the application as complete. (CEQA Guidelines, § 15107.)
- (i) The General Manager shall file a notice of determination within 5 working days after the Board decides to carry out or approve a project for which a ND or MND has been approved. (CEQA Guidelines, § 15075, subd. (a).)
- (j) The notice of determination shall include:
- (1) An identification of the project including the project title as identified on the proposed ND or MND, the State Clearinghouse identification number (if any), and its location.
 - (2) A brief description of the project.
 - (3) The agency's name and the applicant's name (if any).
 - (4) The date the Board approved the project.
 - (5) The determination of the Board that the project will not have a significant effect on the environment.
 - (6) A statement that a ND or MND was adopted pursuant to CEQA.
 - (7) The address where a copy of the ND or MND may be examined.
 - (8) A statement indicating whether mitigation measures were made a condition of approval of the project, and whether a mitigation monitoring plan/program was adopted. (CEQA Guidelines, § 15075, subd. (b).)
- (k) The notice of determination shall be filed with the county clerk of the county or counties in which the project will be located within five working days of the project's approval. If the project requires discretionary approval of any State agency, the notice of determination shall also be filed with the Office of

Planning and Research within five working days of the project's approval. (CEQA Guidelines, § 15075, subd. (d).)

2.5 Environmental Impact Report

- (a) If the General Manager determines there is substantial evidence the project may have a significant effect on the environment, the General Manager shall prepare or cause an EIR to be prepared. (CEQA Guidelines, § 15081.)
- (b) Upon determining an EIR is required, the District shall prepare a notice of preparation for distribution to the county clerk, any individuals and organizations who have requested such notice, responsible agencies, trustee agencies, and other applicable State and federal agencies. The District shall also provide a copy of the notice of preparation to the Office of Planning and Research. The identification number issued by the Office of Planning and Research (State Clearinghouse) shall be the identification number used for subsequent environmental documents on the project. (CEQA Guidelines, § 15082, subd. (a).)
- (c) The notice of preparation shall provide responsible and trustee agencies with sufficient information describing the project and the environmental effects to enable the responsible and trustee agencies to make a meaningful response. At a minimum, the notice of preparation shall include:
 - (1) Description of the project;
 - (2) Location of the project indicated on an attached map (preferably a copy of a U.S.G.S. 15-inch or 7½-inch topographical map identified by quadrangle name, or by a street address and cross street in an urbanized area); and
 - (3) Probable environmental effects of the project. (CEQA Guidelines, § 15082, subd. (a)(1).)
- (d) The General Manager shall send the notice of preparation by certified mail or any other method of transmittal which provides it with a record that the notice was received. (CEQA Guidelines, § 15082, subd. (a)(3).)
- (e) Prior to completing the draft EIR, the General Manager may consult with any person or organization concerned with the environmental effects of the project. This early consultation is called scoping. Scoping is mandatory when preparing an EIR/environmental impact statement jointly with a federal agency. (CEQA Guidelines, § 15083.)
- (f) Any person, including an applicant, may submit information or comments to the General Manager to assist in the preparation of the draft EIR. The submittal may be presented in any format, including the form of a draft EIR. The General

Manager must consider information and comments received. The information and comments may be included in the draft EIR in whole or in part. (CEQA Guidelines, § 15084, subd. (c).)

(g) The General Manager may choose one of the following arrangements or a combination of them for preparing a draft EIR.

(1) Preparing the draft EIR directly with District staff.

(2) Contracting with another entity, public or private, to prepare the draft EIR.

(3) Accepting a draft EIR prepared by another entity, either the applicant, a consultant retained by the applicant, or by any other person's independent review and analysis.

(4) Using a previously prepared EIR. (CEQA Guidelines, § 15084, subd. (d).)

(i) The draft EIR sent out for public review must reflect the independent judgment of the General Manager. The General Manager is responsible for the adequacy and objectivity of the draft EIR. (CEQA Guidelines, § 15084, subd. (e).)

(j) Each draft EIR shall contain the following:

(1) Table of contents or index.

(2) Executive summary identifying:

a. Each significant effect with proposed mitigation measures and alternatives that would reduce or avoid that effect;

b. Areas of controversy known to the lead agency including issues raised by agencies and the public; and

c. Issues to be resolved including the choice among alternatives and whether or how to mitigate the significant effects.

(3) Project description.

(4) Description of the environmental setting in the vicinity of the project as it exists at the time the notice of preparation is published, or if no notice of preparation is published, at the time environmental analysis is commenced, from both a local and regional perspective.

(5) Environmental impacts including all phases of the project: planning, acquisition, development and operation. The subjects listed below shall be considered:

- a. Significant environmental effects of the proposed project.
 - b. Significant environmental effects which cannot be avoided if the proposed project is implemented.
 - c. Significant irreversible environmental changes which would be included in the proposed project should it be implemented. This topic only needs to be included in EIRs prepared in connection with the following activities, where an irretrievable commitment of nonrenewable resources is involved:
 - 1. The adoption, amendment, or enactment of a plan, policy, or ordinance of a public agency;
 - 2. The adoption by a Local Agency Formation Commission of a resolution making determinations; or
 - 3. A project which will be the subject of the requirement for preparing an environmental impact statement pursuant to the provisions of the National Environmental Policy Act of 1969.
 - d. Growth-inducing impact of the proposed project.
 - e. The mitigation measures proposed to minimize the significant effects.
 - f. Alternatives to the proposed project.
- (6) Cumulative impacts.
- (7) Organizations and persons consulted.
- (8) Report authors and contributors.
- (9) References. (CEQA Guidelines, §§ 15122-15131.)
- (j) When the draft EIR is completed, a notice of completion must be filed with the State Clearinghouse. The notice of completion shall include:
- (1) A brief description of the project.
 - (2) The proposed location of the project either by street address and cross street, for a project in an urbanized area, or by attaching a specific map, preferably a copy of a U.S.G.S. 15-inch or 7½-inch topographical map identified by quadrangle name.

- (3) An address where copies of the draft EIR is available.
- (4) The review period during which comments will be received on the draft EIR. (CEQA Guidelines, § 15085, subd. (b).)
- (k) When the EIR report will be reviewed through the state review process handled by the State Clearinghouse, the notice of completion cover form required by the State Clearinghouse will serve as the notice of completion. (CEQA Guidelines, § 15085, subd. (d).)
- (l) The District shall provide notice of the availability of a draft EIR at the same time as it sends a notice of completion to the State Clearinghouse. A notice of availability of a draft environmental impact report shall be mailed to the last known name and address of all organizations and individuals who have previously requested such notice in writing, and shall also be given by at least one of the following:
- (1) Publication at least one time in a newspaper of general circulation in the area affected by the proposed project. If more than one area is affected the notice shall be published in the newspaper of largest circulation from among the newspapers of general circulation in those areas.
 - (2) Posting by the District on and off site where the project is to be located.
 - (3) Direct mailing to the owners and occupants of contiguous property shown on the latest equalized assessment roll. (CEQA Guidelines, § 15087, subd. (a).)
- (m) The District shall evaluate comments on environmental issues received from persons who reviewed the draft EIR and shall prepare a written response. The District shall provide a written proposed response to a public agency on comments made by that agency at least 10 days prior to certifying the EIR. (CEQA Guidelines, § 15088, subds. (a), (b).)
- (n) The written response shall describe the disposition of significant environmental issues raised (e.g., revisions in the proposed project to mitigate anticipated impacts or objections). In particular, the major environmental issues when the District's position is at variance with recommendations and objections raised in the comments must be addressed in detail giving reasons why specific comments and suggestions were not accepted. There must be good faith, reasoned analysis in response. Conclusory statements unsupported by factual information will not suffice. (CEQA Guidelines, § 15088, subd. (c).)
- (o) The response to comments may take the form of a revision to the draft EIR or may be a separate section of the final EIR. (CEQA Guidelines, § 15088, subd. (d).)

