

ITEM #4

*COVID-19 Ad Hoc: Discuss and/or action to accept the COVID-19
Committee's recommendation for policies and procedures*



Coronavirus (COVID-19) Risk Minimization and Outbreak Response Plan

I. Introduction

Background Information

Coronaviruses are a family of viruses that occur in humans and many species of animals, such as cattle, cats, and bats. In fact, the common cold is caused by a coronavirus. Based on current information provided by Government agencies, a novel form of coronavirus, referred to as “severe acute respiratory syndrome coronavirus 2” (SARS-CoV-2) first appeared in Wuhan City, China in December 2019, and as of the end of February 2020, has been detected in 60 locations internationally. This name was chosen because the virus is genetically related to the coronavirus responsible for the SARS outbreak of 2003. The World Health Organization (WHO) announced “COVID-19” as the name of the new disease caused by SARS-CoV-2. The 19 indicates the year of origination. COVID-19 has spread rapidly in China, and has now spread to many countries world-wide, including the United States. COVID-19 has an estimated incubation period of up to 14 days, but most commonly about 5 days. The Centers for Disease Control and Prevention (CDC) has stated that during this incubation period, the person may show little to no symptoms, yet can transmit the virus.

COVID-19 is believed to be spread from person to person by the infected person coughing or sneezing. This produces respiratory droplets from the infected person being put into the air where they can land in the nose or mouth of people in close proximity or be breathed in by people close by. The virus is also known to survive on some surfaces such as clothing and hands making transmission possible. This, coupled with its long incubation period, has led to its rapid spread. This primary mode of transmittance is why infected persons, and those caring for them, are encouraged to wear masks. The most common symptoms of COVID-19 are fever, tiredness, cough, runny nose, and trouble breathing (e.g., pneumonia symptoms). Some patients have reported aches and pains, nasal congestion, sore throat or diarrhea. Some people become infected but don't develop any symptoms and don't feel unwell. Most people (about 80%) recover from the disease without needing special treatment. About 1 out of every 6 people that contract COVID-19 become seriously ill, and may develop difficulty breathing. Although most cases are not life-threatening, COVID-19 affects older individuals with chronic health conditions (e.g., high blood pressure, heart disease, diabetes) most severely, and can be fatal. Thus, people with fever, cough and difficulty breathing should seek medical attention.

People with no respiratory symptoms, such as a cough, do not need to wear a medical mask. The WHO recommends the use of masks for people who have symptoms of COVID-19 and for those

caring for individuals who have symptoms, such as cough and fever. The use of masks is crucial for healthcare and essential workers and people who are taking care of someone (at home or in a health care facility).

This virus is currently spreading in the United States. It is important to note that the CDC has stated that the current global circumstances suggest it is likely that this virus will cause a pandemic (i.e., an international epidemic). The COVID-19 situation is a rapidly evolving situation and the risk assessment is being updated regularly by the CDC (<https://www.cdc.gov/coronavirus/2019-ncov/index.html>).

Although health officials are working on a vaccine for COVID-19, no vaccine is currently available, and likely will not be available until early 2021. Consequently, we all need to work together to limit the spread of COVID-19 in our community. The information presented in this document is taken from the websites listed in the references section of this plan, which also serve as sources for additional information for District employees.

Purpose and Intended Use for this Plan

This COVID-19 Risk Minimization and Outbreak Response Plan (Plan) has been developed by the Del Paso Manor Water District (District) to best protect its employees against the risk (current and future) posed by COVID-19. The specific objectives of this plan are to: 1) identify precautionary measures that District employees can implement to best protect themselves and each other against contracting and spreading of COVID-19, and 2) to maintain critical operations of the District if COVID-19 becomes established in Del Paso Manor. Following the introduction, this plan has three major sections.

- *Section II: Precautionary Measures to Reduce the Spread of Illness in the Workplace* identifies precautionary measures that both the District and its employees can implement now to minimize the risk of workplace exposure to COVID-19.
- *Section III: Tiered Plan for Maintaining District Operations* provides a tiered risk-level approach to modifying District operations while minimizing employee risk of workplace exposure to COVID-19 and spread to others within and outside the office, and to maintain critical District operations should an outbreak of COVID-19 occur in Del Paso Manor.
- *Section IV: References* provides the websites from which much of the information herein was obtained. District employees and management can use these sites to get more information and CDC and WHO updates.

The General Manager reserves the right to modify any element of this Plan at any time based on their discretion, changed circumstances, and/or direction or requests made by health authorities or other agencies.

II. Precautionary Measures to Reduce the Spread of COVID-19 in the Workplace

The following is a list of actions recommended by the CDC and other health authorities that people should consider implementing presently to reduce their risk of contracting COVID-19 and to reduce its spread should they, or others they interact with, contract the virus.

Precautionary Actions for Immediate Implementation by District Employees

The recommended precautionary actions listed below are similar to, or the same as, measures we are all familiar with to minimize our annual risk of contracting influenza (i.e., the flu). Other precautionary measures have been added that are specific to COVID-19 at this time, as recommended by the CDC and other health authorities.

- Employees who have symptoms of acute respiratory illness (i.e., fever and cough, and possibly trouble breathing) need to notify their supervisor and stay home and not come back to work until they are free of fever (100.4°F) or greater (using an oral thermometer), signs of fever, or other respiratory illness symptoms for at least 24 hours, without the use of fever-reducing or other symptom-altering medicines.
- If you have a family member that becomes ill with acute respiratory illness symptoms, notify your supervisor, who may request that you stay home for an appropriate period of time prior to returning to the workplace. Keep your supervisor apprised of your/family member's recovery.
- If you come down with a cough, fever, shortness of breath or other acute respiratory illness symptoms while at work, separate yourself from your co-workers, notify your supervisor, and immediately go home.
- All employees should practice the following respiratory etiquette and related practices to minimize their risk of contracting and spreading COVID-19.
 - Practice social distancing at all times. Social distancing is currently defined as maintaining 6 ft or greater distance between yourself and others.
 - Cover your nose and mouth when you cough or sneeze with a tissue and then throw the tissue away or do so into your elbow or shoulder if no tissue is available.
 - Wash your hands frequently with soap and water for at least 20 seconds.
 - If soap and water is not available, use hand sanitizer with at least 60% alcohol.
 - Avoid touching your eyes, nose and mouth with unwashed hands.
 - Wearing a face mask when in proximity to others is recommended, but is required when at work when social distancing isn't possible
 - Put away any community candy jars.

- Routinely clean all frequently touched surfaces in your workspace, such as workstations, mouse, desktop phones, cell phones, countertops, and doorknobs. Use disinfecting wipes to wipe-down common-surface places, where appropriate.
- Use cleaning products that contain >60% alcohol, 0.5% hydrogen peroxide, 0.1% sodium hypochlorite (bleach), or other active ingredients known to kill viruses.

Precautionary Actions for Immediate Implementation by District Management

- Stay aware of the latest information on the COVID-19 outbreak, available on the WHO and CDC websites.
- Provide tissues and no-touch disposal receptacles for use by all employees.
- Provide alcohol-based hand sanitizers that contain at least 60% alcohol at various locations in the workplace.
- Provide disposable wipes for employee use for wiping down frequently touched surfaces within the workplace.
- Provide face masks to all employees/staff who may have to perform work duties that don't allow social distancing

III. Tiered Plan for Maintaining District Operations

Important Note: Actions built into the various tiers may change frequently as conditions require. Health authorities and Government agency decisions will have substantial influence on the degree that tier actions will escalate and change.

This section identifies how District operations, including individual employee roles, may need to change if COVID-19 becomes prevalent in Del Paso Manor. The co-equal objectives for this portion of the plan are to: 1) best protect employees against the spread of COVID-19, and 2) maintain critical District water supply operations for the community. The plan for maintaining District operations is tiered based on the COVID-19 risk level in Del Paso Manor, as discussed in greater detail below.

Risk Level 1: Continued Increases in the Number of Confirmed Cases of COVID-19 in the United States and California, and no Confirmed Cases in Sacramento County and Surrounding Counties.

Trigger Points: *Risk Level 1 shall be declared by the General Manager when confirmed cases of COVID-19 were announced in the United States and in the state of California.*

Under Risk Level 1, the risk to employees of contracting COVID-19 is low and thus the District shall conduct normal business operations, with the addition of implementing the precautionary measures identified in Section II of this Plan.

Risk Level 2: Continued Increases in the Number of Confirmed Cases of COVID-19 in the United States, California, and few Confirmed Cases in Sacramento and/or Surrounding Counties.

Trigger Points: Risk Level 2 shall be declared by the General Manager when confirmed cases of COVID-19 are announced in Sacramento County and/or surrounding counties.

We are currently operating under Risk Level 2, due to the recent confirmed cases of COVID-19 in Sacramento County and surrounding counties.

Under Risk Level 2, the risk to employees of contracting COVID-19 remains relatively low, but the risk level is increasing due to increasing numbers of confirmed cases in the country, state, Sacramento County and surrounding counties.

In addition to the actions being implemented under Risk level 1, including the precautionary measures identified in Section II of this Plan, actions to be implemented at Risk Level 2 include, but may not be limited to, the following.

- Have cleaning service disinfect identified surfaces and bathrooms more frequently.
 - Supplement through employee efforts to sanitize identified administrative office surfaces on days that the cleaning service does not do so.
- Those collecting money at the front counter from the public are to wear rubber medical gloves and are not to touch common-place door handles/knobs, coffee pots, or other commonly touched surfaces within the office with gloved hands.
 - Remove and dispose of gloves and wash hands prior to eating or touching common-surface places within the office.
- Limit routine in-person meetings in favor of conference calls.
- Ensure all supplies for treating water are fully stocked.
- Temporary flexible workplace and leave policies, and other relevant aspects of this Plan, shall be communicated to all District employees. The Families First Coronavirus Response Act (FFCRA or Act) can be found on the US Department of Labor website at <https://www.dol.gov/agencies/whd/pandemic/ffcra-employer-paid-leave>.
- If an employee does not exhibit COVID-19 symptoms but becomes sick (e.g., headache and/or upset stomach), the employee shall stay home until no longer contagious. The General Manager will direct the employee to go home if the employee is exhibiting sickness symptoms at work. The **Families First Coronavirus Response Act**

(FFCRA or Act) requires certain employers to provide their employees with paid sick leave or expanded family and medical leave for specified reasons related to COVID-19.

- The General Manager will coordinate with local agencies including water agencies to discuss procedures and mutual aid.

At Risk Level 2, District management will start to hold meetings on Risk Level 3 and 4 scenarios, and through these meeting discussions will determine whether the District is ready to implement the necessary modified operations for those higher risk levels. These scenario exercises are intended to identify short comings in the District's preparedness and to focus near-term efforts on remedying the "holes" in the response planning as quickly as possible. If not already in place, authorities, triggers, and procedures for activating and terminating key elements of this Plan will be put in place.

Risk Level 3: Continued Increases in the Number of Confirmed Cases of COVID-19 in the United States, California, and Numerous Cases in Sacramento County and Surrounding Counties.

Trigger Points: *Risk Level 3 will be declared by the General Manager if COVID-19 reaches or approaches epidemic levels in the United States and numerous confirmed cases of COVID-19 are announced for Sacramento County and surrounding counties.*

At Risk Level 3, COVID-19 may be declared an epidemic by the CDC and local health authorities in the United States and California and numerous cases have been confirmed in people living in Sacramento County and surrounding counties. As such, the risk of contracting COVID-19 for District employees is no longer low. At the direction of the General Manager, the District will now further modify operations to minimize all contact of employees with the general public and will focus on maintaining essential duties necessary to maintain water service to the public, with the minimal number of employees.

Operational scenarios will now focus on how best to maintain essential services with reduced staff, should one or more District employees contract the virus. Additional operational modifications to be implemented at Risk Level 3 shall include, but not necessarily be limited to, the following.

- Cease collecting payments at the front office from the general public and, instead, require all customers to mail in payments and conduct business by phone.
 - Notify the public by website, media, answering service, and arrow board.
 - Close-down the administrative office to the general public.

- Institute after-hours emergency call messaging during regular business hours to inform and assure the public that District Operations are still occurring and that the quality and reliability of water remain the highest priority and intact.
- Notify other local agencies and vendors of the District's office closure to the public.
- Board meetings shall be postponed or conducted by teleconference (if possible) rather than by in-person meetings.
- Implement practices developed, including staggered shifts, less interaction with homeowners, methods of leaving door notices, etc. to increase physical distance among employees and between employees and the public, as further directed in **Attachment A**.
 - Minimize in-person interactions between District administrative, operations, and distribution employees to the maximum extent possible.
 - Coordinate by email, phone, and text messages whenever possible and effective.

Accounts Payable documents and general mail will be scanned and emailed to associated staff and or vendors to the extent necessary,

- At the direction of the General Manager, certain employees may be directed to perform their duties from home or during a particular shift.

Risk Level 3.5: Enforced to Meet the Intent of the Governor's Executive Order N-33-20.

Trigger Point: Risk Level 3.5 will be declared by the General Manager in order to meet the intent of the Governor's Executive Order N-33-20, which directs all residents to stay home at their places of residence except as needed to maintain continuity of operations of the federal critical infrastructure sectors, as outlined at <https://www.cisa.gov/identifying-critical-infrastructure-during-covid-19>.

In addition to the actions and operational procedures already being implemented, additional operational modifications/actions to be implemented at Risk Level 3.5 shall include, but not necessarily be limited to, the following:

- All employees will remain home, or practice social distancing while in the workplace, unless directed otherwise by the General Manager.
 - Employees will be on-call for work activities, at the direction of the General Manager or their direct supervisor. All on-call employees must respond and be at work within 2 hours if called upon to work.
- Board meetings shall be postponed or conducted by teleconference rather than by in-person meetings.
- Implement social distancing (minimum of 6' separation) and any other actions to minimize in-person contact among employees and between employees and the public.

- Implement all identified essential functions necessary to maintain essential District services, with essential personnel, as further defined in Attachment B.
- Capital Improvement Programs (CIP) work is temporarily suspended. Other actions may be implemented at the direction of the General Manager, the CDC, or local health authorities.

Risk Level 4: Initial Confirmed Case(s) of COVID-19 Among District Employees.

Trigger Point: Risk Level 4 will be declared by the General Manager if one or more District employees, or an immediate family member of an employee.

Because of the small size of the District, operating out of a single administrative office, one or more District employees (or their immediate family members) being confirmed to have contracted COVID-19 is a situation that poses a relatively high risk to other District employees of contracting the virus. In addition to the actions and operational procedures already being implemented, additional operational modifications/actions to be implemented at Risk Level 4 shall include, but not necessarily be limited to, the following.

All employees will remain home until directed otherwise by the General Manager.

- Employees not exhibiting symptoms of COVID-19 will be on-call for work activities, at the direction of the General Manager or their direct supervisor. All on-call employees must respond and be at work within 2 hours if called upon to work.
- Any employees reporting to work shall wear a face mask and gloves when interacting with other parties.
- Employee(s) that have contracted COVID-19 (or employees who have family members that have confirmed COVID-19) will not be allowed to return to work until they can provide a doctor's note, clearing them of COVID-19.
- If an employee has been confirmed to have COVID-19, the General Manager will inform other employees, using the phone tree, of their possible exposure to COVID-19, but will maintain confidentiality of the infected employee. All District employees will be instructed to stay home.
- Employees should refer to the CDC guidance for "how to conduct a risk assessment" of their potential exposure (CDC Website: <https://www.cdc.gov/coronavirus/2019-ncov/summary.html#risk-assessment>).
- Board meetings shall continue to be postponed or conducted by teleconference rather than by in-person meetings.
- Implement any potential remaining actions identified to minimize in-person contact among employees and between employees and the public.
- Implement all identified minimum essential functions necessary to maintain only essential District services, with essential personnel, as further defined in **Attachment C**.
- CIP work is temporarily suspended. Other actions may be implemented at the direction of the General Manager, the CDC, or local health authorities.

VI. References

Websites that contributed information to this plan are listed below. They also serve as reference sites for employees to obtain further information about COVID-19.

https://www.cdc.gov/coronavirus/2019-ncov/specific-groups/guidance-business-response.html?CDC_AA_refVal=https%3A%2F%2Fwww.cdc.gov%2Fcoronavirus%2F2019-ncov%2Fguidance-business-response.html

<https://www.osha.gov/SLTC/covid-19/>

<https://www.cnn.com/2020/02/16/health/coronavirus-how-to-protect-yourself-trnd/index.html>

<https://q13fox.com/2020/02/26/how-you-and-your-workplace-can-protect-yourselves-from-the-novel-coronavirus/>

[https://www.livescience.com/how-long-coronavirus-last-](https://www.livescience.com/how-long-coronavirus-last-surfaces.html)

[surfaces.html https://www.who.int/news-room/q-a-detail/q-a-](https://www.who.int/news-room/q-a-detail/q-a-coronaviruses)

[coronaviruses](https://www.who.int/news-room/q-a-detail/q-a-coronaviruses)

<https://www.shrm.org/resourcesandtools/legal-and-compliance/employment-law/pages/address-workplace-coronavirus-concerns.aspx>

<https://travel.state.gov/content/travel/en/traveladvisories/traveladvisories.html.html>

<https://hrexecutive.com/coronavirus-hrs-role/>

Date Approved and implemented

JOHN LENAHAN, BOARD PRESIDENT

Attachment A Action Plan for Risk Level 3

Operations:

Operations personnel will conduct regular treatment responsibilities, including well checks, basic maintenance, and State-required water quality sampling.