- (p) The final EIR shall include:
- (1) The draft EIR or a revision of the draft EIR.
 - (2) Comments and recommendations received on the draft EIR either verbatim or in summary.
 - (3) A list of persons, organizations and public agencies commenting on the draft EIR.
 - (4) The responses of the lead agency to significant environmental points raised in the review and consultation process.
 - (5) Any other information added by the lead agency. (CEQA Guidelines, § 15132.)
- (q) If the final EIR contains one or more significant environmental effects, the District must make written findings that indicate how the effects have been dealt with and, if necessary, adopt a statement of overriding considerations in the form of a resolution. A mitigation monitoring and reporting program shall be completed and approved by the Board and shall incorporate the mitigation measures included in the EIR. The purpose of the mitigation monitoring and reporting program is to ensure the actions identified in the EIR are carried out by assigning specific responsibility for their completion to various individuals and organizations. (CEQA Guidelines, § 15091.)
- (r) Prior to approving a project, the District shall certify that:
- (1) The final EIR has been completed in compliance with CEQA.
 - (2) The final EIR was presented to the decision-making body of the District, and that the decision-making body reviewed and considered the information contained in the final EIR prior to approving the project;
 - (3) The final EIR reflects the District's independent judgment and analysis. (CEQA Guidelines, § 15090.)
- (s) The General Manager shall file a notice of determination five working days following each project approval for which an EIR was considered. The notice of determination shall include:
- (1) An identification of the project including the project title as identified on the draft EIR, and the location of the project (either by street address and cross street for a project in an urbanized area or by attaching a specific map, preferably a copy of a U.S.G.S. 15-inch or 7½-inch topographical map

identified by quadrangle name). If the notice of determination is filed with the State Clearinghouse, the State Clearinghouse identification number for the draft EIR shall be provided.

- (2) A brief description of the project.
- (3) The District's name, the applicant's name, if any, and the date on which the District approved the project. If a responsible agency files the notice of determination pursuant to Section 15096(i) of the CEQA Guidelines, the responsible agency's name, the applicant's name, if any, and date of approval shall also be identified.
- (4) The determination of the District whether the project in its approved form will have a significant effect on the environment.
- (5) A statement that an EIR was prepared and certified pursuant to the provisions of CEQA.
- (6) Whether mitigation measures were made a condition of approval of the project, and whether a mitigation monitoring and reporting program was adopted.
- (7) Whether findings were made pursuant to Section 15091 of the CEQA Guidelines.
- (8) Whether a statement of overriding considerations was adopted for the project.
- (9) The address where a copy of the final EIR and the record of the project approval may be examined. (CEQA Guidelines, § 15094.)

Chapter 4 Use of Environmental Documents

Article 1 – General

1.1 General

The District shall not decide to approve or carry out a project for which an EIR was prepared unless either:

- (a) The project as approved will not have a significant effect on the environment,
or
- (b) The District has:

- (1) Eliminated or substantially lessened all significant effects on the environment where feasible as shown in findings made pursuant to Section 15091 of the CEQA Guidelines, and
- (2) Determined that any remaining significant effects on the environment found to be unavoidable pursuant to Section 15091 of the CEQA Guidelines are acceptable due to overriding overriding considerations described in findings made pursuant to CEQA Guidelines section 15093.

1.2 Findings

- (a) The possible findings that must be made for each significant environmental effect of a project that the District has decided to approve or carry out are:
 - (1) Changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR.
 - (2) Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the District. Such changes have been adopted by such other agency or can and should be adopted by such other agency.
 - (3) Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or project alternatives identified in the final EIR. (CEQA Guidelines, § 15091.)

1.3 Statement of Overriding Considerations

- (a) The District shall balance, as applicable, the economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, or a proposed project against its unavoidable environmental risks when determining whether to approve the project. If the specific economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, or a proposed project outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered “acceptable”.
- (b) When the District approves a project which will result in the occurrence of significant effects which are identified in the final EIR but are not avoided or substantially lessened, the District shall state in writing the specific reasons to support its action based on the final EIR and/or other information in the record. The statement of overriding considerations shall be supported by substantial evidence in the record.

- (c) If the District makes a statement of overriding considerations, the statement should be included in the record of the project approval and should be mentioned in the notice of determination. This statement does not substitute for, and shall be in addition to, findings required pursuant to Section 15091 of the CEQA Guidelines. (CEQA Guidelines, § 15093.)

1.4 Mitigation Monitoring or Reporting

In order to ensure that the mitigation measures and project revisions identified in a MND or EIR are implemented, the District shall adopt a program for monitoring or reporting on the revisions it has required in the project and the measures it has imposed to mitigate or avoid significant environmental effects. The District may delegate reporting or monitoring responsibilities to another public agency or to a private entity which accepts the delegation; however, until mitigation measures have been completed, the District remains responsible for ensuring that implementation of the mitigation measures occurs in accordance with the program. (CEQA Guidelines, § 15097.)

1.5 Subsequent EIR's and NDs

When an EIR has been certified or a ND or MND has been adopted for a project, no subsequent EIR shall be prepared for that project unless the District determines, on the basis of substantial evidence in the light of the whole record, one or more of the following:

- (a) Subsequent changes are proposed in the project which will require major revisions of the previous EIR, ND, or MND due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
- (b) Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR, ND, or MND due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
or
- (c) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the ND or MND was adopted, shows any of the following:
 - (1) The project will have one or more significant effects not discussed in the previous EIR, ND, or MND;
 - (2) Significant effects previously examined will be substantially more severe than shown in the previous EIR;

- (3) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
 - (4) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.
- (d) If changes to a project or its circumstances occur or new information becomes available after adoption of a ND or MND, the District shall prepare a subsequent EIR if required by subdivision (c) above. Otherwise the District shall determine whether to prepare a subsequent ND, MND, an addendum, or no further documentation.
- (e) Once a project has been approved, the District's role in project approval is completed, unless further discretionary approval on that project is required. Information appearing after an approval does not require reopening of that approval. If after the project is approved, any of the conditions described in subdivision (c) occurs, a subsequent EIR, ND, or MND shall only be prepared by the public agency which grants the next discretionary approval for the project, if any. In this situation, no other responsible agency shall grant an approval for the project until the subsequent EIR has been certified or the subsequent ND or MND has been adopted.
- (f) A subsequent EIR, ND, or MND shall be given the same notice and public review as required under Section 15087 or Section 15072 of the CEQA Guidelines. A subsequent EIR, ND, or MND shall state where the previous document is available and can be reviewed. (CEQA Guidelines, § 15162.)

1.6 Supplement to an Environmental Impact Report

- (a) The District or responsible agency may choose to prepare a supplement to an EIR rather than a subsequent EIR if:
- (1) Any of the conditions described in Section 15162 of the CEQA Guidelines would require the preparation of a subsequent EIR, and
 - (2) Only minor additions or changes would be necessary to make the previous EIR apply to the project in the changed situation.
- (b) The supplement to the EIR need only contain the information necessary to make the previous EIR adequate for project as revised.

- (c) A supplement to an EIR shall be given the same kind of notice and public review as is given to a draft EIR under Section 15087 of the CEQA Guidelines.
- (d) A supplement to an EIR may be circulated by itself without recirculating the previous draft or final EIR.
- (e) When the District decides whether to approve the project, the Board shall consider the previous EIR as revised by the supplemental EIR. A finding pursuant to Section 15091 of the CEQA Guidelines shall be made for each significant effect shown in the previous EIR as revised. (CEQA Guidelines, § 15163.)

1.6 Addendum to an EIR, ND, or MND

- (a) The District or responsible agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in Section 15162 of the CEQA Guidelines have occurred.
- (b) An addendum to an adopted ND or MND may be prepared if only minor technical changes or additions are necessary or none of the conditions described in Section 15162 of the CEQA Guidelines calling for the preparation of a subsequent EIR, ND, or MND have occurred.
- (c) An addendum need not be circulated for public review but can be included in or attached to the final EIR or adopted ND or MND.
- (d) The District shall consider the addendum with the final EIR or adopted ND or MND prior to making a decision on the project.
- (e) A brief explanation of the decision not to prepare a subsequent EIR pursuant to Section 15162 of the CEQA Guidelines should be included in the addendum to an EIR, the District's findings on the project, or elsewhere in the record. The explanation must be supported by substantial evidence. (CEQA Guidelines, § 15164.)

Part 7 RECORDS MANAGEMENT

Chapter 1 Records Management

Article 1 – General

1.1 Purpose and Scope

This Article provides criteria and procedures for the inspection and production of public records.

1.2 Definitions

As used in this Article:

"Public Records" includes any writing containing information relating to the conduct of the District's business prepared, owned, used, or retained by the District regardless of physical form or characteristics.

- (a) "Public Records" includes any writing containing information relating to the conduct of the District's business prepared, owned, used, or retained by the District regardless of physical form or characteristics.
- (b) "Writing" means any handwriting, typewriting, printing, photographing, transmitted by electronic mail, facsimile, or through the District's Technology Resources and every other means of recording upon any tangible thing any form of communication or representation, including letters, words, pictures, sounds, or symbols, or combinations thereof, and any record thereby created, regardless of the manner in which the record has been stored.
- (c) "Confidential Information" means any personnel records and employee contact information, medical records, trade secret or other proprietary information, information discussed at Closed Session meetings of the Board, and all records that are exempt from disclosure pursuant to the Public Records Act, including drafts of reports and documents protected pursuant to the deliberative process privilege. This definition shall be in accordance with the Administration Code under Part 3, Chapter 6, Article 8, Section 8.1 Confidential Information.
- (d) "Records" means all papers, maps, exhibits, electronic, audio/video recordings, imaging media, prints, and other documents produced, received, owned or used by the District agency, regardless of physical form or characteristics.

Article 2 – Organization and Board Officers

2.1 General

Public Records are open to inspection at all times during office hours of the District and every person has a right to inspect public records, except as herein provided or as limited under applicable state or federal law.

2.2 Exceptions

Nothing in this Article shall be construed to require disclosure of records that are:

- (a) Preliminary drafts, notes, or interagency or intra-agency memoranda that are not retained by the District in the ordinary course of business, if the public interest in withholding such records clearly outweighs the public interest in disclosure;
- (b) Records pertaining to pending litigation to which the District is a party, or to claims made pursuant to Division 3.6 (commencing with Section 810), until such pending litigation or claim has been finally adjudicated or otherwise settled;
- (c) Personnel, medical, or similar files, the disclosure of which would constitute an unwarranted invasion of personal privacy;
- (d) Geological and geophysical data, plant production data, and similar information relating to utility systems development that are obtained in confidence from any person;
- (e) Test questions, scoring keys, and other examination data used to administer examinations for employment;
- (f) The contents of real estate appraisals, engineering or feasibility estimates and evaluations made for or by the District relative to the acquisition of property, or to prospective public supply and construction contracts, until all of the property has been acquired or all of the contract agreement obtained. However, the law of eminent domain shall not be affected by this provision;
- (g) Pre-decisional communications protected by the deliberative process privilege;
- (h) Attorney-client privileged communications;
- (i) Attorney work product;

- (j) Records, the disclosure of which is exempted or prohibited pursuant to federal or state law, including, but not limited to, provisions of the Evidence Code relating to privilege; and
- (k) The disclosure of other records which is not required by law and are considered "confidential information" as defined in this policy and in accordance with the Administration Code under Part 3, Chapter 6, Article 8, Section 8.1 Confidential Information.
- (l) Where it is determined pursuant to Government Code Section 6255 that the public interest in withholding a certain record from disclosure outweighs the public interest in disclosing the record.

2.3 Additional Exceptions

Notwithstanding the foregoing:

- (a) Computer software developed by the District is not itself a public record under Government Code 6254.9. The District may sell, lease, or license the software for commercial or noncommercial use.
- (b) "Computer Software" includes computer mapping systems (GIS), computer programs, and computer graphics systems.
- (c) This section shall not be construed to create an implied warranty on the part of the District for errors, omissions, or other defects in any computer software as provided pursuant to this section.
- (d) Nothing in this section is intended to affect the public record status of information merely because it is stored in a computer. Public records stored in a computer shall be disclosed as required by this chapter.
- (e) Nothing in this section is intended to limit any copyright protections.

2.4 Additional Public Records

Notwithstanding the foregoing:

- (a) Every employment contract between the District and any public officer or public employee is a public record.
- (b) An itemized statement of the total expenditures and disbursements provided in Article VI of the California Constitution shall be open for inspection.

2.5 Justification for Withholding of Records

The District shall justify withholding any records by demonstrating that the record is exempt under an express provision of this Article or on the facts of the particular case the public interest served by not disclosing the record clearly outweighs the public interest served by disclosure of the record.

A response to a written request for inspection or copies of public records that includes a determination that the request is denied, in whole or in part, shall be in writing.

2.6 Copies of Records

- (a) Except with respect to public records exempt from disclosure by express provisions of law, the District, upon a request for a copy of records that reasonably describes an identifiable record or records, shall make the records available with minimal delay to any person upon payment of fees covering direct costs of duplication, or a statutory fee if applicable. An exact copy shall be provided unless impracticable to do so. No payment shall be required merely for the inspection of documents where copies are not sought.
- (b) The charge for copies of any specifically described and identified public records not exempt from disclosure is \$.23 per page for copied documents, except there will be no charge for less than ten (10) pages. Paper copies generated from computer database programs, are \$.23 per page. Copied hearing CDs or audio tapes are One Dollar (\$1.00) each.
- (c) Records stored by the District in electronic format, that are not exempt from disclosure, will be provided in the same electronic format when requested by any person, if such format is a format in which the District keeps such records or transmits them to other agencies. The District, in its discretion, may agree to produce requested electronic records that require data compilation, extraction, or programming. When direct costs are incurred by the District in providing such electronic data that requires data compilation, extraction, or programming, the direct costs shall be paid by the requestor. The District may require the requestor to submit a deposit prior to incurring such data compilation, extraction, or programming costs. The District is not required to produce records in an electronic format when the requested records are not available in electronic format at the time of the request.

2.7 Public Counter Files

- (a) The General Manager shall maintain a duplicate copy of approved minutes, the agenda for the next scheduled Board meeting and written material distributed to members of the Board for discussion or consideration at the next scheduled Board meeting, at the public counter located in the District's offices. Any writing exempt from public exposure pursuant to the Public Record Act shall not be maintained at the public counter. Writings which are

discussed during a public meeting but not previously available shall be made available prior to the commencement of discussion at such meeting and shall be made available for inspection as soon thereafter as practicable.

- (b) No charge will be imposed for the use of the records described in this section, unless a copy thereof is requested in which case the above copy charges set forth shall be paid.
- (c) The Secretary shall maintain a record of requests for inspection declined for reasons set forth in this Article.

2.8 Website Access

The District shall maintain electronic files of agendas, approved minutes, and the agenda for the next scheduled Board meeting and written material distributed to members of the Board for discussion or consideration at the next scheduled Board meeting, on the District's website. Any writing exempt from public exposure pursuant to the Public Records Act shall not be maintained on the website. Writings which are discussed during a public meeting but not previously available shall be made available prior to the commencement of discussion at such meeting and shall be made available for inspection as soon thereafter as practicable.

2.9 Inspection by Directors

All records of the District, including records excluded from public inspection by virtue of this Article, are available for inspection by Directors at all reasonable times and in accordance with the Administrative Code under Part 2, Chapter 1, Article 3, Section 3.5 Directors' Requests for Staff Assistance.

Article 3 - Retention of Records

3.1 Purpose

This Article provides criteria for the establishment of policy and procedures for the management, retention or destruction of records. The District's primary concern is the efficient, effective, and economical management of information. The guiding principle of the District's records management is to ensure that information is available when and where it is needed, in an organized and efficient manner.

3.2 Disclaimer

Neither this document, nor the record descriptions, nor the District's retention periods shall constitute acknowledgment of the existence or non-existence of any record. Neither this document, nor the record descriptions, nor the retention periods shall constitute the public's right to view, inspect, copy, or otherwise access the records listed herein. Rather, such access is governed by the California Public Records Act and other pertinent statutes and regulations governing public access to governmental records.