Operations personnel will respond in person to service calls only for the most serious situations such as no water service and/or water line breaks. Customers who have water quality complaints or pressure problems will be responded to with telephone calls in a concerted effort to resolve the problems. Meter reading and basic water distribution maintenance activities will continue to the extent that employees can maintain safe distances from the general public.

Administration:

Administrative personnel will continue to conduct business as normal, except that the Administration Building will be closed to the public. All interaction with the public will be by telephone or email.

Administrative personnel will isolate themselves from Operations personnel and all contact will be conducted through telephone or email.

Attachment B

Action Plan for Risk Level 3.5

Risk Level 3.5 will be declared by the General Manager in order to meet the intent of the Governor's Executive Order N-33-20, which directs all residents to stay home at their places of residence except as needed to maintain continuity of operations of the federal critical infrastructure sectors

Operations:

Implement all identified essential functions necessary to maintain essential District services, with essential personnel, as further defined in Attachment B.

Capital Improvement Programs (CIP) work is temporarily suspended. Other actions may be implemented at the direction of the General Manager, the CDC, or local health authorities.

Administration:

All employees will remain home, or practice social distancing while in the workplace, unless directed otherwise by the General Manager.

Employees will be on-call for work activities, at the direction of the General Manager or their direct supervisor. All on-call employees must respond and be at work within 2 hours if called upon to work.

Attachment C

Action Plan for Risk Level 4

Risk Level 4 will be declared by the General Manager if one or more District employees, or an immediate family member of an employee is diagnosed with COVID-19.

Operations:

Implement all identified essential functions necessary to maintain essential District services, with essential personnel, as further defined in Attachment B. The District will only respond to emergency service calls.

Capital Improvement Programs (CIP) work is temporarily suspended. Other actions may be implemented at the direction of the General Manager, the CDC, or local health authorities.

Administration:

All employees will remain home until directed otherwise by the General Manager.

Employees not exhibiting symptoms of COVID-19 will be on-call for work activities, at the direction of the General Manager or their direct supervisor. All on-call employees must respond and be at work within 2 hours if called upon to work.

Any employees reporting to work shall wear a face mask and gloves when interacting with other parties.

Limited Duration Remote Work Policy

Background: This policy has been created to address the immediate safety needs of both customers and employees specifically in response to the impacts of the COVID-19 pandemic. The overall objective is to put in place procedures that allow the District to mitigate both foreseen and unforeseen impacts to District operations by providing staff with alternative work locations and customers with safe alternatives to interact with staff using these mitigation measures. For the purposes of this policy, the use of the words “District” or “DPMWD” is synonymous with Del Paso Manor Water District.

This policy may be revised in accordance with any government regulatory mandates. It may also be used to address future District operational needs as determined by the General Manager and or Board of Directors.

Overview and Scope: Working remotely, also referred to as “telecommuting,” provides employees with an opportunity to work from an alternative work environment instead of in the primary location(s) of the Del Paso Manor Water District (DPMWD). Remote Work is a limited duration arrangement that allows eligible District employees to work in a designated area outside the office(s) during the COVID-19 pandemic. Remote working is a supportive arrangement between eligible employees, supervisors, and the General Manager. Remote working is intended to provide a balance between the safety needs of the staff and the public while still maintaining the operational demands of the District. For example, the COVID-19 pandemic has resulted in government mandates that put the health safety of the public first while also recognizing that Water Districts must remain open to provide essential services.

Working remotely must be pre-approved by the General Manager and cannot be initiated without a *Remote Workers’ Plan* in place.

The District retains the right, in its sole discretion, to designate positions that are appropriate for remote work and approve employees for working remotely. Working remotely does not change the conditions of employment or required compliance with all DPMWD policies and procedures. The District reserves the right to change or terminate the *Remote Workers’ Plan* at any time, without cause or advance notice. The ability to work under a *Remote Workers’ Plan* rests in the sole discretion of the District. Working remotely is a privilege and may not be appropriate for all employees. If you wish to request a *Remote Workers’ Plan*, you should contact your supervisor.

Remote Work Plan

All Remote Workers are required to sign a *Remote Workers’ Plan* with their supervisor that outlines the Remote Worker’s work days and work hours (as applicable); equipment the remote worker will utilize; how performance and productivity will be monitored; how the Remote Worker will communicate with the District and with the Public if applicable; use of support staff; and other appropriate information.

Hours of Work

Unless otherwise agreed upon in the *Remote Workers' Plan*, hours and days of work will not change. Employees agree to apply themselves during work hours just as if they were working in their regular work location(s).

Non-exempt employees agree not to work outside of scheduled hours without advance approval; this includes such activities as checking and responding to emails. Any work outside of a scheduled shift must be reported to a supervisor. Non-exempt employees will not work overtime without prior permission. Employees may take care of personal business during unpaid lunch periods, as they would at the regular worksite. Non-exempt employees are required to take paid breaks as required under California law as they would had they not be working remotely.

While working away from the office, employees must be accessible for communication (e.g., telephone, pager, e-mail, etc.). Specific requirements are subject to the needs of the District as determined by the General manager/supervisors.

Working remotely is not intended as a substitute for childcare or care for another adult. If a child or adult needs care during work time, another responsible individual is expected to be present.

Remote Work Assignment Log

A Remote Work Assignment Log must be completed, reviewed and approved by the General manager/supervisor prior to any remote work being done. A Remote Work Assignment Log and status reports on assignments must be submitted to the Remote Worker's supervisor as set forth in the applicable *Remote Workers' Plan*.

Attendance at Meetings

Remote Workers are expected to attend all required meetings whether they be in person, by phone or teleconference as designated by the General Manager/Supervisor.

Remote Work Safety

Remote Workers are solely responsible for ensuring the safety of their alternative work environment. However, because the District is legally obligated to provide its employees with a workplace that is free from hazards that might cause serious harm or injury, the District reserves the right to periodically inspect a remote worker's home workspace. Any such inspection will be preceded by advance notice and an appointment will be scheduled. Remote Workers are protected by workers' compensation insurance. As such, Remote Workers are required to immediately report any injuries that occur while working.

The Remote Worker is liable for any injuries that occur to third parties at or around the Remote Worker's alternative work environment.

Work Environment Criteria

It is important for all employees to maintain a healthy, safe and ergonomically sound work environment while working in the office or at a remote location. The major difference between the employer's office and the home office is ownership and control over the workplace.

The opportunity to participate in a *Remote Workers' Plan* is offered with the understanding that it is the responsibility of the employee to ensure that a proper work environment is maintained as follows:

- Designate an area that allows for working in an office setting. Ensure that the equipment necessary to perform the work is in the designated area;
- Obtain pre-approval from the supervisor for use of vacation time or sick leave to attend to family or home matters during home office hours; and
- Ensure that the home office is a safe place to work, including the following:
 - Smoke Alarm/Detector (UL Approved) installed
 - Fire Extinguisher (UL Approved) installed
 - Easy access to fire extinguisher
 - Proper attention to ergonomics and other hazards
 - Uncluttered work environment

A "Work Station Checklist" must be completed by the potential Remote Worker prior to the beginning of working from home, and all items must be reviewed and evaluated as being satisfactory.

Information Security

Security of confidential information is of primary concern and importance to the District. Remote Workers are expected to adhere to all applicable laws, rules, regulations, policies, and procedures regarding information security. All District rules regarding the use of computers and the internet apply while an employee is working remotely, regardless of whether the employee is using District or personal equipment. The following are basic information security guidelines:

- Use District assets only for authorized purposes, and ensure that confidential information is not disclosed to any unauthorized person;
- Back up critical information on a regular basis to assure the information can be recovered if the primary source is damaged or destroyed;
- Use "logon" passwords on all systems containing confidential information and keep those passwords secure;
- Use the latest virus protection software on telework systems used to prepare information for subsequent use on District systems;
- Return material (paper documents, diskettes, etc.) containing all confidential information to the District for proper handling or disposal, if necessary; and

- Adhere to copyright law by not copying or sharing any District owned software, and when no longer employed by the District, remove all such software from the home computer and return any software media to District.
- Personal computers/laptops for District work will not be allowed. The District will check a laptop out to the remote worker. The District's IT consultant will ensure that all applicable software is installed to protect the safety and security of our rate payers.

Costs Associated with COVID-19 Remote Work

The *Remote Workers' Plan* will specify any costs the District will cover. The District may need to purchase additional software or equipment to support an employee working remotely during the COVID-19 crises.

LIMITED DURATION REMOTE WORKER APPLICATION

In accordance with the Limited Duration Remote Worker Policy, teleworking is available to eligible employees. It is not a universal employee benefit; employees do not have a “right” to telework. The District reserves the right to accept or reject the employee’s telework request or terminate a teleworking agreement at any time. Employees requesting to telework should complete Section One in consultation with their Supervisor The General Manager or designee completes Section Two.

SECTION ONE: EMPLOYEE INFORMATION

Employee Name	
District E-mail Address	
Position Title	
Phone Number(s)	

Proposed limited remote work schedule:

Primary Remote Work Site (address of work site)		
Number of Telework Days		<input type="checkbox"/> per week <input type="checkbox"/> per month
Days of Week/Month	<input type="checkbox"/> Monday <input type="checkbox"/> Tuesday <input type="checkbox"/> Wednesday <input type="checkbox"/> Thursday <input type="checkbox"/> Friday	<input type="checkbox"/> Saturday <input type="checkbox"/> Sunday _____ days of the month
	Saturday	From: _____ To: _____
	Sunday	From: _____ To: _____
	Monday	From: _____ To: _____
	Tuesday	From: _____ To: _____
	Wednesday	From: _____ To: _____
	Thursday	From: _____ To: _____
	Friday	From: _____ To: _____

Reason for request/application:

I, _____, understand that Remote Work is a limited duration arrangement. I have reviewed Limited Duration Remote Work Policy and agree to its conditions.

Signed: _____ Date: _____

Above request is an original request Above request revises a previous request

Employee Remote Worksite Checklist

Please initial in the box to the right of each statement.

Have a clearly defined workspace that is kept clean and orderly	
Work area adequately illuminated with lighting directed toward side or behind the line of vision, not in front or above it.	
Exits free of obstructions	
Supplies and equipment in good condition	
Area well ventilated and heated or cooled as appropriate	
Fire, smoke and carbon monoxide alarms installed and functioning	
Storage is organized to minimize risk of fire or loss	
All extension cords have grounding conductors	
Exposed or frayed wiring and cords are repaired or replaced immediately upon detection	
Electrical enclosures (switches, outlets, receptacles, junction boxes) have tight-fitting covers or plates	
Surge protectors are used for computers, fax machines, and printers	
Heavy items are securely placed on sturdy stands close to walls	
Computer components are kept out of direct sunlight and away from heaters.	
Emergency phone numbers (hospital, fire, police) are posted at alternate worksite	
Appropriate first aid supplies are available as needed	
Portable fire extinguishers are accessible and serviced as needed	
Desk, chair, computer and other equipment are of appropriate design and arranged to eliminate strain on all parts of the body, in conformance with ergonomic standards	

The District reserves the right, upon reasonable notice, to conduct home office inspections as necessary.

I certify that my home office meets all the above requirements.

Signed: _____

Date: _____

Print Name: _____

SECTION TWO: CERTIFICATION AND APPROVAL

Does your assessment of the Individual and the proposed Limited Term Remote Work plan indicate the arrangement will be practical and beneficial?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Has the department determined the above position to be suitable for telework?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Is the Remote Worksite Checklist completed and acceptable?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Is employee being provided any District owned equipment to work from home. If yes, please list equipment at bottom of form.	<input type="checkbox"/> Yes <input type="checkbox"/> No

General Manager/Designee: _____ **Date:** _____

Approved Denied Reason: _____

District Equipment Issued for purposes of Remote Work Plan: _____

Upon Approval – Provide a copy of form to the employee, retain a copy within the District’s Employee. If Remote Work schedule changes or if there is a change in job duties assigned, complete a new form and re-route in the same manner.

ITEM #5

Finance Standing Committee

Del Paso Manor Water District
Expense Budget To Actual Comparison
July 1, 2019 to January 31, 2020

Notes

	Year to Date July 1, 2019 to January 31, 2020	Budget	Percent of Budget	
Employee Related				
Management Salaries	44,572	100,000	44.57%	
Staff Salaries	67,396	190,000	35.47%	
Director Fees	14,000	20,000	70.00%	
Payroll Taxes	9,519	25,000	38.08%	
PERS Retirement	53,351	80,000	66.69%	
Health	45,064	136,500	33.01%	
OPEB	-	45,000	0.00%	
Total Employee Related	233,902	596,500	39.21%	
Administration				
Insurance	17,174	15,000	114.49%	
Office Expense	63,590	80,000	79.49%	1
Audit Fees	700	11,900	5.88%	
Legal Fees	55,067	40,000	137.67%	
Employee Recruitment	-	500	0.00%	
Miscellaneous	2,962	500	592.40%	
Professional Administration Fees	22,615	15,000	150.77%	3
Bank Charges	928	300	309.33%	
Professional Dues	34,418	40,000	86.05%	
Professional Meetings	-	10,000	0.00%	
Cert/Continuing Education	-	3,000	0.00%	
Total Administration	197,454	216,200	91.33%	
Operations				
Conservation	-	3,350	0.00%	
Power	35,337	103,000	34.31%	
Repairs & Maintenance	140,167	80,000	175.21%	2
Lab Fees	12,022	11,500	104.54%	
Engineering/Consulting Fees	-	90,000	0.00%	
City Water	2,914	5,900	49.39%	
Total Operating	190,440	293,750	64.83%	
Total Expenses	621,796	1,106,450	56.20%	

Note 1: Included in Office Expense is the purchase of four HP office computers and maintenance subscription services for \$7,801.

Note 2: Included in Repairs & Maintenance is a \$39,905 expense to Odell's Pump and Motor Service in July 2019.

Note 3: Included in Professional Administrative Fees is a \$9,661 expense to the State Water Resource Control Board in December 2019.

Total revenues recorded through January 2020 is \$1,267,781.

Interest and miscellaneous income recorded through January 2020 is \$7,180.

Interest expense paid through January 2020 is \$121,591.

Amounts above are not audited

DPMWD OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

- 1 MANAGEMENT SALARY
- 2 STAFF SALARY
- 3 CONSERVATION
 - a. Conservation Patrol
 - b. RWA Water Efficiency Dues
 - c. Customer Water Audits
- 4 POWER
 - a. PG&E
 - b. SMUD
- 5 REPAIR & MAINTENANCE
 - a. Leak Repairs
 - b. Field Equipment
 - c. Field Supplies
 - d. Fuel for Vehicles
 - e. Vehicle Repair & Maintenance
 - f. Dump Fees
 - g. Chlorine
 - h. Lubrication Oil
 - i. Well Repair & Maintenance
 - j. Well Rehabilitation
 - k. Field Staff Cellular Service
 - l. Tesco Service Contract (Well #8)
 - m. Aqua Sierra Service Contract (SCADA)
- 6 INSURANCE
 - a. Liability
 - b. Property
 - c. Workers Comp
- 7 LAB FEES (H2O TESTING)
- 8 OFFICE EXPENSE
 - a. District Office Lease
 - b. Phone Service
 - c. Internet Provider
 - d. Sewer & Garbage (Lusk)
 - e. Postage
 - f. Printing
 - g. Computers & Supplies
 - h. Office Supplies
 - i. Answering Service
 - j. Office Furniture
 - k. Payroll Prep Expense

- l. GASB 75 Valuations
 - m. Office Assistant Temporary services (3 Months)
 - n. Janitorial
- 9 DIRECTORS FEES
 - a. \$100/meeting fee
- 10 AUDIT FEES (FINANCIAL)
- 11 LEGAL FEES
- 12 ELECTION (BOARD MEMBERS)
- 13 MISCELLANEOUS
- 14 PAYROLL TAXES (EMPLOYEES & DIRECTORS)
- 15 PERS/RETIREMENT
- 16 EMPLOYEE HEALTHCARE (CalPERS)
- 17 OPEB (OTHER POST EMPLOYMENT BENEFITS – RETIREE MEDICAL)
- 18 CITY WATER (1968 CONTRACT)
- 19 BACKFLOW PROGRAM (COUNTY)
- 20 PROFESSIONAL ADMIN FEES
 - a. SWRCB Annual Fees
 - b. NPDES Permit
 - c. CalPERS Actuarial Reports
 - d. LAFCo Fees
 - e. Air Quality Permits (Wells #6 and 8)
 - f. Encroachment Permits
 - g. CPA Fees
 - h. General Manager Consultant Fees
- 21 BANK CHARGES
- 22 PROFESSIONAL DUES
 - a. AQUA
 - b. AWWA
 - c. CSDA
 - d. CRWA
 - e. RWA
 - f. SGA
 - g. SAWWA
- 23 PROFESSIONAL MEETINGS
 - a. Conference fees
 - b. Travel Expenses
 - c. Lodging
 - d. Parking
 - e. Mileage
- 24 CERTIFICATIONS / CONTINUING ED (GM & STAFF)

SYSTEM MAINTENANCE BUDGET (CIP)

PROPOSED BUDGET

	Estimated 2018-2019	Proposed 2019-2020
REVENUE		
Estimated Year End Balance (Prior Year)	993,436	1,136,316
Projected SMC Charges	595,474	595,474
TOTAL	1,588,910	1,731,790
ESTIMATED EXPENSES		
Debt Payment	365,330	367,183
Burrell Court Main/Hydrant	70,650	
Well #7 Improvements	16,614	
Well #2 Improvements		42,000
Well #5 Improvements		55,500
Lusk Roof		8,800
TOTAL	452,593	473,483
PROJECTED YEAR END BALANCE	1,136,316	1,258,307



Del Paso Manor Water District

**REPORT TO THE BOARD OF DIRECTORS
BOARD MEETING OF 05/05/2020
AGENDA ITEM NO. 3**

AGENDA SECTION: Finance Standing Committee

SUBJECT: DPMWD Billing System Upgrade

PREPARED BY: Victoria Hoppe, Office Manager

APPROVED BY: Jeff Nelson, PE, Management Consultant

BACKGROUND

The Del Paso Manor Water Districts' current billing system is a proprietary program built in Microsoft Access. The billing program is outdated and lacks many functions that are needed to capture billing information, charges, fees and other necessary revenue generating information. Terrapin Technology Group has assisted DPMWD with the billing system for the past year and recently sent a letter stating they can no longer provide support with our current billing system and they highly recommend the District implement a modern utility billing program.