3.3 Policy

The District shall conform to applicable Government Code Sections (60200 through 60203) with regard to the record retention and document management of Districts records. District staff will effectively manage District records through a comprehensive and functional records management program. This policy will apply to hard copy, duplicate copies as well as electronic files, including email, records generated by the District's Technology Resources, and other records as defined by California law.

3.4 Retention of Original Records

The following original records shall be maintained permanently in the District's files:

- (a) The Certificate of Incorporation of the District;
- (b) Certifications of annexation proceedings;
- (c) Certificates of the Secretary of State reciting the filing of annexation papers;
- (d) Certifications by the Secretary of State that detachment papers have been received;
- (e) Resolutions and Ordinances;
- (f) Minutes of meetings of the Board of Directors;
- (g) Certificate of Assessed Valuation prepared by the Auditor;
- (h) Documents received from Tax Assessors detailing District taxes collected;
- (i) Ballot arguments pro or contra on bond issues;
- (j) Results of bond propositions received from the canvassing bodies;
- (k) Results of elections for the office of Board member of the Board of Directors received from the canvassing body;
- (l) Nomination & Ballot Results for the Election of Appointed Water Purveyors;
- (m) Records of securities acquired with surplus District moneys;
- (n) Receipts for securities from banks;
- (o) Documents received relating to claims brought against the District;
- (p) Documents received pursuant to eminent domain proceedings brought by the District;

Revised November 28, 2022

- (q) Records determined by the Board of Directors to be of significant and lasting historical, administrative, legal, fiscal or research value; and
- (r) Records required by law to be filed and preserved.

3.5 Retention of Closed Session Records

Minutes from closed sessions of the Board of Directors shall be retained permanently by the District's General Counsel. Minutes prepared in accordance with Administrative Code, Part 2, Chapter 1, Article 4, Section 4.6 by the District's General Counsel shall be filed and retained in the Office of the General Counsel. Should there be a change in the District's General Counsel representation at any time, the outgoing General Counsel shall turn over all closed session minutes as described herein to the new General Counsel. The transition of these records to the new General Counsel shall be overseen by the General Manager.

3.6 Retention of Duplicate Original Records

The following duplicate original records, or electronic copy of such original record shall be maintained permanently in the District's files:

- (a) Financial records summarizing the financial status of the District. This does not include reports prepared pursuant to Article 9 (commencing with Section 53891) of Part 1 of Division 2 of the Government Code summarizing the financial transactions for each fiscal year which are submitted to the State Controller's Office;
- (b) Records affecting title to land or liens;
- (c) Oaths of Office and related materials depicting the authenticity of the appointment of a Director or officer of the District;

3.7 Storage of Records

All of the records referenced in this section will be maintained at the District's Administrative office located at 6801 East Washington Boulevard, Commerce, CA 90040 and/or such other repository (i.e. Laserfiche) that the District may designate from time to time. Documents deemed permanent on the retention schedule must be electronically stored and kept securely stored on site or per Part 7, Chapter 1, Article 3, Section 3.4, and Records Retention of Original Records.

Hard copy Documents that are not deemed permanent on the retention schedule and have been electronically stored may be disposed of upon assurance or quality control has been performed to ensure the number of pages and images have been adequately captured.

With the exception of those hard copy documents deemed permanent or per Part 7, Chapter 1, Article 3, Section 3.4, and Records Retention of Original Records, all documents electronically stored on the Districts Electronic Document Management System will be considered the District's "official document" or "official record."

If records are no longer of use in the business context and there are no statutory regulatory or investigative reasons to retain them, then it is in the District's best interest to dispose of them.

The District may dispose of the following records at any time, without maintenance of a copy: Rough drafts, notes and working papers prepared or kept by any employee or accumulated in the preparation of a communication, study or other document, unless of a formal nature contributing significantly to the preparation of the document, Shorthand notes, telephone messages and inter-departmental notes.

3.8 Retention of Other Records

All other records not listed in Part 7, Chapter 1, Article 3, Section 3.4 Retention of Original Records, and Part 7, Chapter 1, Article 3, Section 3.5 Retention of Duplicate Original Records, that are shown on the Records Retention Schedule shall be retained for the period shown on the Records Retention Schedule. Such records may be destroyed as noted in Part 7, Chapter 1, Article 3, Section 3.7, Records Review and Destruction.

3.9 Records Review and Destruction

- (a) A records retention schedule describing various District records and stating when the original or duplicate of such records may be destroyed is attached hereto and hereby incorporated by reference.
- (b) The General Manager shall retain or destroy District records at the times set forth in the records retention schedule and in accordance with the policies established by the Board of Directors and procedures set forth in this section.
- (c) At least 30 days prior to the proposed destruction date and at least annually, the Records Management Assistant shall provide a list of eligible records to be destroyed to the Department Heads for review and approval. The General Manager and General Counsel shall examine the list to determine whether the records proposed for destruction are in accordance with the records retention schedule.
- (d) Upon review and written approval by the General Manager and General Counsel, the list of eligible records to be destroyed shall be presented to the Board of Directors for approval by resolution.
- (e) Official records shall not be destroyed if any legal action, audit or government investigation involving those records is identified or ongoing.

- (f) Destruction of paper records shall be by shredding and destruction of electronic records shall be by deleting from the system.(i.e. Electronic Document Management System and Drives)
- (g) At least biennially, the records retention schedule shall be reviewed by the Records Management Assistant and General Manager. Updates and/or changes shall be presented to the Board of Directors for approval.

Article 4 - Controlled Systems & Practical Application with Current Technology

4.1 Purpose

A controlled system must include an avenue for maintaining at least two separate copies of an electronic resource. A combination of proper hardware and storage techniques are necessary to prevent any unauthorized additions, modifications, or deletions to a document. Controlled systems require auditing tools and access control policies to ensure the security, availability and integrity of the data. This includes ensuring the servers storing the data are secure and follow standard security protocols, in addition, but not limited to ensuring network, firewall, disk, and virus security exists on the server.

4.2 Policy

To ensure that all electronic versions of official documents or records, including documents or records converted from hard copy or electronically originated documents, are stored and managed in a controlled system. The Director of Information Technology and General Manager, in consultation with Legal Counsel, have determined that documents scanned and electronically stored, in a controlled system that does not permit any unauthorized alterations or deletions, are twice duplicated onto electronic media. The District uses a combination of physical disk media, tape media, usb media, and storage media to ensure that data is copied and backed up in multiple areas.

Said hard copies may be destroyed, with the exception of identified records in Part 7, Chapter 1, Article 3, Section 3.4, Retention of Original Records. The stored record(s), in either system such as Laserfiche or shared drive or hard copy, will be defined as the “official documents” or “official record” applicable to statutes in business practices of the District which is responsible for retaining said documents or records.

RECORD RETENTION SCHEDULE

Department 10: Administration and Board Services

Administration					
No.	Record Type	Retention Periods (Year)			Citations/Remarks
		V/H/R	District Retention	Electronic	
1.	Administrative Code/Policy Revisions	V/H	P		GC Sec. 60201;GC34090
2.	Agency Correspondence Files <ul style="list-style-type: none"> • Cities • Water Districts • County, State, Federal • Public Facilities Corp. • Associations (ACWA, AWWA, CSDA, CCCA, ICA, etc.) • Other (Internal Memos/Notices) 		CY + 2 years		Legal Requirement is CY+2. GC Sec. 60200-60203 GC Sec. 34090 Best Practices 2 years Excludes MWD Files
3.	Annexation Files	V/H	P		GC Sec. 60200-60203
4.	Corporate Records <ul style="list-style-type: none"> • District Formation Records • Incorporation Files • Historical Information • Bylaws 	V/H	P	Electronic	Keep permanently. GC Sec. 60201
5.	Central and West Basin Judgments <ul style="list-style-type: none"> • Volumes 1-21 and other associated files 		P	Electronic	Keep hard copies.