DISCUSSION

I researched and contacted multiple utility billing companies from which a short-list of six was selected and subsequently narrowed down to two. There were several considerations in the selections:

1. Cost. Implementation/integration, basic charges, monthly and annual fees, printing/mailing, software upgrades
2. Functionality. Ease of user, online payments, merchant processing, ebilling, customer portal options
3. Security. Servers, database, software, recovery
4. Service/Support. Training (initial and ongoing), customer support, account rep

The two final choices among the ones considered were:

1. MuniBilling Utility Billing Solutions
2. Quikwater

After further review of the programs/software, it is staff's opinion that MuniBilling Utility Billing Solutions, best meets the needs of Del Paso Manor Water District.

FISCAL IMPACT

See cost information, attachment 2. Upgrading the District's billing system will result in more efficient tracking and billing, less staff time needed for this process, and more timely and reliable collection of rate payments.

RECOMMENDED ACTION

Staff recommends the Board of Directors of the Del Paso Manor Water District (DPMWD) approve the purchase of the MuniBilling Utility Billing Solutions system, and direct staff to work with MuniBilling to start integrating this system.

ALTERNATIVES

(a) Request staff to continue to evaluate other accounting systems; (b) Reject the Resolution.

ATTACHMENTS

1. DPMWD Microsoft Access Billing System Costs
2. MuniBilling Utility Billing Solutions Supporting Documents
3. QuikWater Billing Supporting Documents
4. Resolution 20200503

Access Billing System Costs

08/2019 – 04/2020

Terrapin Technology Group	
Database Review	300.00
Line # location (for correcting pmts.)	262.50
Line # location (for correcting pmts.)	37.50
Research Error Message	75.00
Microsoft Authentication	75.00
Research Special Charge Function	37.50
Meter Billing Error (correct error / re-bill)	412.50
Test Version of Program	75.00
TOTAL TO DATE	\$1,275.00

MailRite Print & Mail Inc. (Flat Rate Billing)			
Aug. 2019	Print, Stuff, Seal, Sort (1796)	520.00	\$1,344.36
	Presort / Mail (1796)	824.36	
Oct. 2019	Print, Stuff, Seal, Sort (1623) (Inc. newsletter)	912.99	\$1,657.96
	Presort / Mail (1623)	744.96	
Dec. 2019	Print, Stuff, Seal, Sort (1733)	406.50	\$1,201.95
	Presort / Mail (1733)	795.45	
Feb. 2020	Print, Stuff, Seal, Sort (1636)	544.30	\$1,296.86
	Presort / Mail (1636)	752.56	
Apr. 2020	Print, Stuff, Seal, Sort (1592) (Inc. newsletter)	735.34	\$1,467.66
	Presort / Mail (1592)	732.32	
TOTAL TO DATE			\$6,968.79

Meter Billing (In-House) (Monthly)	
Print, Stuff, Seal, Stamp (100 +/- per month)	
Stamps (100 +/- per month)	55.00
TOTAL TO DATE	\$55.00

One Print Source & Graphics	
Continuous Billing Paper (@ 10,000 individual bills)	456.58
TOTAL TO DATE	\$456.58



Utility Billing Software Proposal for:

Del Paso Manor Water District

Software Subscription

Attn: Victoria Hoppe

4/28/20

Submitted by

MuniBilling
Greensboro, NC
www.MuniBilling.com

John Yergey
john@munibilling.com
(800) 259-7020

Welcome to MuniBilling

Thank you for taking the time to evaluate MuniBilling as your next utility billing software. We are confident that our product and service will exceed your expectations, and we stand behind our product 100%. If you have any questions at all, please do not hesitate to contact us.

MuniBilling is a state-of-the-art utility billing system currently used by over 500 cities, counties, and private utility companies across the United States and Canada. After decades of working closely with municipalities, our founder recognized the need for a modern yet affordable solution to municipal billing. MuniBilling began as a custom program for a select few towns in Pennsylvania, but quickly grew to be a powerful yet flexible solution that could likely meet the needs of every town in America.

Our software has been developed over the past 12 years and continues to be updated multiple times every month to keep up with modern technology and stay ahead of our competition. MuniBilling is a cloud-based system with hundreds of configurable features, processes and reports, allowing for the greatest flexibility and customization available in the industry. Recent technology trends show cloud-based software is being widely adopted across all industries, as it can significantly reduce internal technology costs while increasing security, convenience, and efficiency in the workplace.

Key Features of the MuniBilling system:

1. **Ease of Use** – Our user experience is very intuitive and the entire system is easy to navigate, even for a new user or an infrequent user. Converting to MuniBilling can be done quickly and easily and is often accomplished in a matter of weeks. The greatest convenience comes from being cloud-based software, which means you can use the most up to date software from any computer with an Internet connection, without having to download or install a thing. This also makes it very easy for our support team to help you with any questions that arise.
2. **E-Billing & Customer Portal** – MuniBilling provides you with fully integrated E-Billing which can immediately reduce your postage costs. The Customer Portal allows your customers to login to their account to see their account details, make payments, and submit customer service requests. Your office personnel can also use the Customer Portal to send messages to your customers, distribute forms, and more, which can dramatically reduce time spent dealing with customers.
3. **No Upgrade Costs** – With MuniBilling you are always on the most recent version of our system. As we continue to add new features and enhancements, they are immediately available to you. You will never pay an upgrade fee or be on an outdated version of the system.
4. **Security** – Our system is hosted with Rackspace - a Fortune 100 Company. Your data is safe and secure. See **Security & Disaster Recovery** on page 10 for more information.

5. **Support & Service** – Our dedicated support team is available 12 hours a day, 5 days a week. We take pride in taking care of our customers, our systems and our employees who take care of you.

System Description:

MuniBilling system handles every aspect of your billing process from the collection of usage data, managing property and ownership information, receiving payments, assessing late fees and collection notices. We offer fully integrated printing and merchant processing services as well. We even provide a customer portal which allows your customers to access their information, opt into receiving an E-bill and make and manage payments online.

We have developed hundreds of customizable reports, features, wizards and shortcuts to streamline your workflow and save you valuable time. Every piece of your data is easily accessible and can be exported to a CSV (comma separated value) file for additional analysis.

Our primary goal in any project is to understand your needs and work with you to configure a solution that both solves your business case and is cost effective. We look forward to working with your entire staff to make this the best system for you and your community. We want to work closely together forming lasting partnership that provides you with the best possible utility billing system and to provide customer support that is second to none.

Our Approach to a Project

1. Upon acceptance, we review the proposal with the internal individual or individuals you assign to lead the project. We will develop a detailed written plan and review with your team.
2. Review – Present Plan and Schedule for Project – After completion of the above we will return a written plan and schedule to you for review outlining the project steps and requirements.
3. Modifications and Setup – Complete any required modifications outlined in the “Scope of Work”, complete the basic company configuration and discuss any questions regarding the company configuration.
4. Conversion / Testing – Importing data and testing of the defined processes and items in the “Scope of Work”
5. Training / Orientation – A formal training schedule will be provided upon completion of the system configuration. Training will include a detailed system overview, walkthroughs of the billing and late fee processes, and other functions pertinent to your utility. Training will be completed using online screen sharing technology and questions may be asked at any time. Upon completion, each

trained user will be asked to complete a simple certification test to ensure basic understanding of how to use MuniBilling. Unlimited phone and email support is available to all certified users of the system.

6. Go Live – Plan for go-live date. Start Up Training and Assistance with Processes. Schedule to be agreed upon following signed contract.

Summary

We look forward to the opportunity of working together. We want to provide you with the best solution and develop a lasting relationship with you. We take pride in the MuniBilling system and strive to provide you with the best solution for your needs. Our team provides the best customer service in the industry. We take care of our system, we take care of our customers and we take care of our employees that take care of you.

Proposal Cost Information

Assumptions for the Cost Information

1. Number of Active Billed Accounts current will be ~ 1,700
2. Online training is based on a “Train the Trainers” approach and is assuming training 3-5 individuals in one group
3. Data Transfer costs are based on receiving required data as provided in existing data conversion templates in electronic format
4. 2 Years of historical data will be loaded

Data Mapping/Conversion	\$5,500
Configuration Setup (Rates, Statement, Categories, etc)	\$2,500
Training (remote training)	\$1,500

Total One-Time Costs **\$9,500**

Monthly Subscription Fee (up to 1,800 accounts) **\$720/month**

Bill Printing (optional) \$ 0.26 / Statement + postage
 (includes printing, inserting, statement sized bill 8.5 x 11 with a tear off stub and a customer return envelope inside)

Merchant Processing Heartland \$33.45 / month

Convenience Fees will be provided at the following tiered rates:

<u>Charge Amount</u>	<u>Fee</u>
\$0.01 - \$50.00	\$1.49
\$50.01 - \$100.00	\$2.94
\$100.01 - \$150.00	\$4.39
\$150.01 - \$200.00	\$5.84
Over \$200.00	2.99%

Subscription Cost includes:

- System Maintenance and System Upgrades
- Technical Support for System Issues

Data Transfer Tasks

All tasks listed below are included in the quoted price for data transfer and ongoing subscription to MuniBilling –

- Import customer/parcel data
- Import meter information
- Import meter reads
- Migrate customer deposits (if applicable)
- Import current balances

Scope of Work

Conversion and System Functionality

This document serves to identify all tasks that will be performed for a successful conversion to MuniBilling, as well as any custom functionality to be completed as part of the initial conversion. Any conversion tasks or functionality not listed here including, but not limited to: ACH import/export files, meter integration, 3rd party file transfers, lockbox integration, payment processor integration, accounting software integration, GIS software integration, custom reports, custom data exports, may incur additional charges that will be quoted as needed.

Support Agreement

All MuniBilling customers receive unlimited phone and email support from 8:00AM ET to 8:00PM ET Monday through Friday (excluding holidays) as part of the monthly subscription cost.

Support includes:

- Questions about software functionality: how to use any feature of the system, advice on best practices, reporting questions, any problems that may arise from using the system
- Issues or questions relating to any integration that is quoted in this document or quoted at a later time including but not limited to; ACH import/export files, meter integration, 3rd party file transfers, lockbox integration, payment processor integration, accounting software integration, GIS software integration.
- Issues or questions relating to custom features quoted in this document or at a later time including but not limited to: custom reports, custom data exports, custom system functionality.

Out of Scope Work

Additional integration work:

- We understand that after converting to MuniBilling additional new or change to existing integration work may be required including integrating with payment processors, lockbox processing, meter integration or any other new or changing software integration. In the event additional integration work is required that is not in the scope of this document, a new quote will be prepared outlining the scope of work to be approved by the client.

New system functionality:

- We are constantly improving MuniBilling and will always accept suggestions for improvement to the system. Often suggestions are implemented and made available to all clients for free, and this is one of the many benefits of using cloud-based software. However, occasionally a specific custom feature may be required after converting to MuniBilling that is time sensitive and needed only for one client. In this event a new quote will be prepared outlining the scope of work to be approved by the client.

Additional data migration:

- Any data migration tasks not included in the Conversion Tasks section of this document including but not limited to: bill/payment history, meter reading history, customer deposits, and any additional data fields.
- A change to the data migration tasks listed under the Conversion Tasks section of this document including but not limited to: changing the categorization of customer accounts, reassigning rates, moving or changing any data already migrated.
- In the event additional data migration is required, or a change to the original data migration is needed a new quote will be prepared outlining the scope of work to be approved by the client.

Re-training staff:

- User training is included in this quote, as well as all ongoing support. If future training sessions are needed, will provide certified training for new staff members at the price of \$500/session for 3-5 individuals.

I have read and agree to the above Scope of Work. Each party has caused its authorized representative to execute this Agreement as of the Effective Date.

Del Paso Manor Water District

MuniBilling

By: _____
 Name: _____
 Title: _____

By: _____
 Name: Carin Obad
 Title: President

Service Level Information

Planned Maintenance is communicated in advance. Planned maintenance and updates are done on Wednesday evenings at 10:30 PM EST. The system will be unavailable for up to an hour at that time.

Hours of Availability for online access to the MuniBilling system is normally available 24/7 outside of planned maintenance as described above.

Service Metrics

Critical or Serious Issue – Our target response time to critical or serious system issues is one hour or less, and we strive to resolve the issue or develop a workaround within eight business hours.

Moderate Issue – Our target response time to moderate system issues is two hours or less, and we strive to resolve the issue or develop a workaround within sixteen business hours.

Minor Issue – Our target response time to minor system issues is eight hours or less, and we strive to resolve the issue or develop a workaround within two to three weeks during a planned maintenance outage.

Security & Disaster Recovery

Description of MuniBilling Technologies

Web Servers:

- 256 bit SSL Secured Traffic
- Redundant / load balanced to ensure speed and stability
- Full server backups made daily
- All servers are hosted and supported by Rackspace (www.rackspace.com), a top choice of Fortune 100 companies. Read more about the high level of security, compliance and controls applied to our servers: <http://www.rackspace.com/security/management>

Database:

- Real time transactional backups and full hourly backups, stored for 30 days
- MySQL, a reliable and trusted database used by companies like Zappos and Adobe.
- Stored on secure servers, your data can never be accessed by anyone else

Software Development:

- All changes are communicated to all customers prior to deployment
- Free updates performed several times per month
- You are always on the latest version without having to install anything
- Engineers at MuniBilling are constantly working to keep the software up to date so you do not have to worry about security and compatibility with your computers

Disaster Recovery:

- Full database backups are performed hourly on disk (in virtual hosted server) and database backups are moved every 6 hours to Rackspace Cloud File storage. The greatest possible loss of data is not more than one hour at any given time. A loss of the primary database server only would result in virtually no loss of data at all because of real time transactional mirroring of data.
- Both virtual server storage and Cloud File storage is redundant and hosted with Rackspace at the Dallas, TX data center.
- All servers involved in hosting MuniBilling are also backed up daily to Cloud File storage. All backups are retained for 30 days.
- MuniBilling has a managed support level agreement with Rackspace (http://www.rackspace.com/cloud/managed_cloud/) that offers 24/7 support in the event of a server failure. Rackspace personnel will be involved immediately in the event of a server failure. If, under extraordinary circumstances, Rackspace has a complete failure of servers at their Dallas, TX data center, our servers will be brought back online at another one of their US based data centers as soon as possible.

- Rackspace has been able to offer 100% uptime for their Cloud Server platform (http://www.rackspace.com/information/legal/cloud/sla?page=cloudsites#cloud_servers_sla), which is where MuniBilling is hosted.
- In addition to the disaster recovery support that Rackspace offers, MuniBilling personnel will be involved to ensure that services are restored as quickly as possible. MuniBilling engineers are on a rotating on call schedule to ensure a resource is available in the event of any problem including nights and weekends.

MUNIBILLING

UTILITY BILLING SOLUTIONS

Del Paso Manor Water District

04/28/2020

Attn: Victoria Hoppe

Victoria,

The following pages are some screen shots of our program. We appreciate your interest in the MuniBilling system and look forward to working with you. Let us know if you need any additional information. I am sure that our system will work perfectly for you and allow you to save money and time in multiple ways as well as make sure that all your charges and revenue items are correctly and efficiently billed.

Be safe and we look forward to hearing from you soon.