P = Permanent

DE = Date of Election

ET= End of Term

AR = Annual Review

CY = Current Year

V = Vital

D = Destroy

R = Restricted

H = Historical

AU = Audit

Revised November 27, 2017

RECORD RETENTION SCHEDULE

6.	District Boundaries <ul style="list-style-type: none"> • Correspondence • Legal Descriptions • Maps • Reports • Redistricting Records 	V/H	P		GC Sec. 60201
7.	Legal Opinions	R	P		GC Sec. 60201
8.	Litigation Files <ul style="list-style-type: none"> • Lawsuits • Affidavits • Court records • Depositions • Briefs & Exhibits • Claims 	R	Settlement or other Disposition CY + 4 years		Exception: eminent domain and real property actions affecting title or an interest in real property - keep permanently. GC Sec. 60201, CCP Sec. 337
9.	Metropolitan Water Districts Files <ul style="list-style-type: none"> • Records providing MWD documentation on functions, activities and programs • Correspondence 		2 years		GC Sec. 60201
10.	Property Records <ul style="list-style-type: none"> • Documents of Title • Grant Deeds • Eminent Domain • Acquisition Records • Title Transfers • Liens 	V/H	P		Keep permanently – or until no longer owned by the district

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Revised November 27, 2017

RECORD RETENTION SCHEDULE

11.	Records related to topics and issues important to the business unit/Subject Files <ul style="list-style-type: none"> • Memorandums • Reports • Research materials • Misc. data & information 		2 years		Review and purge non-essential materials every two years. GC Sec. 60201 Excludes formal project records
12.	Retention of Records <ul style="list-style-type: none"> • Retention Schedule • Management Files - Records related to the management of District records, includes <ul style="list-style-type: none"> ○ All procedures ○ Guidelines ○ Records of Board Approved Document Destruction (Certification of Destruction of Records either by the District or an approved Vendor) 	H	P	Electronic	GC Sec. 60201-60203 Destroy hard copies if in electronic format.
Office of the Board of Directors/Board Secretary					
13.	Board Correspondence <ul style="list-style-type: none"> • All incoming and outgoing 		2 years		GC Sec. 60201 GC Sec. 34090
14.	Board of Director Meetings <ul style="list-style-type: none"> • Agendas • Affidavit of Posting Notice • Adjourned Meeting Notices • Board Packets 	V/H	P	Electronic	GC Sec. 60200-60203, 34090 If Agenda/Board Packets are not in electronic format, scan and keep electronic copy permanently.

P = Permanent

DE = Date of Election

ET= End of Term

AR = Annual Review

CY = Current Year

V = Vital

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AU = Audit

Revised November 27, 2017

RECORD RETENTION SCHEDULE

	<ul style="list-style-type: none"> • Closed Session Minutes & Audio • Minutes • Ordinances • Resolutions 				Scan Minutes, Ordinances, and Resolutions for preservation, keep originals permanently.
15.	Board Meeting Recordings <ul style="list-style-type: none"> • Audio • Video Recordings (this is new as of July 2013) 		2 Years	Audio Digital as of 3/2008 to present Cassette Tapes from 1990's thru 2/2008	GC 54953.5 (b), California Attorney General Opinion No. 80-1006
16.	Directors' AB 1234 Ethics Certificates	H	5 years		The District shall maintain these records for five (5) years from the date certificate expires. GC Sec. 53235.2
17.	Directors' Files/General <ul style="list-style-type: none"> • Including letter of appointment • Biographies • Itineraries • Conference/Travel Files 		2 years		Review for historical information before purging GC Sec. 60201
18.	Directors' Oath of Office Statements		ET +6 years		GC 34090;29 U.S.C. 1113

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AU = Audit

Revised November 27, 2017

RECORD RETENTION SCHEDULE

19.	<p>Election Files</p> <ul style="list-style-type: none"> • County Registrar/Recorder Correspondence • Roster of Office Holders • Notifications & Publications • Certificate of Election • Election Results 	H	2 years		<p>Includes sample ballots, correspondence and reports</p> <p>GC Sec. 34090</p>
20.	<p>Election For Appointed Water Purveyors</p> <ul style="list-style-type: none"> • Nomination Forms • Ballot Forms • Ballot Result Forms • Mailing List • Nominated Candidates Biographies • Appointed Director Purveyors Guidelines & Election Schedule • General Correspondence 	<ul style="list-style-type: none"> • 4 years - Nomination/ Ballot Forms and Results • 2 years - Mailing lists • DE +7 - Years apply to all Candidate Ctatements • P - election-related statements 			<p>GC Sec. 81009, EC Sec. 17100, EC Sec. 17302, EC Sec. 17306, GC Sec. 34090</p> <p>(Note: For those election materials that may be destroyed after a specific number of months or years, the retention period should start from the date of the election.)</p>

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RECORD RETENTION SCHEDULE

21.	<p>Financing Corporation (Central Basin)</p> <ul style="list-style-type: none"> • Incorporation Papers • Minutes • Ordinances • Resolutions • Agendas 	H	P	Electronic	<p>GC Sec. 60200-60203, 34090</p> <p>If Agendas are not in electronic format, scan and keep electronic copy permanently. Hard copy ok to Destroy.</p> <p>Scan Incorporation Papers, Minutes, Ordinances, and Resolutions for preservation, keep originals permanently.</p>
22.	<p>Joint Financing Authority (Central Basin and West Basin) -</p> <ul style="list-style-type: none"> • Incorporation Papers • Minutes • Ordinances • Resolutions • Agendas <p>Note: This is no longer Active.</p>	H	P	Electronic	<p>GC Sec. 60200-60203, 34090</p> <p>If Agendas/Board Packets are not in electronic format, scan and keep electronic copy permanently. Hardcopy ok to Destroy.</p> <p>Scan Incorporation Papers, Minutes, Ordinances, and Resolutions for preservation, keep originals permanently.</p>
23.	<p>Public Facilities Corporation</p> <ul style="list-style-type: none"> • Incorporation Papers • Agendas • Minutes • Ordinances • Resolutions <p>Note: This is no longer Active</p>	H	P	Electronic	<p>GC Sec. 60200-60203, 34090</p> <p>If Agendas/Board Packets are not in electronic format, scan and keep electronic copy permanently. Hard copy ok to Destroy.</p> <p>Scan Incorporation Papers, Minutes, Ordinances, and Resolutions for preservation, keep originals permanently.</p>

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DE = Date of Election

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RECORD RETENTION SCHEDULE

24.	Public Hearings <ul style="list-style-type: none"> • Proof of Publications • Notices • Correspondence 		P 2 years		GC Sec. 60201 Scan Proof of Publications for preservation. GC Sec. 34090
25.	Public Records Requests <ul style="list-style-type: none"> • Incoming • Outgoing 		2 years	Electronic	Cal. Records Retention Guidelines GC Sec. 34090 (2 years after completion, any request that is still pending cannot be disposed of.) (GC 60201(d) (5).)
26.	Standing Committee <ul style="list-style-type: none"> • Agendas/ Packets • Minutes 		P	Electronic	GC Sec. 34090
27.	Weekly Reports		2 years	Electronic	Keep for two years then destroy. GC Sec. 34090

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Revised November 27, 2017

RECORD RETENTION SCHEDULE

Department 20: Finance

FINANCE					
No.	Record Type	Retention Periods (Year)			Citations/Remarks
		V/H/R	District Retention	Electronic	
1.	Accounts Payable Files <ul style="list-style-type: none"> • Invoices • Check Copies • Supporting Documents • Purchase Orders • Check Register 		AU + 4		GC Sec. 34090; 26 CFR 1.6001-1
2.	Accounts Receivable <ul style="list-style-type: none"> • Check Log • Bank Deposit Slips • AR Reports • Demand List • Expense Reports Directors Staff 		AU + 4		GC Sec. 60201 GC Sec. 34090
3.	Audit Documents <ul style="list-style-type: none"> • Comprehensive Annual Financial Report (CAFR) 		P	Electronic	GC Sec. 34090