Main Search Page

MUNIBILLING SEARCH BILLING SYSTEM INFO REPORTS HELP SUPPORT CLASSIC VIEWS
 CUSTOMER PARCEL PAYMENT MULTI-PARCEL OWNERS

Search Customers

Status: Active In-Active
 Name:
 Address:
 Account #:

Allows you to search and find accounts easily by name, address or account number. Other search criteria can be added if required. Simply click on a name to open.

Search Customers

Status: Active In-Active
 Name:
 Address:
 Account #:

Name	Address	City
Keeler, Jane M.	13014 Lansdowne Dr	Carmel
McDonalds,	13008 Lansdowne Dr	Carmel
Walmart,	13007 N Lansdowne Dr	Carmel
Tripps Manufacturing,	13011 Lansdowne Dr	Carmel
Lucas Chevrolet,	13017 Lansdowne Dr	Carmel
Browns Rentals,	8579 Laurel Ct	Carmel
Hamilton, Sarah	8585 Laurel Ct	Carmel
Smith, Michael	8591 Laurel Ct	Carmel
Pope, J. Douglas	8595 Laurel Ct	Carmel
Starks (Tenant), Michael	8590 Laurel Ct	Carmel

The Customer screen will provide you with access to all customer information.

Jane M. Keeler
 13014 Lansdowne Dr
 Parcel Account #: 101400

Acct: 10100
 Balance: (\$5.68)
 Aged Days: 0

Type: RES
 Category: MAIN
 Created:

Save Customer Data
Impersonate
Expand
Collapse

Customer Contact Information

Account #: 10100

Service: [input type="text"]

Different Billing Address?

Email: [input type="text"]

Billing: [input type="text"]

Work: [input type="text"]

Cell: [input type="text"]

Bill Delivery Formats: Mail
 Email
 Exclude 3rd Party Printing

Tenant Statement Duplicate?:

Do Not Share Information?:

Undeliverable Address?:

Customer Portal

Access Code: 135221

Username: No Username

A confirmation email will automatically be sent upon saving a new email address.

[Resend Confirmation Email](#)

[Lock Account](#)

Tenant Information

First: [input type="text"]

Last: [input type="text"]

Email: [input type="text"]

Bill Delivery Formats: Mail
 Email

Different Tenant Billing Address?

Bill Info & History SnapShot

Current Balance: (\$5.68)

BASE \$18.56

WATER \$16.71

Deposits: \$0.00

Overpayments: \$5.68

WATER \$5.68

AR Aging: \$35.27

1 - 30 Days \$35.27

31 - 60 Days \$0.00

61 - 90 Days \$0.00

90+ Days \$0.00

Outstanding Balances By Date: \$35.27

Past Due Balances: \$0.00

Enter Bill
Enter Payment

Adjustment
Transfer Balance

Lockbox Customer ID: 1251214

Recent Account Activity

Bill date 04/01/2020: \$35.27

Bill date 03/31/2020: \$3.84

Pmt. on 04/27/2020: \$5.68

Pmt. on 03/20/2020: \$42.28

[See more details](#)

You can also view all customer history easily

Jane M. Keeler
 13014 Lansdowne Dr

Acct: 10100
 Balance: (\$5.68)
 Aged Days: 0

Type: RES
 Category: MAIN
 Created: 12/01/2018

[Print Statement](#)

Select a Report

Transactional History

Type: All From Date: [input type="text"] To Date: [input type="text"] [Filter Transactions](#)

Date	Description	Flags	Open Balance	Amount	Account Balance
04/27/2020	View Payment Details	Other		(\$5.68)	(\$5.68)
04/01/2020	View Bill Details	Due: 04/29/2020	\$35.27	\$35.27	\$0.00
03/31/2020	View Bill Details	Due: 04/27/2020	\$0.00	\$3.84	\$0.00
03/20/2020	View Payment Details	Check		(\$42.28)	(\$3.84)
03/01/2020	View Bill Details	Due: 04/27/2020	\$0.00	\$38.44	\$38.44
02/10/2020	View Payment Details	Check		(\$57.35)	\$0.00
02/01/2020	View Bill Details	Due: 03/30/2020	\$0.00	\$57.35	\$57.35
01/31/2020	View Payment Details	Check		(\$70.75)	\$0.00
01/01/2020	View Bill Details	Due: 01/24/2020	\$0.00	\$70.75	\$70.75
12/09/2019	View Payment Details	Check		(\$52.73)	\$0.00
12/01/2019	View Bill Details	Due: 01/17/2020	\$0.00	\$52.73	\$52.73
11/08/2019	View Payment Details	Check		(\$48.22)	\$0.00
11/01/2019	View Bill Details	Due: 01/16/2020	\$0.00	\$48.22	\$48.22
10/09/2019	View Payment Details	Check		(\$57.23)	\$0.00
10/01/2019	View Bill Details	Due: 01/15/2020	\$0.00	\$57.23	\$57.23

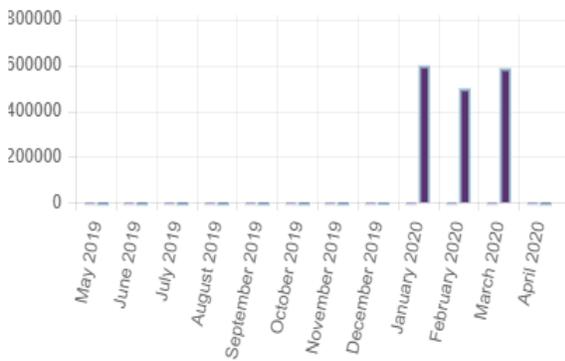
Your customers (the units that you bill) will have a customer portal to view their information along with a graph of their usage.

Account Number	10100
Name	Jane M. Keeler
Service Address	13014 Lansdowne Dr Carmel IN 46032
Mailing Address	13014 Lansdowne Dr Carmel IN 46032

NOTIFICATION
Meetings will be held the 2nd Thursday of every month at the District Office

Customer Service	
Phone	(555) 555-5555
Email	support@carmelutilities.com

Monthly Usage: Last Year v. Current Year
Unit: Cubic Foot



They can also pay online, submit requests and you can post other information and links to your current information

Current Balance	(\$5.68)
Payment Due	04/27/2020
Previous Balance	\$38.44
Payments	\$47.96

[Make A Payment](#)

[Customer Service](#)

IMPORTANT LINKS/FORMS
[Carmel Indiana Website](#)
[Rates and Fees](#)

Payments
Mail to
30 West Main Street
Carmel IN 46032

Invoices can be customized, contain messages and information and are very easy for your customers to understand.

SMPJ - City of Carmel
 30 West Main Street
 Carmel, IN 46032

Ed Harris
 30 East Main Street
 Carmel, IN 46032

Utility Bill	
Please note that if an account is past due, service may be disconnected without notice. If service is disconnected a reconnection fee will apply.	
PREVIOUS BALANCE	\$21.40
PAYMENTS	\$23.54
CURRENT CHARGES	\$24.25
TOTAL DUE 04/29/2020	\$22.11
DUE AFTER 04/29/2020	\$24.33

ACCOUNT NUMBER	10020			
CUSTOMER	Ed Harris			
SERVICE ADDRESS	30 East Main Street Carmel IN 46032			
BILL DATE	04/01/2020			
SERVICE	START	END	USAGE	AMOUNT
(1250 @ 0.00284) Per Month	03/01/2020	04/01/2020		\$3.55
Base Charge	03/01/2020 - 23250	04/01/2020 - 24500	1250	\$18.56
Late charge 03/31/2020				\$2.14
Payment 03/21/2020				(\$23.54)
TOTAL CURRENT CHARGES				\$24.25

Please detach below perforation and return with payment

Use the code 135220 to sign-up online at
<https://Villageofudlow.secure.munibilling.com>

ACCOUNT NUMBER	10020
SERVICE ADDRESS	30 East Main Street
AMOUNT DUE	\$22.11
DUE DATE	04/29/2020
NAME	Ed Harris

SMPJ - City of Carmel
 30 West Main Street
 Carmel, IN 46032

00000125120600001110000000002211016

The below is a sample delinquent notice and this text can be customized for your requirements

Lansford-Coaldale Joint Water Authority
1 East Ridge Street
P.O. Box 147
Lansford, PA 18232-0147

Service Address
226 E WATER ST
COALDALE, PA 18218
Acct # C-01-04
Date: 04/28/2020

04/28/2020

STEVEN M TENTYLO
226 E WATER ST
COALDALE, PA 18218

Dear Customer:

Please help us avoid the mutual inconvenience of discontinuance of service due to non-payment. We wish to provide you with the best possible service.

You can help us by paying your balance for service which is \$75.00.

If you have any questions about your bill, please call us at (570) 645-3040. We are sure we can reach a mutual solution to any problem.

If payment has not been received by 05/19/2020, we will be forced to discontinue service on 05/20/2020, as allowed by the Authority Rules and Regulations.

Please avoid inconvenience of discontinuance and the subsequent mandatory turn-on fee of \$40.00. Our service hours are Monday thru Friday, 8:00 a.m. - 3:00 p.m. Our business hours are Monday thru Friday 8:00 a.m. to 4:00 p.m. The office will be closed Tuesday November 5th for Election Day and Monday November 11th for Veteran's Day.

If payment has been made, please contact our office to notify us of the date of the payment. Customer shut-off for non-payment must be at home to have service restored. We will make every effort to restore service the next business day after payment is received.

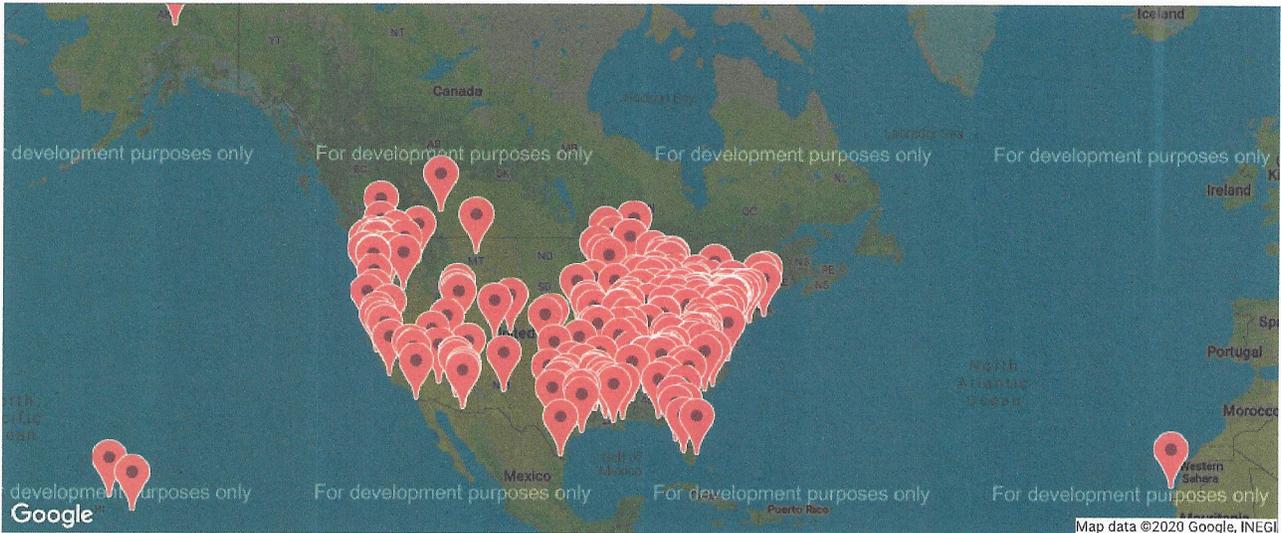
Thank you in advance for your cooperation in this matter.

About

Utility Billing Software Made Easy

Munibilling is headquartered in Greensboro, NC and has customers throughout the United States, Canada and the United Kingdom. We began in 2006 as a simple billing program developed for a single water utility in rural Pennsylvania. We quickly discovered a widespread need for simplified utility billing software with modern features at an affordable price. Over time, we have developed a cloud-based service with flexible options for towns with different needs. Our software expanded the functionality to suit other types of utility billing, including sewer, trash, electricity, water, storm water and more.

We have also added a Full Service Outsource option for those HOAs, Condos, Property Managers and others who would like to reduce their overhead costs and efforts for managing their utility billing.



- [Home](#)
- [Our Solutions](#)
- [Key Features](#)
- [Contact](#)

- [About](#)
- [Careers](#)
- [FAQs](#)

[Sign In](#)

© MUNIBILLING
303 Pisgah Church Rd., Suite C
Greensboro, NC 27455
sales@munibilling.com
800-259-7020

Find Review on Capterra



Key Features

Cloud-Based Billing Software

cloud computing (n): the practice of using a network of remote servers hosted on the internet to store, manage, and process data, rather than a local server or a personal computer.



Cloud-based billing software, often referred to as online billing software, provides numerous advantages to traditional software packages. MuniBilling is an end-to-end cloud-based utility billing solution that saves entities countless hours and dollars when compared to software that must be licensed, downloaded, and installed.

1. No Special Equipment Required

All you need to use cloud billing software is a computer with an Internet connection. MUNIBILLING works on any modern browser, on PC or Mac, even tablets. Our software is hosted on a secure server, so your data stays safe, too.

2. No Software to Install, It's All Done for You

Choosing MUNIBILLING's cloud billing software means you can dramatically IT and hardware costs. Once your data is converted from your old system (we do that for you), we will send you your credentials to login to our secure website. You don't need help from your IT department, or to spend hours installing the program on multiple computers. You don't have to worry if it's compatible with your operating system.

3. You Always have the most Current Version of the Software

Our in-house engineering team releases several program enhancements every month at no additional cost to our customers. Updates are applied to your system automatically, so no action is needed on your behalf before you can take advantage of new features. Simply login to our secure website and continue business as usual without interruption.

4. Never Worry About Computer crashes Losing Your Data

Need a new computer? Suffer a computer crash? Either way, all of your data will be immediately accessible the moment you turn on your new computer and login to MUNIBILLING's cloud billing software. We perform complete back-ups of all customer data every single hour, so your data is always safe and secure.

5. Access Your Utility Billing Software From Any Location

Need to work from a different office? Staying at home with a sick child? Or maybe you need to get some work done while on the road. When you use our cloud billing software, it's easy to work from home or any other off-site location to keep your accounts up-to-date and stay on track.



The Customer Service at MUNIBILLING is excellent. [They have] worked with each step of the way, answering our questions, requests in such a helpful and timely manner. It is so refreshing to have a company listen to its clients and customize their services to meet each individual need.

Contact Us

Merchant Processing & Online Payments

Many of your customers are used to shopping online, and may have asked why they can't pay their utility bill online too. MUNIBILLING offers 24/7 online bill payment, with customer accounts being instantly updated and funds deposited to your bank daily. Most importantly, offering online payments will cut down on office visits, phone calls, trips to the bank, and other time consuming tasks. MUNIBILLING has cut out the middle men to keep your costs as low as possible. Our utility billing software offers flexible, cost saving options to make sure you get the most out of your online payment system.

Printing Services

We know all the tasks involved in running a utility department. Printing, sorting, stuffing, and mailing bills takes up valuable time and money that could be spent on other important tasks. We offer discounted printing and mailing that will save you money and allow you to use your time for more important tasks.

Let us provide you with a proposal that will show you how much time and money you can save. Remember, encouraging people to "go green" and "save the environment" through paperless billing will reduce your printing and postage costs even more.

Meter Integration

MUNIBILLING works with every meter system. We handle the integration, you reap the benefits.

We understand that our customers have complex billing needs, and that everyday they rely on multiple software programs working together to get the job done. Many billing entities use accounting packages, meter reading devices, GIS software, or other programs that are essential to their business. MUNIBILLING has experience working with many of these programs, including custom programs unique to the entity. As a prospective customer, we will spend time with you to build a full analysis of your billing needs and lay out a plan to success with our software.

Lockbox Services

MUNIBILLING's fully-integrated lockbox services mean you can skip the hassle of daily trips to the bank to process utility payments — and you can eliminate temporary labor costs, too.

MUNIBILLING's utility billing software offers the option to have your customers mail their payments to a lockbox, where checks are collected and deposited the same day. Your customers write their checks to your municipality and mail them to a PO Box with your municipality's name on it. Each day as payments arrive, OCR (Optical Character Recognition) software scans checks and payment stubs automatically — and much faster than one could do by hand.

Payments are processed quickly and your accounts updated at the end of every day. You can then generate up to date A/R reports any time from any computer with an internet connection. If your customers have an online account, they can even log in and see their payment was posted. It's all integrated to make your entity's utility billing seamless — and cost efficient.

EBilling

Electronic bills, or eBills, are a paperless option for delivering a bill. This gives customers the ability to review bills before sending payment. It also reduces printing and postage costs.

Alternately, customers can set up automated payments in order to pay without even touching a button.

eBills benefits:

- Lowers cost to deliver printed bills to customers
 - Better security than paper and snail mail
 - Option for automatic payments
 - Fast payment delivery via ACH
-

Service Orders

Our easy to use Service Order Mgmt. feature allows you to create service orders, make assignments and upload images and documents as needed. Need a meter re-read or meter replacement? Service Order management is easy with MUNIBILLING.