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Revised November 27, 2017

RECORD RETENTION SCHEDULE

4.	Banking <ul style="list-style-type: none"> • Bank Statements (reconciliations) • Canceled Checks • LAIF Statements • Securities • Sweep Accounts 		5 years		GC Sec. 34090, State Controller's Guidelines.
5.	Bond Files <ul style="list-style-type: none"> • Agreements • Bond Propositions • Certificates • Correspondence • Guaranteed Investment Contracts • Interest Statements • Statements • Withdrawal Requisitions 		10 years, unless record is subject of legal challenge within statutory 10-year statute of limitations.		GC Sec. 34090; CCP Sec. 337.5 Records related to claims brought against the District are retained permanently
6.	Budgets – District	H	P	Electronic 2010 to Present	GC Sec. 60201, GC Sec. 34090
7.	Budget Transfers		5 years = Audit + 4 years		GC Sec. 34090
8.	Financial Statements – including: <ul style="list-style-type: none"> • General ledger • Profit & loss statement • Treasurer report • Trial balance • Work papers 		7 years		GC Sec. 60201

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AU = Audit

Revised November 27, 2017

RECORD RETENTION SCHEDULE

9.	Investments <ul style="list-style-type: none"> • Cash Investment Tickets • Investment Files & Records • Investment Reports • Investment Transactions 		P		GC Sec. 60201; 26 CFR 1.6001-1
10.	Journals, Ledgers, Statements <ul style="list-style-type: none"> • Bond Statements • Financial Statements • General Ledger • Journal Entries 		P	Hard copy thru 6/30/12 Electronic (FMS) 07/01/12	GC Sec. 60201, GC Sec. 34090
11.	Payroll Records <ul style="list-style-type: none"> • Deferred compensation • Financial Statements • Leave accrual report • Payroll advice register • Payroll check register • Timesheets • Payroll Taxes – Federal and State <ul style="list-style-type: none"> • 1099s • W-4s • W-2s 		Audit + 7 years		GC Sec. 60201; GC Sec. 34090; 29 CFR 516.2 Registers must be permanently kept.
12.	Public Employment Retirement System <ul style="list-style-type: none"> • Summary Report of Member & Employee Contributions 	VR	P		GC Sec. 34090
13.	Public Employment Retirement System		2 years		GC Sec. 60200-60203

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ET= End of Term

AR = Annual Review

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AU = Audit

Revised November 27, 2017

RECORD RETENTION SCHEDULE

	<ul style="list-style-type: none"> Correspondence 				
14.	Rate Analyses - supporting documents to official changes in rates		Cy + 2years		GC Sec. 34090
15.	Standby Charge Assessment Documentation <ul style="list-style-type: none"> Assessment Reports Methodology Reports and Studies	V	P		
16.	Water Billing <ul style="list-style-type: none"> MWD/Customer Reads Recycled Water Sales Reports Summaries/Invoices Capacity Charge Documents Local Resources Program (LRP) 		P		
Contracts/Grants					
		Retention Periods (Year)			
No.	Record Type	V/H/R	District Retention	Electronic	Citations/Remarks
17.	<u>RFP/Proposals</u> <ul style="list-style-type: none"> Request for Proposal (RFP) Request for Quotes (RFQ) Request for Bids (RFB) – construction State of Qualifications Addendums Request for Clarification Proposals Received (successful/unsuccessful) 		P		CCP Sec. 337.2,343; B & P Sec. 7042.5

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D = Destroy

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Revised November 27, 2017

RECORD RETENTION SCHEDULE

18.	<u>Contracts & Agreements</u> <ul style="list-style-type: none"> • Equipment • Supplies • Professional Service Agreements • Service Agreements • Service Purchase Order • Memorandum of Understanding • MWD Connection Agreements • Amendments • Insurances 		P		CCP Sec. 337.2,343; B & P Sec. 7042.5
19.	<u>CIP/Construction Contracts</u> <ul style="list-style-type: none"> • Construction Agreements • Addenda/Amendments • Change Orders • Insurance/Bid Bond forms 		P		GC Sec. 37090a; 4004; H&S Sec. 19850
20.	<u>Grant Awarded Contracts (Projects that have Grant Funding)</u> <ul style="list-style-type: none"> • Federal • State • County • Local 		P		2 C.F.R. § 200.333; see also 24 C.F.R. § 85.42, 24 C.F.R. § 570.502(a) (16). GC Sec. 34090
21.	<u>Lease/License/Easements/Permits</u>		P		GC Sec. 60201,60203

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V = Vital

D = Destroy

R = Restricted

H = Historical

AU = Audit

Revised November 27, 2017

RECORD RETENTION SCHEDULE

Department 30: Human Resources and Risk Management

Human Resources					
No.	Record Type	Retention Periods			Citations/Remarks
		V/H/R	District Retention	Electronic	
1.	Actuarial Studies	H	10 years	Electronic	Department Preference (10 years is used to establish rates) meets all auditing requirements; GC Sec. 60201 et seq.
2.	Departmental Internal Audits Examples may include: <ul style="list-style-type: none"> • Payroll • Personnel Reports to State and Federal Agencies • Service year records 	V	P		GC 60201
3.	Benefit Plan Administration Examples may include: <ul style="list-style-type: none"> • Benefit summaries • Benefit pricing/cost • Benefit policy coverage options • OPEB Actuarial Valuations • Discrimination testing • Plan documents DO NOT INCLUDE: <ul style="list-style-type: none"> i Employee (EE) enrollment forms ii EE medical Information iii <i>Also See EE Personnel Records (Active and Termed)</i> 	H	Active + 6 years		Destroy after 6 years in archives. 29 U.S.C. § 1027 GC Sec. 60200 – 60203 GC Sec. 12946 29 CFR 1602.31 & 1627.3(b)(ii),

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RECORD RETENTION SCHEDULE

4.	<p>COBRA Files</p> <ul style="list-style-type: none"> • Correspondence • Work Papers • Election • Continuation Coverage Forms 	R	Expiration + 6 years		GC Sec. 60201
5.	<p>Conflict of Interest Files</p> <ul style="list-style-type: none"> • Statements of Economic Interest 	V	7 years		<p>GC Sec. 81009 retention 7 years GC 81009 (E & G)</p> <p>Files can be scanned</p>
6.	<p>Employee EDD Records</p> <p>Examples may include:</p> <ul style="list-style-type: none"> • Unemployment Benefits Administration • Forms • Employer Account Statements 	R	7 years		GC Sec. 60201 22 CCR §1085-2 (c)
7.	<p>Employee EE Confidential Records (Active and Termed)</p> <p>Examples may include:</p> <ul style="list-style-type: none"> • EE reference checks • EE group health plan enrollment forms • Background checks • Employment verification requests 	R	Active + 6 years		<p>GC Sec. 60200 – 60203 GC Sec. 12946 & 60201;29, 29 CFR 1602.31 & 1627.3(b)(ii), 29 U.S.C. § 1027</p>

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ET= End of Term

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Revised November 27, 2017

RECORD RETENTION SCHEDULE

8.	<p>Employee Health & Medical Records (Personal Health Information)</p> <p>Examples may include:</p> <ul style="list-style-type: none"> • Medical certificates/physicals <ul style="list-style-type: none"> ○ Includes pre-employment physicals • FMLA if EE has disclosed nature of illness • Return to Work releases • Medical Information related to reasonable accommodation 	R	Active + 30 years		<p>Scan and destroy hard copies after 5 years. Retain scan for 25 years – total retention: 30 years. 29 CFR 1910.20; 8 CCR 3204. 29 CFR 1602.31 & 1602.31 & 1627.3(b)(ii),</p>
9.	<p>Employee Personnel Records (Active and Termed)</p> <p>Examples may include:</p> <ul style="list-style-type: none"> • Applications • Resume • Job Descriptions • Offer Letter • Personnel Action Notices (PAN) • Leaves Requests • Education Records/Certificates/Training • Performance Evaluations • Terminations • Acknowledgments of Receipt – Administrative Code/ • Employee Handbook • Payroll Withholdings/Garnishments 	R	Active + 6 years		<p>GC 12946 & 60201;29, 29 CFR 1602.31 & 1602.31 & 1627.3(b)(ii),</p> <p>Note: For Payroll follow Finance Retention (7 years = Audit + 6 years)</p>