Customer Portal

You've heard it hundreds of times before: "I lost my bill, can you send me another one?" With our easy to use customer portal, your residents can find all the information that they need online, without your help. This keeps people out of your office and off your phone line, saving time on the job and decreasing your administrative costs. Coupled with online payments, both you and your customers will love the convenience of our customer portal.

Customer Portal Features:

- View all bill history & payment history
- View current balance and other account details
- View account usage graphs with comparison to town averages
- Change bill delivery preferences (Paper and/or eBill)
- Create a username to manage multiple accounts
- Find contact information for your billing entity
- Submit customer service questions
- Download forms & notices

Additional features with online payments:

- Make a quick payment without logging in
- Log in to view account details before making a payment
- Set up automatic / recurring payments

You can also:

- Distribute forms and notices both to the sign in page or only to signed in customers.
- Direct customers to external websites

Software Integration

MUNIBILLING offers extremely flexible import and export data tools. We work directly with all meter reading companies to import meter reads, new customers, etc. We have a simplified out-of-the-box integration with QuikBooks and other accounting packages. We also directly integrate with Rent Manager for Property Management customers.

Our Solutions



Water



Trash



Sewer



Gas & Electric



Property Mgmt



Full Service



Water billing software for cities and companies of all sizes.

After decades of experience working with municipalities, we found that many governments are stuck using outdated water billing software, suffering every day from a lack of features yet unable to upgrade due to a lack of funds. With that in mind, we set out to offer modern water billing software at a price affordable to any city, company, or property management group. MUNIBILLING has

a suite of standard features such as meter integration, eBilling, a customer portal, and much more. Water billing becomes as easy as uploading a meter file, clicking a few buttons, and printing out bills. Don't use a meter reading device? Our water billing software comes with a **free meter reading mobile application**.



Kick your old trash billing software to the curb.

Let's face it: there is no reason to make trash billing complicated. MUNIBILLING is used by towns, cities, and private companies across the U.S. and Canada because it makes trash billing easy, affordable, and efficient. No matter how frequently you bill for trash and other services, MUNIBILLING can help. Need to add a fee for an extra trash can? Easily add it to their next bill. Someone left

extra trash outside of their collection bin? Quickly charge them an overflow fee. Bill for as many different trash rates, services, and fees as you need. Some of our customers have found MUNIBILLING's trash billing software so affordable and easy to use that they were able to lower their residents annual trash fee.



Get ready to flush your old sewer billing software down the drain.

After decades of working with municipalities, we know first hand how complicated sewer billing can be. MUNIBILLING is chosen by towns, cities, and private companies across the U.S. and Canada everyday because it is a comprehensive utility billing toolkit that makes billing simple. Our sewer billing software is customizable so

that we can tailor it to your exact needs and make your billing process as smooth as possible. No matter how many people you bill, how often you bill them, or what you bill them for, we can help. Use water meter information to bill for sewer or bill flat rate – we can handle it.



Gas & Electric billing software made cost efficient

MUNIBILLING's cloud-based natural gas and electric billing software is used by cities and utility companies everyday across the U.S. and Canada. After decades of experience working with gas & electric utilities, we know first-hand how complicated gas and electric billing can be. With that in mind, we have always focused on making our utility billing software as simple as possible. From full integration with meters and meter reading devices to our mobile meter reading app, we are confident that

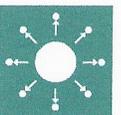
MUNIBILLING has every tool you need to bill for gas & Electric. Gas & Electric billing becomes as easy as uploading a meter file, clicking a few buttons, and printing out bills. Don't use a meter reading device? Our gas & electric billing software comes with a **free meter reading mobile application**. MUNIBILLING can even support programs such as the California CARE program for lower income families.



Property Management & University Utility Billing

Property Management and Universities use MUNIBILLING to provide billing services to multiple communities or areas. MUNIBILLING keeps your properties completely separate while

making it easy to switch between them. On-site Managers have access to real-time data. Manage an entire rental community or even groups of communities.



Full Service Utility Billing

MuniBilling offers a full service outsourcing model with US-based customer support center in Greensboro, NC. More and more companies, large and small, are turning to outsourcing as a way to

grow while restraining payroll and overhead costs. Please contact us to learn more about this model.

We do ALL THIS and MORE!

- Setting up all usage and flat fee rates.
- We can bill for water, sewer, trash, irrigation, electricity, gas, common area charges, rent, taxes, surcharges and more.
- Import or enter your meter reads
- Reviewing meter reads for high/low variances
- Create work orders
- Generate and mail all bills
- Send e-bills to your customers who prefer electronic billing
- Post your customer bills and handle payment reconciliation
- Provide a customer portal for your customers who want to pay their bills online, check their balances or set up auto-pay
- Provide collection services
- Process your lockbox payments
- Provide US-based customer support calls from 8 am – 8 pm EST
- Provide monthly management reports
- We dedicate a team to YOU – not just your customers.

Unlimited support & free updates every two weeks.
Modern Utility billing software that keeps getting better.



Don't get fooled into thinking that because MUNIBILLING is inexpensive that it lacks the full standalone product. It provides us with all the necessary accounting reports and best of quickly tailored to our needs. It has become a reliable, time and money saving member municipality's sewer billing team. The timely and accurate customer support has been an bonus for me. Knowing any of my questions are quickly resolved is refreshing. My decision made me look like a genius to my Council.

Mike C PENNSYLVANIA

Contact

Name

Where are you located?

Select a State ▼

Email

Questions or Comments?

What services do you bill for? How many accounts do you have? Why are you looking for a new billing system?

Phone

FAQs

Questions About Billing And Taking Payments

We have customers that own several properties. Does MuniBilling make their account management easier?

No matter if the customer owns 1, 2, or 100 properties, our software helps you manage landlords, tenants, and rental properties.

How flexible are my printing options?

MuniBilling allows you to print 11" x 8.5" invoices or 5.5" x 4.25" postcards. Configure which data prints, where it prints, and add custom notes to individual accounts. Print your bills in house or outsource it to our discounted bulk printing service.

What are my options for receiving payments?

MuniBilling partners with Heartland Payment Systems to offer credit card, debit card, and eCheck payments online. We also partner with banks that provide lockbox services, allowing you to outsource the work associated with taking payments entirely.

Does MuniBilling work with my meter system?

Yes, MuniBilling integrates with any and all meter systems and meter reading devices. The most commonly used meter systems are Master, Badger, Sensus, I-Tron, Hersey and Neptune.

I have very complicated billing rates and bill for many different services. How can MuniBilling help me?

MuniBilling allows you to create an unlimited number of rates, billing types, and account types. Each rate can be broken down into tiers and have discounts and penalties pre-configured. Billing types help differentiate between groups of rates, making data reporting easy. Groups of accounts can be separated into Account Types to bill subsets of your customer base.

We have customers that own several properties. Does MuniBilling make their account management easier?

Our software is very flexible when it comes to billing individual accounts. Common property transfers are handled in under a minute, while special case billing can be handled with just a few extra clicks. Bills can be automatically be pro-rated based off of your own criteria.

Questions About MuniBilling's Other Functionalities

How does MuniBilling help with customer service?

MuniBilling has a host of features to simplify customer service. The customer portal, an website unique to your town, will allow your customers to log in, view their account details, and make online payments. Our software also has features to manage service orders, contacts, notes, and much more.

I send/receive data from another entity or software program. Can MuniBilling make this easy for me?

We work closely with our new customers to streamline the process of importing and exporting files to and from MuniBilling. No matter what type of file it is, where it comes from, or where it is going, we can help. In cases where usage data is being transmitted to/from another authority, we use 'Reporting Authorities' to help with complicated data reporting requirements.

How does MuniBilling handle service orders?

MuniBilling has a built in service order module that allows you to create service orders, monitor your service schedule, set reminders, make sure customers are invoiced when applicable, and much more. Also, you can quickly view the history of all service orders both on a customer and on their historical properties.

I have many accounts with special alerts on them. How does MuniBilling handle these?

Any type of alert can be created, color coded, and assigned to customer accounts. Any time you enter an account marked with the alert, the alert will display at the top of the screen. Combined with our reminder system, which serves you reminders for upcoming events, MuniBilling's alerts will help you declutter all those lists and notes from your desk.

Questions About Costs and Pricing

How much does MuniBilling cost?

We price our software based off of the number accounts that you bill for, which allows us to make MuniBilling affordable for towns of all sizes. We charge a one-time setup and training fee, then a recurring monthly charge that includes unlimited support and software upgrades.

Will I need to buy any special equipment?

MuniBilling is a cloud application, so all you need is an internet connection to use our software. Nothing besides a computer is required, but our software integrates with scanners, card readers, and other equipment.

What if I can't afford meter reading equipment?

MuniBilling includes a mobile-friendly meter reading app, replacing the need for expensive meter reading equipment. Our app works on any internet connected device, including iPhone, iPad, Android and Blackberry. Even if you don't have internet service while reading meters along your routes, our team will work with you to solve every issue that comes up.

Other Questions

Why should I consider using MuniBilling?

The MuniBilling program was developed working directly with municipal authorities during the course of many years. The result was the most extensive, most flexible and most affordable product on the market. MuniBilling was developed using the latest and most powerful technology that provides the user with many advantages that only a few years ago would not have been available.

How is MuniBilling different in their approach to potential customers?

MuniBilling will have a representative contact you and will provide a detailed analysis of your current system and processes and how you can save time and money with our system. We have years of experience working with municipalities like yours and will analyze your specific needs to develop the plan and options that will work best for you.

RESOLUTION NO. 20200503
A RESOLUTION OF THE DEL PASO MANOR BOARD OF DIRECTORS
ADOPTING THE DEL PASO MANOR WATER DISTRICT BOARD OF
DIRECTORS TO PURCHASE THE UTILITY BILLING SOLUTIONS
MUNIBILLING UTILITY BILLING SOFTWARE

WHEREAS, the Board of Directors (“Board”) of the Del Paso Manor Water District (the “District”) seeks to upgrade the District’s utility billing system; and

WHEREAS, the MuniBilling Utility Billing Software has been evaluated by staff and was found to meets the system upgrade goals as specified by the Board serves as a reference for all of the District’s practices and procedures pertaining to Board meetings, Board powers and responsibilities, and ethical duties; and

WHEREAS, MuniBilling Software will streamline the District’s billing processing and tracking, and will provide more flexibility to rate payers to pay their utility bill; and

NOW THEREFORE, BE IT RESOLVED, the Board does, hereby, accept the proposal by Utility Billing Solutions MuniBilling Utility billing software dated 4/28/2020 and include, as attachment 2.

PASSED AND ADOPTED by the Board of Directors of the Del Paso Manor Water District at a meeting of said Board held on the ____ day of _____, 2020, by the following vote:

AYES:

NOES:

ABSENT/ABSTAIN:

John Lenahan
Board President
Del Paso Manor Water District

ITEM #6

Discuss and/or action regarding the draft

2020 Master Plan Request For Proposal

Del Paso Manor Water District

Request for Proposals Update 2009 Master Plan

The Del Paso Manor Water District is seeking proposals from qualified consultants to provide engineering services to update the District's Master Plan. The Master Plan will update, replace and expand upon the existing plans, studies, and policies.

Prospective firms are required to provide team qualifications, proposed work plans, proposed schedule, and other related items as described in this Request for Proposals.

The deadline for submitting proposals is 2:00PM on May XX, 2020. Submit six (6) hardcopies and one (1) electronic copy (pdf format) of the Proposal in a sealed envelope to:

Del Paso Manor Water District
1817 Maryal Drive, Suite 300
Sacramento, CA 95864
916-487-0419
victoria@delpasomanorwd.org

All communications and questions relative to this RFP shall be directed in writing no later than 2:00 p.m on May XX, 2020, to Victoria Hoppe, Office Manager via email at victoria@delpasomanorwd.org. Questions submitted after this deadline will not receive a response.

BACKGROUND

Del Paso Manor Water District (DPMWD) was established in 1956. The majority of the water system was installed by the DPM community developers, Lusk & King, prior to 1956. The oldest section of the District has steel water mains which makes up about 13% of the District. Approximately 80% of the District contains asbestos cement pipe with the remaining 7% a mix of galvanized and C-900 pipe. All the mains, except for street crossings, are located in the backyards. The District is approximately 1.3 square miles with approximately 1,800 connections.

The District has a mixture of residential (94.3% of services), multi-housing (0.6% of services), commercial (3.7% of services) institutional, irrigation, and fire protection (1.3% of services) customers. In the last ten years, two of the eight wells (#1 and #6) were replaced, and wells #7 and #8 were rehabilitated. A total of 5,427 linear feet of Ductile Iron mains have been installed in the front right of way and tied into the existing distribution system. Meter setters were installed in the front yards, but not connected to individual homes. The 5,427 feet of mains is approximately 5% of the total distribution system.

MASTER PLAN BACKGROUND

In 2009, the District contracted with an engineering firm to create a Master Plan for the District, which was the first in the District's existence. The Master Plan focused on a 25-year horizon with specific recommendations developed for the 5-,10- and 25-year milestones. The 2009 Master Plan addressed the following issues:

- Water Demands and Planning Criteria
- Water Supply Planning
- Conjunctive Use
- Facilities Replacement Planning
- Facilities Management Planning
- Meter Retrofit Planning
- Planned System Maintenance

The District currently operates with two distinct funding streams; Operations and Maintenance (O&M) and Planned System Maintenance (CIP). They each have their own budget and line-item on the bi-monthly bill.

In 2018, the District contracted with Bartle Wells Associates to perform a cost of service analysis for the O&M side of the business. The District implemented a 71% rate increase on the O&M line item in 2018 and verbally promised the ratepayers there would be no additional O&M increases for five years.

MASTER PLAN GOALS AND OBJECTIVES

The DPMWD's Board of Directors is committed to developing a plan to assure the ability to provide safe, clean, and affordable water to our customers now and into the future. Given the age of the District, infrastructure concerns, as well as water resources and water quality are the District's major objectives. This new plan must enable the District to meet increasingly stringent drinking water quality and environmental regulations and proactively upgrade our water facilities to comply with all regulatory requirements.

DPMWD is requesting qualified engineering firms to submit a proposal to update our 2009 System Master Plan. The System Master Plan Update will be a living document and will include:

- Well Construction Plan
- Distribution System Replacement Plan
- Commercial Metering Replacement Plan
- Well Rehabilitation/Upgrade Plan
- Existing Facility Renovation Plan

This Master Plan Update will focus solely on replacing infrastructure on a schedule that is feasible and affordable for a District of this size. Funding will come from the CIP line item of the bill. CIP projects will be funded by revenue/reserves, bonds, or a combination of both.

DISTRICT WATER SOURCES

Currently, the District is supplied by groundwater only. There are eight wells within our service area; however not all eight wells must operate simultaneously to meet peak demands. In 1968, the District contracted with the City of Sacramento for a portion of their right of supply from the American River. Under this contract, DPMWD has contractual rights to divert up to 2,460 acre-feet of water per year from the American River. This quantity is enough to meet 100% of the District's total demand. Although the District maintains this contract with the City of Sacramento, the use of surface water and the necessary conveyance infrastructure has not been implemented as of yet.

REGIONAL CONCERNS

DPMWD is a signatory to the Water Forum Agreement. This agreement is a Memorandum of Understanding that has two co-equal objectives: (1) Provide a reliable and safe water supply for the region's economic health and planned development through the year 2040, and (2) Preserve the fishery, wildlife recreational, and aesthetic value of the Lower American River.

The Board also recognizes that groundwater contamination in the region could threaten our current supply. Having the ability to use surface water as another source may assist the District in providing a reliable and safe supply to our customers in the future. The District currently has three interties with Sacramento Suburban Water District who rely on a combination of surface and ground water for their supply. DPMWD is a rural water district with less than 3,000 connections and is not currently subject to metering requirements.

SCOPE OF WORK

The Master Plan will help determine the projects needed to repair, replace, and/or upgrade the DPMWD's aging infrastructure in order to increase system operating efficiencies and reliability, while improving cost predictability and maintaining a high level of customer satisfaction into the future. The Master Plan Update will also consider the financial constraints of the small DPMWD's customer base and the need for maintaining fair and reasonable rates/charges.

1. Destruction Plan/Well Replacement

The current Master Plan recommends the District implement a program to replace the entire groundwater supply to continue to ensure a reliable drinking water supply. The plan called for the demolition of all eight existing wells and the construction of five new wells at 1,500 gallons per minute (gpm) each, which would provide the District with 7,500 gpm of pumping capacity to meet system demands and fire flow. To date under this Master Plan the District has demolished and replaced two wells (Well #1 and Well #6).

The Master Plan update will assess the current condition of the wells and provide a recommendation for future destruction/replacement of the wells in the light of a significant drop in demand over the past seven years due to conservation efforts by the rate payers.

2. Distribution Main Replacement Plan

The existing distribution system is primarily located in the backyards of the residential area. The existing Master Plan recommended relocating the mains to the street and providing a meter setter and utility box in each front yard. Under this current Master Plan, residential meters were slated to be installed after the distribution system projects were completed.