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R = Restricted

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Revised November 27, 2017

RECORD RETENTION SCHEDULE

10.	Grievances, Discipline & Investigations <ul style="list-style-type: none"> • EE Hearings • Discipline • Grievances • Investigations 	R	2 years (Or until the disposition of any case)		Filed separately with active. File with Personnel File at termination. GC Sec. 60201, GC Sec. 12946
11.	I-9 Form	R	3 years after date of hire or 1 year after termination whichever is later	Electronic	CFR 274a.2
12.	Job Applications – Not Hired Examples may include: <ul style="list-style-type: none"> • Candidate applications • Employment/New Hire Test results 	R	2 years		Destroy after 2 years. CA Code Section 12946. 29CFR 1602 et seq & 1627.3(a)(5) and (6), 1 CCR7287, 8CCR §11040.7(c). GC13946,60201
13.	Job Postings Examples may include: <ul style="list-style-type: none"> • Records regarding the advertisement of available position • Advertising 	H	3 years		Destroy 3 years after employment decision. CA Labor Code Section 1197.5; 29 CFR 1627.3
14.	Long Range & Strategic Plans	V	P	Electronic	GC Sec. 60201

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RECORD RETENTION SCHEDULE

15.	<p>Motor Vehicle Pulls (DMV)</p> <p>Records will include:</p> <ul style="list-style-type: none"> Active EEs current status of driver's license and DMV reports 	R	Until Superseded or 2 years after termination	Electronic	GC Sec. 12946 GC Sec. 60201
16.	<p>Organization Chart/Structure – Documents that describe and depict the structure of an organization in terms of reporting relationships.</p> <ul style="list-style-type: none"> Examples may include: Charts Diagrams 	V	P	Electronic	Review and purge non-essential materials every two years. GC Sec. 60201
17.	<p>Policies & Procedures – Records providing documentation on the implementation of management & administrative policies and directions for departments functions</p>	H	P	Electronic	GC Sec. 60201
18.	<p>Retiree Files, records may include:</p> <ul style="list-style-type: none"> Retirement Status Beneficiary Designation Benefits Information 	R	Retirement Duration + 6 years	Electronic	Destroy after 6 years in archives. Per ERISA Department Preference; statute of limitations for retirement benefits is 6 years from last action; GC Sec. §§12946, 60201; 29 USC 1113
19.	<p>Retirement Records</p> <p>Examples may include:</p> <ul style="list-style-type: none"> Deferred Compensation 	V/R	P	Electronic	Pension and insurance plans, as well as copies of any seniority system and merit systems, must be kept on file for the full period the plan or system is

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ET= End of Term

AR = Annual Review

CY = Current Year

V = Vital

D = Destroy

R = Restricted

H = Historical

AU = Audit

Revised November 27, 2017

RECORD RETENTION SCHEDULE

	<ul style="list-style-type: none"> • CalPERS • Actuaries 				in effect, and for at least 1 year after termination. 29 CFR 1627.3; GC Section 60200-60203.
20.	<p>Salary & Classification Surveys</p> <ul style="list-style-type: none"> • Wage Rate • Classifications • Job Description Development • Job Analyses 		2 years	Electronic	Keep in office 2 years, then destroy (CY+2). GC Sec. 12946, 34090; 29 CFR 516.6(2); 29 CFR 1602.14
21.	<p>Sexual Harassment Prevention Training (AB 1825)</p> <p>Examples may include:</p> <ul style="list-style-type: none"> • Rosters • Training materials • Instructor credentials 	V	5 years	Electronic	GC Sec. 12950.1
22.	Tuition Reimbursement Forms	V	7 years	Electronic	GC Sec. 60201
23.	Training Records	V	Active + 2 years	Electronic	GC Sec.34090 & 12946
24.	<p>Workers Compensation</p> <p>Examples may include:</p> <ul style="list-style-type: none"> • Claims • Files • Incident Reports 	R	<p>Settled + 5 years</p> <p>Toxic Substance Claims (Separation + 30 Years)</p>	Electronic	Claims can be made for 30 years for toxic substance exposure; Claims are required for five years after the end of compensation, or injury, whichever is longer; 8CCF §3204(d)(1) et/seq/. 8CCR 10102

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ET= End of Term

AR = Annual Review

CY = Current Year

V = Vital

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AU = Audit

Revised November 27, 2017

RECORD RETENTION SCHEDULE

25.	Workers Compensation Insurance Claims-non litigated	R	Settlement or other Disposition + 2 years	Electronic	GC Sec. 60201, CCP 337
26.	Workers Compensation Policy Administration Examples may include: <ul style="list-style-type: none"> • Summary of Claims reports • Analysis reports • Loss Incident Reports 	R	5 years	Electronic	Best practice 5 years
Risk & Safety Management					
27.	General Liability, Property Insurance Claims-non litigated	R	Settlement or other Disposition + 2 years	Electronic	GC Sec. 60201, CCP 337
28.	Insurance Coverage <ul style="list-style-type: none"> • Policies • Joint Powers Insurance Authority Memorandum of Understanding 	V	P	Electronic	GC Sec. 60201 CCP 337
29.	OSHA -200 Log -300 Forms Includes the Log of: <ul style="list-style-type: none"> • Occupational injuries • Illnesses • Summary • Accompanying forms. 	R	7 years Toxic Substance Claims (Separation + 30 Years)	Electronic	(CY+5). CA Admin. Code Title 8, Section 14307 Calif. Labor Division is required to keep their records 7 years; OSHA requires 5 years; State law requires 2 years; 8 CCR 14300.33(a);CFR1904.33, 29 CFE 1904.411; GC Sec. 60201

P = Permanent

DE = Date of Election

ET= End of Term

AR = Annual Review

CY = Current Year

V = Vital

D = Destroy

R = Restricted

H = Historical

AU = Audit

Revised November 27, 2017

RECORD RETENTION SCHEDULE

Department 40: External Affairs

External Affairs					
No.	Record Type	Retention Periods (Year)			Citations/Remarks
		V/H/R	District Retention	Electronic	
1.	Construction Notices for Neighborhoods		2 years		GC 60201
2.	Correspondence – General <ul style="list-style-type: none"> • Cities • Water Districts • State, Federal and local gov't Memberships/Organizations • Internal Memos 		2 years		Destroy CY+2. GC Sec. 60200-60203
3.	Media Files <ul style="list-style-type: none"> • News Clippings/Files • TV and radio tapes, news releases • Media Releases/Press Releases 	H	2 years unless Historical then keep Permanently		<u>Review</u> Files and keep historical data pertaining to district permanently. GC Sec. 60201
4.	Photographs-Official	H	2 years unless Historical then keep Permanently		Review Files and keep historical data pertaining to district permanently. GC Sec. 60201
5.	Programs/Events Files <ul style="list-style-type: none"> • Marketing • Special Events 		3 years		GC Sec. 60200-60203

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H = Historical

AU = Audit

Revised November 27, 2017

RECORD RETENTION SCHEDULE

6.	Proof of Publications <ul style="list-style-type: none"> • Print • Radio • TV 		2 years		GC Sec. 60201
7.	Public Outreach Material-including <ul style="list-style-type: none"> • Newsletters • Fact sheets • Brochures • Videos • Maps • Data & Information • Other collateral material 	H	CY + 5 years		GC Sec. 60201 Review and keep historical data pertaining to the district
8.	Tours <ul style="list-style-type: none"> • MWD Inspection Tours: <ul style="list-style-type: none"> • Colorado River • Sacramento State Water Project • CB Water Education Tour-Diamond Valley 		5 years		GC Sec. 60200-60204 District Preference
EDUCATION (Sub-category under PA)					
9.	Education Programs <ul style="list-style-type: none"> • Schedules 		When no longer required Minimum 2 years		District Preference – Review and keep permanently if Historical GC Sec. 60201
10.	Education Publications <ul style="list-style-type: none"> • Bookmarks • Brochures • Mailers • Correspondence 		When no longer required Minimum 2 years		District Preference – Review and keep permanently if Historical GC Sec. 60201