The new Master Plan will summarize the improvements required for the District's water to adequately serve customers through year 2040. Prioritization of the projects will be established for all of the required improvements. The criteria will be developed based on the nature of each improvement and how critical it is to the overall water system operation.

3. Commercial Metering Plan

The District has meters installed at approximately 90% of its commercial accounts, one park, and one school. Private residences are not currently metered. It was the goal of the District to install meters at each District service connection by 2030. The direction of the current Board is to wait to meter residential properties until it is mandated by law.

This Master Plan will review the current water meters installed at commercial properties and recommend replacement of meters with advanced technology, such as AMI. This will give the District the ability to read meters remotely, increasing Staff efficiency.

4. Well Rehabilitation/Upgrade Plan

Develop a capital improvement plan and implementation strategy/schedule for a one-time major rehabilitation/upgrade of any wells that will be retained under the Master Plan Update.

All routine maintenance and repair of the current wells is handled by DPMWD Staff and funded by the Repair and Maintenance line item of the O&M Budget and need not to be addressed in this proposal.

5. Existing Facility Renovation

In 2016 the District closed our office at our property on Lusk Drive and moved to a leased building on Maryal Drive. The current Master Plan called for purchasing land and building a new office at an approximate cost of \$1.7 million.

This Master Plan Update will study the feasibility of renovating our property on Lusk drive as a potential future District office and corporation yard, ending the lease on our current office space.

SERVICES TO BE PROVIDED BY THE DISTRICT

The services to be provided by the District include, but are not necessarily limited to the following:

1. Furnish Data. Furnish all reasonably available records and information, including reports, maintenance and past project information, budgets, production and consumption data, ordinances, and demand projections.
2. Master Plans. Provide electronic and/or paper copies of the current 2009 Master Plans.
3. Capital Improvement Projects. Provide information on the Capital Improvement Projects that were initiated and completed under the current Master Plan.
4. Staff Support. Coordinate Board and/or Committee meetings, staff meetings, provide staff support and assistance as required to assist with the development of the new Master Plan.

PROPOSAL REQUIREMENTS AND CONTENTS

Proposals submitted for this project are to follow the outline described below and must address all requested information:

Section 1 Project Overview

Provide a narrative description of the project based on the Scope of Work presented in the RFP. District staff will assess your understanding of all aspects of the project based on the overview.

Section 2 Detailed Work Plan

Provide a description of the required tasks and duties for updating the current System Master Plan. The description shall include details as described in the Scope of Work and any recommended additions. Include any assumptions used in development of the work tasks including assistance expected from District staff. Also identify any unique approaches or strengths that your firm may have related to this project. Identify project meetings anticipated and show those meetings on the project schedule (see Section 4 below).

Section 3 Project Team

The project team shall be identified with key tasks and the associated responsible personnel should be identified. A project team organization diagram and summary resume of pertinent experience for each team member shall be included. The geographic location of the firm and key personnel shall also be identified. Any proposed sub-consultants shall be listed. Include sub-consultants assigned task(s) and experience.

Section 4 Project Schedule

A project schedule shall be included in the proposal. Assumptions used in developing the schedule and other potentially driving factors shall be identified.

Section 5 Staff Estimate and Cost

Provide an estimate of staff time required for each scope item. Estimates shall be broken down by task to enable District to determine the level of detail and number of management, engineering,

technical, drafting and support personnel hours envisioned for each task. Estimates of hours for each staff classification shall be provided for each task.

Provide an hourly rate schedule for those job classifications to be billed to the project and identify all other costs to be billed to the project. Include total project cost and identify any adjustments, which are predicted to occur during the life of the project.

Section 6 References

Please provide at least three (3) references of similar types of water supply planning and/or master planning work performed in the past 5 years by key project team members. As a minimum, please include the client's name, project name, project description, total fee, contact name and title, address, phone number, fax number, and e-mail address.

Section 7 Conflicts of Interest

Firms submitting a proposal in response to this RFP must disclose any actual, apparent, direct or indirect, or potential conflicts of interest that may exist with respect to the firm, management, or employees of the firm or other persons relative to the services to be provided under the agreement for engineering services to be awarded pursuant to this RFP. If a firm has no conflicts of interest, a statement to the effect shall be included in the proposal.

Section 8 Proprietary Information

Once submitted to Del Paso Manor Water District, the proposal becomes the property of Del Paso Manor Water District and is, therefore, a public document. Any portion(s) of the proposal that are proprietary in nature or otherwise are requested to remain confidential should be noted with specific reason(s) provided as to why the portion(s) is not required to be disclosed to the public.

Section 9 Insurance

Provide a summary of the firm's (and sub-consultant's) insurance coverage. Minimum limits and types of insurance that are required to be maintained throughout the term of the project are identified in Attachment A.

Section 10 Signature

The proposal shall be signed by an official authorized to bind the consulting firm and shall expressly state that the proposal is valid for 90 days.

SELECTION OF CONSULTANT

Qualification-based selection methods will be used for award of this engineering services contract or contracts. The proposals will be screened by a selection committee and rated on:

- Work Plan
- Understanding of the Project
- Experience and qualifications of the project manager, key personnel assigned, and sub-consultants
- Information obtained from references
- Project Schedule

Proposed fee may be used to distinguish between similarly qualified firms.

After receipt and review of the proposals, the District may request interviews with the top ranked firms to aid in the selection process.

Following successful contract negotiations, a recommendation will be made to the District's Board Members and General Manager to award the contract. In the event that negotiations with the top ranked firm are not successful, staff reserves the right to enter into negotiations with other ranked firms.

V - PROPOSAL SCHEDULE

The following is the anticipated schedule forwarding this project. If a significant change in this

RFP Approved for Release	May XX, 2020
Proposals Due (4:00 PM)	June XX, 2020
Interviews with Top-Ranked Proposers	June XX, 2020
Screening and Ranking Completed	June XX, 2020
Selection of Consultant	June XX, 2020
Contract approved	July XX, 2020

PROPOSAL TERMS AND CONDITIONS

The Del Paso Manor Water District will not pay any costs incurred by the firm in preparing or submitting the proposal. The District reserves the right to modify or cancel, in part or in its entirety, this RFP. The District reserves the right to reject any or all proposals, to waive defects or informalities, and to offer the contract with any firm in response to any RFP. The RFP does not constitute any form of offer or contract.

CERTIFICATE OF INSURANCE

The Consultant shall submit a certificate evidencing such coverage in a form satisfactory to the District's attorney prior to submitting an agreement to the Board for approval. Said certificate shall provide at least thirty (30) days written notice to the District prior to cancellation or modification of any insurance required for this project. Any insurance written on a claims-made basis is subject to approval of the District's attorney. Insurance coverage in the minimum amounts set forth shall not be construed to relieve the Consultant of liability in excess of such coverage, nor shall it preclude the District from taking such other actions as are available to it under any other provisions of the law. Attachment A identifies specific insurance requirements.

STANDARD HOLD HARMLESS AGREEMENT

The Consultant shall defend, indemnify and save and hold harmless the District, its officers, agents, and employees from any claims, suits, or actions of every name, kind, and description brought forth, or an account of, injuries to or death of any persons, including but not limited to, works and the public or damage to property, resulting from or arising out of the Consultant's negligence or willful misconduct in the performance of this project.

ATTACHMENT A

Standard Insurance Requirements

The selected Consultant shall provide, at its own expense, and maintain at all times, the following insurance with insurance companies licensed in the State of California.

COVERAGE	LIMITS OF LIABILITY
General Liability with the following endorsements: <ul style="list-style-type: none"> ➤ Comprehensive ➤ Premises — operations ➤ Explosive/Collapse & Underground ➤ Hazard ➤ Products/Completed Operations D Broad form Property Damage ➤ Independent Contractors ➤ Personal Injury 	Bodily Injury: <ul style="list-style-type: none"> ➤ \$1,000,000 each occurrence ➤ \$2,000,000 aggregate Property Damage: <ul style="list-style-type: none"> ➤ \$1,000,000 each occurrence Personal Injury: <ul style="list-style-type: none"> ➤ \$1,000,000 each occurrence ➤ \$2,000,000 aggregate
Automobile Liability with: <ul style="list-style-type: none"> ➤ Comprehensive ➤ Owned ➤ Hired ➤ Non-owned 	Bodily Injury: <ul style="list-style-type: none"> ➤ \$300,000 each occurrence ➤ \$500,000 aggregate Property Damage: <ul style="list-style-type: none"> ➤ \$150,000 each occurrence
Worker's Compensation	Statutory
Professional Liability (Errors and Omissions)	\$1,000,000 each occurrence

ITEM #7

Action on Resolution 20200501 regarding Policy and Procedure Manual

RESOLUTION NO. _____
A RESOLUTION OF THE DEL PASO MANOR BOARD OF DIRECTORS
ADOPTING THE DEL PASO MANOR WATER DISTRICT BOARD OF
DIRECTORS POLICY MANUAL

WHEREAS, the Board of Directors (“Board”) of the Del Paso Manor Water District (the “District”) seeks to adopt a uniform Del Paso Manor Water District Board of Directors Policy Manual (the “Policy Manual”); and

WHEREAS, the Policy Manual serves as a reference for all of the District’s practices and procedures pertaining to Board meetings, Board powers and responsibilities, and ethical duties; and

WHEREAS, the Policy Manual also provides an overview of District operations and procedures; and

WHEREAS, a copy of the Policy Manual will be given to each Board member; and

WHEREAS, the District will provide the Policy Manual to newly elected Board members, which will facilitate their transition into public office.

NOW THEREFORE, BE IT RESOLVED, the Board does, hereby, adopt the revised Del Paso Manor Water District Board of Directors Policy Manual 2020 attached hereto and incorporated as Exhibit A, subject to any final revisions as may be approved by the District’s General Counsel.

AND BE IT FURTHER RESOLVED, that all polices or resolutions or parts of polices or resolutions in conflict with the Policy Manual are hereby repealed to the extent of any such conflict with the Policy Manual.

PASSED AND ADOPTED by the Board of Directors of the Del Paso Manor Water District at a meeting of said Board held on the ___ day of _____, 2020, by the following vote:

AYES:

NOES:

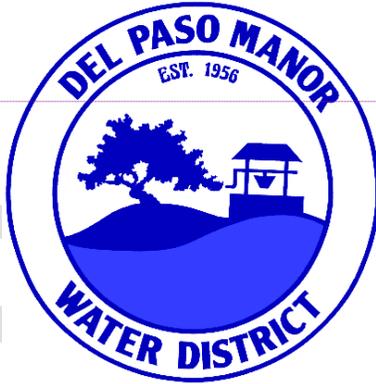
ABSENT/ABSTAIN:

John Lenahan
Board President
Del Paso Manor Water District

Exhibit A

Del Paso Manor Water District Board of Directors Policy Manual 2020

Del Paso Manor Water District
Board of Directors Policy Manual
20192020



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REVISED (ADOPTED) April 2019-XX, 2020

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POLICY NUMBER 1000: Adoption/Amendment of Policies

1000.1 Consideration by the Board of Directors to adopt a new policy or to amend an existing policy may be initiated by any Director or the General Manager. The proposed new policy adoption or amendment shall be initiated by a Director or the General Manager by submitting a written draft of the proposed new or amended policy to the Board President and the General Manager, which may be submitted in person or by any communication method approved by the District, and requesting that the item be included for consideration on the agenda of the next appropriate meeting of the Board of Directors. Any member of the Board may place an item on a future agenda by making a formal request to the General Manager or Board President at a meeting of the Board. The General Manager will place Board items on a future Board agenda when reasonable, based on the staff time and research necessary to prepare the item for Board consideration.

1000.2 Adoption of a new policy or amendment of an existing policy shall be accomplished at a meeting of the Board of Directors in accordance with the District's state statutes regarding the constitution of a majority vote.

1000.3 Copies of the proposed new or amended policy shall be included in the agenda-information packet for any meeting in which they are scheduled for consideration (listed on the agenda). A copy of the proposed new or amended policy(ies) shall be made available to each Director for review in accordance with the requirements under the Brown Act, prior to any meeting at which the policy(ies) are to be considered.

Commented [KF1]: The proposed changes allow the Board to review changes to the Policy during all types of Board meetings: regular, special, and emergency

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POLICY NUMBER 1005: Association Memberships

Purpose: This policy sets forth the rules for membership in associations and establishes who may represent the District.

1005.1 Appropriate Memberships: To take advantage of in-service training opportunities, the District may hold membership in industry related associations. Board Members and staff may attend meetings of national, state, and local associations directly related to the purposes and operations of the District. Decisions to continue, discontinue, or add new memberships shall occur through the annual budget process.

1005.2 Appointment of Representatives: The President shall appoint Board Members as representatives and alternates, as appropriate, to serve as contacts between the District, stakeholder groups, associations and others. The representatives and alternates shall report to the Board in a timely manner on their activities involving these associations. In some cases members may be allowed certain expenses for travel and membership in such associations. This shall be determined and approved by the full Board. All expenses shall be reimbursed pursuant to the District's current Director Compensation and Travel Allowance Policy.

1005.3 District Manager Memberships: The President may designate the District Manager as the appropriate representative or alternate in connection with memberships in any association. The District Manager may recommend those associations or industry specific organizations

Commented [AD2]: This is to make clear that expenses will be reimbursed only pursuant to the District's current written compensation policy, which is currently Resolution 20181203 (See also Wat. Code, § 30507; Gov. Code, §§ 53232.2, 53232.3.)

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with which his/her association is necessary or desired.

POLICY NUMBER 1010: Basis of Authority

1010.1 The Board of Directors is the legislative body and unit of authority within the District. Power is centralized in the elected Board collectively and not in an individual Director. Apart from his/her normal function as a part of this unit, Directors have no individual authority. As individuals, Directors may not commit the District to any policy, act, or expenditure.

1010.2 Directors do not represent any fractional segment of the community but are, rather, a part of the body that represents and acts for the community as a whole. Routine matters concerning the operational aspects of the District are delegated to District staff members.

POLICY NUMBER 1015: Board Secretary

1015.1 Under the County Water District Act (Water Code §§ 30000 et seq.), the Del Paso Manor Water District is required to have a Board Secretary. The Secretary shall not be a member of the Board. Due to the small number of personnel at Del Paso Manor Water District, the General Manager is eligible to serve as the Secretary of the Board and may be designated as such by Board action.

1015.2 If for any reason the President and Vice-President resign or are absent or disabled, the Secretary shall perform the President's duties until the position of President is filled, except presiding over Board meetings

1015.3 Duties of the Secretary

The Board Secretary shall have the following duties:

- a) Certify or attest to actions taken by the Board and resolutions approved by the Board when required;
- b) Sign the minutes of the Board meeting following their approval;
- c) Countersign all contracts and agreements that have been approved by the Board and signed
Countersign all contracts and agreements
that have been approved by the Board and signed by the President of the Board in
accordance with Del Paso Manor Water District Ordinance No. 2.
- c) ~~Perform any other duties assigned by the Board; and~~
- e) Perform any other duties required under law.

1015.4 Responsibilities of the Secretary

The duties of the Board Secretary, are:

- a) Respond to routine correspondence;
- b) Prepare for Board meetings, including preparing the agenda with the advice of the Board President and providing public notice of Board meetings in accordance with state law;
- c) Attend all Board meetings;

Commented [AD4]: This was proposed for deletion. I recommend that the Board keep this. Under Wat. Code, § 30578, the President signs contracts. The Board, however, may delegate this power to another officer (such as the secretary). (Wat. Code, § 30579.5.)

This section should be kept just in case the president resigns and there is a delay in replacing the president. This allows the secretary, or another officer, to sign contracts.

Commented [AD5]: Recommend removal because duplicative of (d).

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- d) Ensure accurate Minutes of each Board meeting are prepared and maintained;
- e) Maintain Board records and other documents and reports as required by law; and
- f) Disseminate correspondence to Board officers addressed to them.

POLICY NUMBER 1020: Board/Staff Communications

Objectives: Effective governance of the District relies on the cooperative efforts of the District's elected Board, who set policy and priorities, and the District's staff members, who analyze problems and issues, to make appropriate recommendations, and implement and administer Board policies. It is the responsibility of District staff to ensure Board members have access to information and to ensure such information is communicated completely and with candor to those making the request. However, Board members should avoid intrusion into those areas that are the responsibility of District staff. Individual Board members must avoid intervening in staff decision-making, the development of staff recommendations, scheduling of work, and executing department priorities without the prior knowledge and approval of the General Manager and Board as a whole. This is necessary to protect District staff from undue influence and pressure from individual Board members and to allow staff to execute priorities given by management and the Board without fear of reprisal.

Role of the Board: As the legislative body for the agency, the Board is responsible for approving the District's budget, setting policy goals, and objectives and adopting strategic plans. The primary functions of the District staff members are to execute Board policy and other Board actions and to keep the Board well informed.

Individual members of the Board should not make attempts to pressure or influence staff decisions, recommendations, workloads, schedules, and department priorities, without the prior knowledge and approval of the Board as a whole. If a Board member wishes to influence the actions, decisions, recommendations, workloads, work schedule, and priorities of staff, that member must prevail upon the Board to do so as a matter of Board policy. The General Manager will be responsible for carrying out the Board's directives.

Board members also have a responsibility of information flow. It is critical that they make extensive use of staff and agency reports and Board meeting minutes. Board members should come to meetings prepared; having read the agenda packet materials and supporting documents, as well as any additional information or memoranda provided on agency projects or evolving issues. Additional information may be requested from staff, if necessary.

Individual Board members, as well as the Board as a whole, are permitted complete freedom of access to any information requested of staff and shall receive the full cooperation and candor of staff in being provided with any requested information. The General Manager or Legal Counsel will pass information to all Board members.

There are limited restrictions when information cannot be provided. Draft documents (e.g. staff reports in progress) are under review and not available for release until complete and after review by District staff. In addition, there are legal restrictions on the agency's ability to release

certain personnel information even to members of the Board. Any concerns Board members may have regarding the release of information or the refusal of staff to release information, should be discussed with Legal Counsel for clarification.

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There shall be mutual respect from both staff and Board members of their respective roles and responsibilities at all times. There is a need for access to staff by Directors and at the same time, unlimited access could result in work priority conflicts for staff.

Purpose: The purpose of the policies listed below is to facilitate Board/staff communications consistent with these principles.

1020.1 All requests for information or questions by the Board to staff outside of a Board or Committee meeting shall be directed to the General Manager or Legal Counsel, as appropriate, and shall include the desired time and date for receiving the information.

Staff will confirm the date they can provide the information.

If a Board member requests information from any other member of the staff, staff may either direct

If a

Board member requests information from any other member of the staff, staff may either direct the matter to the General Manager or Legal Counsel, or may ask the Board member to contact the General Manager or Legal Counsel directly.

1020.2 Individual Directors cannot directly assign work to staff members. Board initiated projects will follow organizational channels, through the General Manager, unless there is an emergency. As no formal procedure will answer all cases, the following should be considered as a guide and used with restraint and judgment:

- a) Directors should clear all short-term requests of Staff with the General Manager prior to contacting individual members of the staff and, in most cases, the General Manager should direct and handle the request for the Director.
- b) For long-term, involved studies or where the matter includes confidential material, the General Manager should be contacted and the subject matter discussed with the full Board at a Board meeting prior to staff working on the assignments.
- c) In the event that staff is a participant or representative of a Committee or Work Group of the Board, the Board may contact the staff member directly to request or provide information or confer regarding matters of the Committee or Work Group.

1020.3 At Board meetings and other public meetings, respectful communication is expected. Staff is encouraged to give their professional recommendations, and the Board should recognize that staff may make recommendations that could be viewed as unpopular with the public and with individual Board members. Board members may request clarification and ask questions of staff at public meetings, and Directors are encouraged to participate in healthy discussions amongst each other regarding items under discussion on the Agenda. However, Directors should refrain from debate with staff at Board meetings about staff recommendations or other items being discussed. Staff must recognize that the Board, as the decision maker, is free to reject or modify a staff recommendation and that the Board's wishes will be implemented by staff even if it was contrary to a staff recommendation.

1020.4 Directors shall not attempt to coerce or influence staff, included in the making of recommendations, the awarding of contracts, the selection of consultants, the processing of any projects or applications, or the granting of permits. Directors shall not attempt to change or interfere with the operating policies and practices of any district department through interaction with staff. Individual Directors may discuss these items with the General Manager to get clarification or raise concerns.

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1020.5 Board members are encouraged not to make public comments critical of the performance of a District staff member. Any concerns by a Director over the behavior or work of a district employee during a Board meeting should be directed to the General Manager privately to ensure the concern is resolved. All complaints about employees from Directors should be submitted privately to the General Manager or, if a complaint concerns the General Manager, to Legal Counsel.

Commented [AD6]: This provision can be read as a prohibition against criticism of public employees. This may violate the First Amendment. (See *Baca v. Moreno Valley Unified School Dist.* (C.D. Cal. 1996) 936 F.Supp. 719, 730; *DeGrassi v. City of Glendora* (9th Cir. 2000) 207 F.3d 636, 646.) Thus, I recommend that the Board encourage against such comments, but not prohibit it.

1020.6 Staff will respect the right of Directors to refuse to provide information or answers to staff and recognize that Directors may be bound by other rules of law or procedure that do not permit the Director to speak about the subject matter presented. If a Director violates any of the policies regarding communications as stated in this policy, any member of staff has the right to request that the Director speak directly with the General Manager about the subject matter presented without any fear of reprisal.

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Commented [DS7]: This needs full legal review.

Commented [DS8]: This needs full legal review.

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Commented [AD9]: We're removing account adjustment requests (below).

POLICY NUMBER 1025: Claims against the District

Purpose: The purpose of this policy is to provide direction to District staff for processing and resolving (if possible) claims against the District.

Inherent in this policy is the recognition that every claim will be unique, and that guidelines cannot be written to accommodate every case. Therefore, staff must use discretion and good sense in handling each claim. When handling a claim, staff should also confer with Legal Counsel to determine the best approach in handling each claim.

Commented [AD10]: I recommend that the all damage claims be presented to the District before resolving it. Under the Government Claims Act, claimants must present a claim to the District within a certain amount of time. (Gov. Code, § 911.2.) For example, for property damage, the claim must be presented within six months. (*Ibid.*) If a claim is not presented within those time limits, the District cannot be sued. (*State of California v. Superior Court* (2004) 32 Cal.4th 1234, 1237.)

I recommend that the District require that claims be presented to the District prior to the District attempting to resolve them. If the District attempts to resolve claims without claims being presented to the District (for e.g., for damages to property, as discussed in the policy below), the District may not be able to take advantage of the time limits on submission of claims. (See *Farrell v. Placer County* (1944) 23 Cal.2d 624, 628.) This will lengthen the time period for which the District will be subject to liability.

1025.1 Property Damage Claims on District Form

All damage claims must be submitted in writing on a District claim form. This will ensure that a claim is valid and protect important rights of the District.

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If an individual does not wish to file a claim on the District form, he/she may present the claim by letter if it conforms with Section 910 and Section 910.2, of the California Government Code. Any letter that alleges damages shall be treated as a claim by letter by District staff. Section 910 specifies that a claim must include all of the following:

- a) The name and post office address of the claimant;
- b) The post office address to which the person presenting the claim desires notices to be sent;
- c) The date, place, and other circumstances of the occurrence or transaction which gave rise to the claim asserted;
- d) A general description of the indebtedness, obligation, injury, damage or loss incurred so far as it may be known as the time of presentation of the claim;
- e) The name or names of the public employee or employees causing the injury, damage, or loss.

Commented [AD11]: I recommend adding this language. If the District receives a letter asserting damage, it can be treated as a claim under the Government Claims Act. (See *Foster v. McFadden* (1973) 30 Cal.App.3d 943, 947; see also Gov. Code, § 915(e).) The District should, therefore, treat such letters as a claim.

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if known; and

f) The amount claimed if it totals less than ten thousand dollars (\$10,000) as of the date of presentation of the claim, including the estimated amount of any prospective injury, damage, or loss, insofar as it may be known at the time of the presentation of the claim, together with the basis of computation of the amount claimed. If the amount claimed exceeds ten thousand dollars (\$10,000), no dollar amount shall be included in the claim. However, it shall indicate whether the claim would be a limited civil case.

Section 910.2 of the California Government Code specifies the following:

The claim shall be signed by the claimant or by some person on his behalf. Claims against local public entities for supplies, materials, equipment or services need not be signed by the claimant or on his/her behalf if presented on a billhead or invoice regularly used in the conduct of the business of the claimant.

If the filed letter/claim does not meet the requirements of the California Government Code Section 910 and Section 910.2, then a letter shall be sent to the claimant informing them of this fact, within 20 days after the presentation of the claim.

District staff shall provide no assistance to the claimant in filling out the claim form. Claimant must fill out the claim form in its entirety and submit it via mail, fax or personal delivery to the District office. Upon receipt, office staff shall date-stamp the document. A copy of claims presented to the District should be forwarded to Legal Counsel to determine the best approach in responding to the claim.

Commented [AD12]: This is required by Gov. Code, § 910.8.

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Commented [AD13]: I recommend this addition so that legal counsel can review claims and determine the best response to a claim.

1025.2 Property (Land and Improvements) Damage Claims

In the course of the District's operations, such as leak repair, excavation to locate shutoff valves, or infrastructure replacement, damage to land and improvements thereon occasionally occurs due to the proximity of the District's facilities to private property. When District employees are aware that property has been damaged in the course of their work, restorative measures are to be taken to return the property as close to its original condition as possible.

When a property owner informs a District employee of damage to their property (by telephone or in person), the employee receiving the information about the damage will document in writing the time and date and a description of the stated circumstances and allegations. Employees should respond to questions, be cordial and respectful, but refrain from commenting on liability questions. The property owner shall be directed to file a claim with the District, as provided by Policy No. 1025.1.

Commented [AD14]: I recommend not using claim here since claim has a technical meaning under the Government Claims Act. (See Gov. Code, § 910.) This is not intended to be a claim under the Act.

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Commented [AD15]: As stated above, I recommend that the District requires property owners to file a claim with the District before resolving it.

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As soon as possible after the property owner has filed a claim with the District, the claim shall be forwarded to the Field Manager, or his/her designee, who shall investigate the property owner's allegations by visiting the property to take photographs and make notes (with property owner present if possible).

If the owner of damaged property informs a member of the Board, the information will be given to the General Manager. Directors should not independently investigate claims or make any representations to the property owner, but may accompany staff to observe.

Investigations shall be done in a timely fashion and documented with a written report, including photographs and/or interviews, when appropriate. A copy of the report shall be submitted to the General Manager.

If the investigating staff person is convinced that the damage was caused by District personnel, equipment, or infrastructure, he/she shall prepare a work order to have the damage repaired, subject to the following conditions:

- a) General Manager approves the work order;
- b) Property owner agrees that the proposed repairs are appropriate and adequate;
- c) Property owner agrees that the proposed repairs settle the claim.
- d) Property owner agrees to allow District personnel access to their property to perform the repair work;
- e) District personnel have the necessary tools, equipment, and expertise to perform the necessary work;
- f) Repair work can be accomplished within a reasonable amount of time; and the cost of material for the repairs will not exceed five hundred dollars (\$500).

The General Manager shall review the damage claim and the proposed repair work within a reasonable amount of time. If he/she determines that the damage is the District's responsibility and that the proposed repair work is appropriate, he/she may authorize the work if the cost of material for the repairs will not exceed five hundred dollars (\$500). A report shall be submitted to the

Board of Directors describing the damage claim, including a description of the manner in which it was resolved. The claimant shall be notified, in writing, of any action by the General Manager regarding their claim.

If the cost of material for repairs is stated by claimant or estimated to exceed five hundred dollars (\$500), the claim will be submitted to the Board of Directors for decision. The Board shall review the claim and receive input from staff in closed session.

The claimant shall be notified of any action, in writing, by the Board regarding their claim.

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claimant shall be notified of any action, in writing, by the Board regarding their claim.

Commented [AD16]: I recommend this addition to foreclose any possible liability to the District after repairs are completed. (See Gov. Code, § 912.6.)

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Commented [AD19]: I recommend revising this to General Manager since it is the General Manager who is approving/denying work orders to settle such claims. The Board of Directors is only receiving a report.

Commented [DS20]: Not sure if we want to begin having a standing committee for "claims". Standing committees take staff time and meetings need to regular with an agenda. In the past, we have taken claims to the full Board at the Board meeting. We have very few and it works well.

Commented [AD21R20]: I agree with this. A committee requires an agenda and compliance with the Brown Act. If the District does not wish to agendize and conform with other Brown Act requirements, I recommend taking report directly to the Board of Directors.

Commented [AD22]: The District has only 45 days investigate, file a report and Act on the claim, unless extended through a written agreement or an amendment to the claim. (See Gov. Code, § 912.4.)

District can keep "reasonable time" language if desired, but it should be aware that actions on a claim should be taken within the 45 days.

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Claims for personal injury/wrongful death shall not be investigated by District staff or directors but shall be immediately forwarded to the District's Legal Counsel and insurance company.

1025.3 Property (Vehicles and Unsecured Property) Damage Claims

District Staff shall forward all claims of damage to vehicles or other unsecured property by a member of the public to the General Manager. He/she shall review the damage claim and the requested restitution within 45 days of receiving the claim. If he/she determines that the damage is the District's responsibility, he/she may authorize repairs or reimbursement of expenses to an amount not to exceed five hundred dollars (\$500). The General Manger, however, shall not authorize repairs or reimbursement of expenses unless the owner of the vehicle or unsecure property agrees that such repairs or reimbursements of expenses is a settlement of the claim. A report shall be submitted to Board of Directors describing the damage claim, including a description of the manner in which it was resolved. The claimant shall be notified of any action, in writing, by the Board regarding their claim.

If the cost of material for repairs is stated by claimant or estimated to exceed five hundred dollars (\$500), the claim will be submitted to the Board of Directors for decision. The Board shall review the claim and receive input from staff in closed session. The claimant shall be notified of any action, in writing, by the Board regarding their claim.

POLICY NUMBER 1030: Codes of Ethics

1030.1 Background information: (is this our current code of Ethics?)

Del Paso Manor Water District designed its Code of Ethics & Values (the "Code") to provide clear, positive statements of ethical behavior reflecting the core values of the District and the communities it serves. The Code includes practical strategies for addressing ethical questions and a useful framework for decision-making and handling the day-to-day operations of the District. The Code is developed to reflect the issues and concerns of today's complex and diverse society.

1030.2 Goals of the code of ethics & values:

- a) To make Del Paso Manor Water District a better District built on mutual respect and trust.
- b) To promote and maintain the highest standards of personal and professional conduct among all involved in District government: District staff, volunteers, and members of the District's Board. All elected and appointed officials, officers, employees, members of advisory committees, and volunteers of the District, herein called "Officials" for the purposes of this policy.
—The Code is a touchstone for members of District Board and staff in fulfilling their roles and responsibilities.

1030.3 Preamble:

Commented [AD24]: The District must decide how to responds to claims submitted to the District within 45 days. (See Gov. Code, § 912.4.)

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Commented [AD25]: The \$500 is consistent with the property repair authority above so it is the repeated limit here.

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Commented [AD26]: Since we are eliminating the Claims committee, I recommend submitting the report to the Board of Directors.

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Commented [AD27]: Notice needs to be provided in writing. (See Gov. Code, § 913.)

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Commented [AD28]: Notice needs to be provided in writing. (See Gov. Code, § 913.)

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- a) The proper operation of democratic government requires that decision-makers be independent, impartial, and accountable to the people they serve. The Del Paso Manor Water District has adopted this Code to promote and maintain the highest standards of personal and professional conduct in the District's government.
- a)–All Officials, and others, who participate in the District's government are required to subscribe to this Code, understand how it applies to their specific responsibilities and practice its eight core values in their work. Because we seek public confidence in the District's services and public trust of its decision-makers, our decisions and our work must meet the most demanding ethical standards and demonstrate the highest levels of achievement in following this Code.

1030.4 Applicability:

This Code shall apply to all District Officials as defined in 1030.2 [b of this Policy](#).

1030.5 Core Value:

As participatory Officials in the District's government, we subscribe to the following Core Values:

1030.6 As a representative of Del Paso Manor Water District, I will be ethical.

In practice, this value looks like:

I am trustworthy, acting with the utmost integrity and moral courage. I am truthful. I do what I say I will do. I am dependable.

- a) I make impartial decisions, free of bribes, unlawful gifts, narrow political interests, financial, and other personal interests that impair my independence of judgment or action.
- b) I am fair, distributing benefits and burdens according to consistent and equitable criteria.
- c) I extend equal opportunities and due process to all parties in matters under consideration. If I engage in unilateral meetings and discussions, I do so without making voting decisions or any improper or unauthorized representations on behalf of the District.
- d) I show respect for persons, confidences, and information designated as "confidential."
- e) I use my title(s) only when conducting official District business for information purposes or as an indication of background and expertise carefully considering whether I am exceeding or appearing to exceed my authority.
- f) I will avoid actions that might cause the public or others to question my independent judgment.
- g) I maintain a constructive, creative, and practical attitude toward the District's affairs and a deep sense of social responsibility as a trusted public servant.

1030.7 As a representative of Del Paso Manor Water District, I will be professional.

In practice, this value looks like:

- a) I apply my knowledge and expertise to my assigned activities and to the interpersonal relationships that are part of my job in a consistent, confident, competent and productive manner.
- b) I approach my job and work-related relationships with a positive, collaborative attitude.
- c) I keep my professional education, knowledge, and skills current and growing.

1030.8 As a Representative of Del Paso Manor Water District, I will be service-oriented.

In practice, this value looks like:

- a) I provide friendly, receptive, courteous service to everyone.
- b) I attune to and care about the needs and issues of citizens, public Officials and District workers.
- c) In my interactions with constituents, I am interested, engaged and responsive.