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DE = Date of Election

ET= End of Term

AR = Annual Review

CY = Current Year

V = Vital

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R = Restricted

H = Historical

AU = Audit

Revised November 27, 2017

RECORD RETENTION SCHEDULE

LEGISLATIVE (Sub-category under PA)					
11.	Lobbyist Reports Form # 602 & 635		5 years		2 CCR 18615 (d)
	FPPC (Fair Political Practices Commission) Reports				

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V = Vital

D = Destroy
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RECORD RETENTION SCHEDULE

Department 50: Engineering & Operations

Engineering					
No.	Record Type	Retention Periods (Year)			Citations/Remarks
		V/H/R	District Retention	Electronic	
1.	Agency Correspondence Files <ul style="list-style-type: none"> • Cities • Water Purveyors/Retailers • Water Districts • County • State • Federal • Privately Owned Business • Other (Internal Memos/Notices) 		CY+2		Legal Requirement is CY+2. GC Sec. 60200-60203, 34090
2.	Agendas/Meeting Notices <ul style="list-style-type: none"> • Engineering/Operations meetings with other Agencies or contractors 		2 years		GC Sec. 60200-60203
3.	As-built drawings		P		Keep in office permanently
4.	Construction Projects (CIP)	V/H	P		<ul style="list-style-type: none"> • All documents directly related to CIP projects; • Final versions of documents only; no working versions • No duplicates

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AR = Annual Review

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AU = Audit

Revised November 27, 2017

RECORD RETENTION SCHEDULE

5.	CEQA, CEQA+ Environmental Documentation (District Projects) <ul style="list-style-type: none"> • Notice of Exemption • Notice of Determination • Notice of Preparation • Environmental Impact Report • Negative Declaration • Mitigated Negative Declaration • Notice of Filing • Notice of Completion • Adopted Environmental Documents 		P		GC Sec. 15095(c), CEQA Guidelines
6.	Reports and Studies (Done by or generated for Central Basin Municipal Water District)		P		District Preference
Operations & Maintenance					
No.	Record Type	V/H/R	District Retention	Electronic	Citations/Remarks
7.	Equipment Inventory List		CY	Electronic	GC Sec. 60201
8.	Equipment & Facilities Repair or Replace Records Maintenance Records		Sale of Equipment + 2 years	Electronic	GC Sec. 60201-
9.	O&M Monthly Reports		CY + 2 Years		GC Sec. 34090
10.	Emergency or Safety Plans		2 Years	Electronic	GC Sec. 34090
11.	Facilities Crime/Incident Reports-Pump station Facilities		2 years	Electronic	GC Sec. 60201

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Revised November 27, 2017

RECORD RETENTION SCHEDULE

12.	FEMA Records		3 years	Electronic	44 CFR 13.42
13.	Operating & Maintenance Manuals		Life of Equipment+2 Years		GC Sec. 60201
14.	Operating Permits		Active + 2 years	Electronic	GC Sec.60201
15.	Operations & SCADA Hydraulic Data		10	Electronic	GC Sec.60201
16.	(WQPP) Water Quality Monitoring & Production <ul style="list-style-type: none"> • Well & Pump records • Facility Improvements Reports 		P	Electronic	
17.	Recycled Water Customer Development <ul style="list-style-type: none"> • Recycled Water Site Plans • Letter of Intent • Engineering Report • Approvals from Regulatory Agencies 		P	Electronic	
18.	Recycled Water Customer Development <ul style="list-style-type: none"> • Correspondence • Usage data • Photos 		5 years		
19.	Recycled Water Monitoring <ul style="list-style-type: none"> • Water Quality Data • Reports 		P		

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RECORD RETENTION SCHEDULE

Department 55: Water Resources & Planning

Water Resources & Planning					
No.	Record Type	Retention Periods (Year)			Citations/Remarks
		V/H/R	District Retention	Electronic	
1.	Capacity Charge <ul style="list-style-type: none"> • Calculations • Spreadsheet • Related correspondence 		10 years		GC Sec. 60201
2.	Reports <ul style="list-style-type: none"> • Annual Water Use Report 		P		
3.	Urban Water Management Plan	H	P		
4.	Watermaster Reports		P		
5.	Well Driller's Logs		P		
6.	MWD Imported Water Service Connections		P		GC Sec. 34090
Water Conservation (Sub-category under WR)					
7.	Grant Funded Programs <ul style="list-style-type: none"> • Performance reports 		CY + 2 years		GC Sec. 34090
8.	MWD/SoCal WaterSmart Documentation <ul style="list-style-type: none"> • Local Partnerships • Supplemental Funding 		P		

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RECORD RETENTION SCHEDULE

Department 60: Building, Information Technology (IT) and Geographical Information Systems (GIS)

BUILDING					
No.	Record Type	Retention Periods (Year)			Citations/Remarks
		V/H/R	District Retention	Electronic	
1.	Crime/Incident Reports- including police reports		2 years	Electronic	GC Sec. 60201
2.	Elevator Inspection & Certification		Current	Electronic	GC Sec. 60201
3.	Emergency Preparedness Plan Response & Disaster Recovery Files Records providing instructions in the event of a disaster. Includes: <ul style="list-style-type: none"> • Evacuation plans • Emergency response requirements • Staff duties 	V	P	Electronic	GC Sec. 60201
4.	Employee Badge Database		P	Electronic	GC Sec. 60201
5.	Equipment/Maintenance Files <ul style="list-style-type: none"> • Communication Systems • Computer Systems • Office Building • Office Machines 		Active + 4 years	Electronic	Code Civ. Proc. Sec. 337, 338, 343

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RECORD RETENTION SCHEDULE

6.	Facility and IT Assessment		3 years	Electronic	GC Sec. 60201
7.	Inventory List <ul style="list-style-type: none"> • Building • Emergency Items 		CY + 3 years	Electronic	GC Sec. 60201
8.	Maintenance Records		Sale of Equipment + 2 years	Electronic	GC Sec. 60201
9.	Operating & Maintenance Manuals		Life of Equipment	Electronic	GC Sec. 60201
10.	Operating Permits	V	Expiration + 3 years	Electronic	Department preference, GC Sec. 60201
11.	Property Improvement Files-including <ul style="list-style-type: none"> • Expansion • Upgrades 		P	Electronic	GC Sec. 60201
12.	Reports & Facility Security <ul style="list-style-type: none"> • Assessments • Plans 	R	Superseded + 5 years	Paper	GC Sec. 60201—Department Preference, Confidential
13.	Visitor Logs		2 years	Electronic	GC Sec. 60201
14.	Video- Employee Areas		6 months	Electronic	Records regular and ongoing operations; GC Sec. 60201

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RECORD RETENTION SCHEDULE

15.	Video- Public Areas <ul style="list-style-type: none"> • Entrances • Parking lot, etc. 		6 months	Electronic	Records regular and ongoing operations; GC Sec. 60201
Information Technology (IT)					
No.	Record Type	V/H/R	District Retention	Electronic	Citations/Remarks
16.	Email System & Backups		21 days	Electronic	GC Sec. 60201
17.	Emails, Deleted		3 years	Electronic	GC Sec. 60201
18.	Hardware and Software Inventory Records		Superseded + 2 years	Electronic	Running inventories of hardware and software used to track locations, to whom assigned, and licensing information.
19.	System and Data Documentation		Superseded or Obsolete + 2 years	Electronic	Records documenting systems and data including, but not limited to, network diagrams, data dictionaries, flow charts, specifications, file layouts source code, metadata, configurations, system change notices, and security records.
20.	Hardware and Software Documentation and Maintenance Records		No Longer in Use + 2 years	Electronic	Manuals, warranties, maintenance logs, and other records documenting the operation and use of IT hardware and software. Excludes documentation of repairs on end user computers and any other equipment located in department offices.
21.	Information System (IS) - <ul style="list-style-type: none"> • Backup Tapes-<u>excluding</u> email 		CY + 3 previous backups	Electronic	GC Sec. 60201 (SDCWA) Note: Override tapes

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