1030.9 As a representative of Del Paso Manor Water District, I will be fiscally responsible.

In practice, this value looks like:

- a) I make decisions after prudent consideration of their financial impact, taking into account the long-term financial needs of the District, especially its financial stability.
- b) I demonstrate concern for the proper use of District assets (e.g., personnel, time, property, equipment, funds) and follow established procedures.
- c) I make good financial decisions that seek to preserve programs and services for District residents.
- d) I have knowledge of and adhere to the District's Purchasing and Contracting and Allocation of Funds Policies.

1030.10 As a representative of Del Paso Manor Water District, I will be organized.

In practice, this value looks like:

- a) I act in an efficient manner, making decisions and recommendations based upon research and facts, taking into consideration short and long term goals.
- b) I follow through in a responsible way, keeping others informed and responding in a timely fashion.
- c) I am respectful of established District processes and guidelines.

1030.11 As a representative of Del Paso Manor Water District, I will be communicative.

In practice, this value looks like:

- a) I positively convey the District's care for and commitment to its citizens.
- b) I communicate in various ways, that I am approachable, open-minded, and willing to participate in dialogue.
- c) I engage in effective two-way communication, by listening carefully, asking questions, and determining an appropriate response which adds value to conversations.

1030.12 As a representative of Del Paso Manor Water District, I will be collaborative.
In practice, this value looks like:

- a) I act in a cooperative manner with groups and other individuals, working together in a spirit of tolerance and understanding.
- b) I work towards consensus building and gain value from diverse opinions.
- c) I accomplish the goals and responsibilities of my individual position, while respecting my role as a member of a team.
- d) I consider the broader regional and state-wide implications of the District's decisions and issues.

1030.13 As a representative of Del Paso Manor Water District, I will be progressive.
In practice, this value looks like:

- a) I exhibit a proactive, innovative approach to setting goals and conducting the District's business.
- b) I display a style that maintains consistent standards; but is also sensitive to the need for compromise, "thinking outside the box" and improving existing paradigms when necessary.
- c) I promote intelligent and thoughtful innovation in order to forward the District's policy agenda and District services.
- b)-I encourage a work environment that values the principles of continuous process improvement.

1030.14 Enforcement:

Any Official found to be in violation of this Code may be subject to Censure by the District Board. Any member of any Committee found in violation may be subject to dismissal from the Committee. In the case of an employee, appropriate action shall be taken by the General Manager or by an authorized designee.

POLICY NUMBER 1035: Conflict of Interest

1035.1 The Political Reform Act, Government Code §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 Cal. Code of Regs. §18730) which contains the terms of a standard conflict of interest code, which can be incorporated by reference as an agency's conflict of interest code. After public notice and hearing, the standard code may be amended by the FPPC to conform to amendments in the Political Reform Act.

Therefore, the Board may rely on the terms of 2 Cal. Code of Regs. §18730 and any amendments to it duly adopted by the FPPC

in adopting and reviewing its conflict of interest code during even number years as required under in adopting and reviewing its conflict of interest code during even number years as required under the Government Code.

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Commented [AD31]: Attach District's conflict of interest code.

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1035.2 Employees designated in a District adopted conflict of interest code shall file statements of economic interests with the Clerk of the County of Sacramento annually using Form 700.

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POLICY NUMBER 1040: Correspondence to the Board

1040.1 All written or electronic correspondence addressed to the Board of Directors is to be sent to the District office. Copies of the written or electronic correspondence and written responses in reply thereto, if any, shall be distributed to each member of the Board, together with the next regular agenda or at the next regular meeting of the Board, depending on date of receipt or response. Individual Board members may receive correspondence addressed to him/her in his or her official capacity. However, Board members are not permitted to use agency resources for sending or receiving personal correspondence.

POLICY NUMBER 1045: Legal Counsel and Auditor

1045.1 The Board of Directors shall appoint a Legal Counsel to assist the Board and District in all applicable issues and activities.

1045.2 Legal Counsel shall be the legal adviser of the District, including the Board as a whole, the General Manager, and department heads. Legal Counsel shall perform such duties as may be prescribed by the Board of Directors. Such duties include, but are not limited to, providing legal assistance necessary for formulation and implementation of legislative policies and projects. Legal counsel also represents the District's interests as determined by the District, in litigation, administrative hearings, negotiations, and similar proceedings. Additional duties include keeping the Board and District staff apprised of court rulings and legislation affecting the legal interest of the District. Legal Counsel is required to review and approve as to form District legal documents, i.e. contracts, agreements, etc. The Legal Counsel shall present and report on all legal issues and Closed Session items before the Board. The Legal Counsel shall serve at the pleasure of the Board and shall be compensated for services as determined by the Board.

- a) The Legal Counsel reports to the Board as a whole but is available to each Director for consultation regarding legal matters particular to that Board member's participation. No Board member may request a legal opinion of legal counsel without concurrence by the Board, except as such requests relate to questions regarding that member's participation. The Legal Counsel shall be available to the District General Manager for consultation on applicable issues and activities.

1045.3 The District Auditor shall be appointed by the Board by a majority vote in a public meeting. The duties of the District Auditor are to install and maintain a system of auditing and accounting that shall completely and at all times show the financial condition of the District. The Board shall determine any additional duties and compensation of the Auditor. The Auditor shall serve at the pleasure of the Board. Selection of the Auditor shall be done in a noticed public meeting and at least every five years, or as otherwise required by law.

Commented [AD32]: This is required by Wat. Code, § 30582.

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Commented [AD33]: Does the District wish to revisit the selection of the auditor every five years? The District can shorten, lengthen or remove this requirement.

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POLICY NUMBER_1050: Overview of the General Manager's Role
POLICY NUMBER_1050: Overview of the General Manager's Role

1050.1 The General Manager is an employee of the District and has an employment agreement which specifies his/~~or~~ her terms of employment. The General Manager is the administrative head of the District under the direction of the Board of Directors. He or she shall be responsible for the efficient administration of all the District's affairs which are under the General Manager's control. The General Manager plans, organizes, directs, coordinates and evaluates all District operations, programs, and resources in accordance with short and long range goals, policy statements, and directives from the Board.

1050.2 The General Manager's Duties are as described in the General Manager's Employment Agreement.

The District's General Manager shall be responsible and accountable for:

- a) The implementation of policies established by the Board of Directors for the operation of the District;
- b) The planning, direction, and coordination of the day-to-day operations of the District through the appropriate department heads or managers including administration, financing, maintenance, ~~engineering~~, engineering, human resources, and others to effect operational efficiency;
- c) The appointment, supervision, discipline, compensation and dismissal of the District's employees, consistent with the employment policies established by the Board of Directors;
- d) Attend and participate in District Board meetings, prepare and present reports as necessary, represent the Board before external organizations including other agencies, governmental and regulatory entities, business and community groups;
- e) The supervision of the District's facilities and services; and
- f) The supervision of the District's finances.

1050.3 The District's General Manager serves at the pleasure of the Board. The Board will provide policy direction and instruction to the General Manager on matters within the authority of the Board during duly-convened board meetings. Members of the Board will deal with matters within the authority of the General Manager through the General Manager and not through other District employees. Members of the Board will refrain from making requests directly to District employees (other than the General Manager) to undertake analyses, perform other work assignments, or change the priority of work assignments. As members of the public, Directors may request non-confidential, factual information regarding District operations from District employees.

POLICY NUMBER_1055: Legislative Advocacy Policy
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Purpose:

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—————The purpose of the policy is to guide Del Paso Manor Water District officials and Staff in considering legislative or regulatory proposals that are likely to have an impact on Del Paso Manor Water District, and to allow for a timely response to important legislative issues. Although the expenditure of public funds for the purpose of supporting or opposing a ballot measure or candidate is prohibited,¹ the expenditure of public funds is allowed to advocate for or against proposed legislation or regulatory actions which will affect the public agency expending the funds.²

The purpose for identifying Legislative Advocacy Procedures is to provide clear direction to Del Paso Manor Water District Staff with regard to monitoring and acting upon bills during state and federal legislative sessions. Adherence to Legislative Advocacy Procedures will ensure that legislative inquiries and responses will be administered consistently with “one voice” as to the identified Advocacy Priorities adopted by the Board of Directors. The Legislative Advocacy Procedures and Advocacy Priorities will provide the Del Paso Manor Water District General Manager, or other designee, discretion to advocate in Del Paso Manor Water District’s best interest in a manner consistent with the goals and priorities adopted by the Board of Directors. This policy is intended to be manageable, consistent, and tailored to the specific needs and culture of Del Paso Manor Water District.

1055.1 Policy Goals

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- Advocate for the Del Paso Manor Water District legislative interests at the State, County, and Federal levels.
- Inform and provide information to the Board of Directors and district staff on the legislative process, key issues and legislation that could have a potential impact on the District.
- Serve as an active participant with other local governments, state or local organizations such as the California Special Districts Association, the Regional Water Authority, and Association of California Water Agencies, on legislative and regulatory issues that are important to the District and the region.
- Seek grant and funding assistance for Del Paso Manor Water District projects, services, and programs to enhance services for the community.

1055.2 Policy Principles

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The Board of Directors recognizes the need to protect Del Paso Manor Water District interests and local control, and to identify various avenues to implement its strategic and long-term goals. It is the policy of Del Paso Manor Water District to proactively monitor and advocate for legislation as directed by the Advocacy Priorities, defined below, and by the specific direction of the Board of Directors.

¹ Cal. Gov. Code § 54964.

² Cal. Gov. Code § 53060.5; *Stanson v. Mott* (1976) 17 Cal. 3d 206.

This policy provides Del Paso Manor Water District's General Manager the flexibility to adopt positions on legislation in a timely manner, while allowing the Board of Directors to set Advocacy Priorities to provide policy guidance.

Commented [AD35]: I recommend removing this language since "or designee" language is being removed below.

Whenever an applicable Advocacy Priority does not exist pertaining to legislation affecting the Del Paso Manor Water District, the matter shall be brought before the Board of Directors at a regularly scheduled board meeting for formal direction from the Board of Directors.

Commented [DS36]: The Board needs to review and decide if a standing committee is the most appropriate way.

Generally, the Del Paso Manor Water District will not address matters that are not pertinent to the District's local government services, such as international relations or social issues.

Commented [AD37R36]: This doesn't need to be in a policy as the Board has the authority to appoint a committee at any time.

1055.3 Legislative Advocacy Procedures

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It is the policy of Del Paso Manor Water District to proactively monitor and advocate for legislation as directed by the Advocacy Priorities and by the specific direction of the Board of Directors. This process involves interaction with local, state, and federal government entities both in regard to specific items of legislation and to promote positive intergovernmental relationships. Accordingly, involvement and participation in regional, state, and national organizations is encouraged and supported by the Del Paso Manor Water District, but participation in such organizations must be approved by the Board.

Monitoring legislation is a shared function of the Board of Directors and General Manager. The Legislative Advocacy Procedures are the process by which staff will track and respond to legislative issues in a timely and consistent manner. The General Manager will act on legislation utilizing the following procedures:

1. The General Manager shall review requests that the Del Paso Manor Water District take a position on legislative issues to determine if the legislation aligns with the district's current approved Advocacy Priorities.
2. The General Manager will conduct a review of positions and analysis completed by local government associations, when formulating positions.
3. If the matter aligns with the approved priorities, Del Paso Manor Water District response shall be supplied in the form of a letter to the legislative body reviewing the bill or measure. Advocacy methods utilized on behalf of the district, including but not limited to letters, phone calls, emails, and prepared forms, will be communicated through the General Manager. The General Manager shall advise staff to administer the form of

advocacy, typically via letters signed by the General Manager on behalf of the Board of Directors.

4. All draft legislative position letters initiated by the General Manager shall state whether the district is requesting “support”, “support if amended”, “oppose”, or “oppose unless amended” action on the issue, and shall include adequate justification for the recommended action. If possible, the letter should include examples of how a bill would specifically affect the district, e.g. “the funding the district will lose due to this bill could pay for X capital improvements.”
 - a. Support – legislation in this area advances the district’s goals and priorities.
 - b. Oppose – legislation in this area could potentially harm, negatively impact, undo positive momentum for the District, or does not advance the district’s goals and priorities.
5. The General Manager may also provide a letter of concern or interest regarding a legislative issue without taking a formal position on a piece of legislation. Letters of concern or interest are to be administered through the General Manager.
6. When a letter is sent to a state or federal legislative body, the appropriate federal or state legislators representing the Del Paso Manor Water District shall be included as a copy or “cc” on the letter. The appropriate contacts at local government associations, if applicable, shall be included as a cc on legislative letters.
7. A position may be adopted by the General Manager if any of the following criteria is met:
 - a. The position is consistent with the adopted Advocacy Priorities;
 - a. — The position is consistent with that of organizations to which the district is a member; or
8. All legislative positions adopted via a process outside of a regularly scheduled Board Meeting shall be communicated to the Board of Directors at the next regularly scheduled Board Meeting. When appropriate, the General Manager or other designee will submit a report (either written or verbal) summarizing activity on legislative measures to the Board of Directors.

Commented [DS38]: My recommendation is to cc organization where appropriate but sometimes CSDA is not the appropriate organization. Sometimes ACWA, RWA, CRWA or NRWA is, depending on the issue. With that said, I suggest we change this to “Appropriate contacts will be copies or “cc”.”

Commented [AD39R38]: I agree.

1055.4 Advocacy Priorities

Revenue, Finances, and Taxation

Ensure adequate funding for Special Districts’ safe and reliable core local service delivery. Protect Special Districts’ resources from the shift or diversion of revenues without the consent of the affected Districts. Promote the financial independence of Special Districts and afford them access to revenue opportunities equal to that of other types of local agencies. Protect and preserve Special Districts’ property tax allocations and local flexibility with revenue and diversify of local revenue sources.

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Support opportunities that allow the district to compete for its fair share of regional, state, and federal funding, and that maintain funding streams. Opportunities may include competitive grant and funding programs. Opportunities may also include dedicated funding streams at the regional, state, or federal levels that allow the district to maximize local revenues, offset and leverage capital expenditures, and maintain district goals and standards.

Governance and Accountability

Enhance Special Districts' ability to govern as independent, local government bodies in an open and accessible manner. Encourage best practices that avoid burdensome, costly, redundant or one-size-fits all approaches. Protect meaningful public participation in local agency formations, dissolutions, and reorganizations, and ensure local services meet the unique needs, priorities, and preferences of each community.

Oppose additional public meeting and records requirements that unnecessarily increase the burden on public resources without effectively fostering public engagement and enhancing accountability of government agencies.

Promote local-level solutions, decision-making, and management concerning service delivery and governance structures while upholding voter control and maintaining LAFCO authority over local government jurisdictional reorganizations and/or consolidations.

Human Resources and Personnel

Promote policies related to hiring, management, benefits, and retirement that afford flexibility, contain costs, and enhance the ability to recruit and retain highly qualified, career-minded employees to public service. As public agency employers, support policies that foster productive relationships between management and employees.

Maintain special districts' ability to exercise local flexibility by minimizing state mandated contract requirements. Oppose any measure that would hinder the ability of special districts to maximize local resources and efficiencies through the use of contracted services.

Infrastructure, Innovation, and Investment

Encourage prudent planning for investment and maintenance of innovative long-term infrastructure. Support the contracting flexibility and fiscal tools and incentives needed to help special districts meet California's changing demands. Promote the efficient, effective, and sustainable delivery of core local services.

Prevent restrictive one-size-fits-all public works requirements that increase costs to taxpayers and reduce local flexibility.

POLICY NUMBER_1060: Digital Signature Policy

1060.1 Policy. It is the policy of the Del Paso Manor Water District to not use or
to accept electronic signatures.

POLICY NUMBER_2100: Accounts Receivable Policy

2100.1 It is the policy of the District that accounts receivable be reviewed monthly, as it is critical to the cash flow of the District and requires continued follow-up and attention.

2100.2 Procedures:

- a) The accounts receivable balances are reviewed monthly by the General Manager along with assigned staff.
- b) Notices are sent for all accounts 30 or more days past their due date.
- c) Finance charges are assessed as per District Ordinance No. . as such may be amended from time to time.
- d) Credit memos are limited to control of the General Manager.
- e) At month-end closing, an accounts receivable schedule is prepared, reviewed, and reconciled to the General Ledger. The trial balance report is compared to the General Ledger for accuracy.
—An appropriate allowance for bad debt is carried on the Balance Sheet. Every attempt is made for collection. At year-end it is determined if there are uncollectible items. If so, those uncollectible items may be written off by the General Manager upon approval by the Board.

Commented [AD43]: Is there a specific ordinance that governs finance charges?

POLICY NUMBER_2105: Asset Protection and Fraud in the Workplace

2105.1 Purpose and Scope: To establish policy and procedures for clarifying acts that are considered to be fraudulent, describing the steps to be taken when fraud or other dishonest activities are suspected, and providing procedures to follow in accounting for missing funds, restitution and recoveries.

2105.2 The District is committed to protecting its assets against the risk of loss or misuse. Accordingly, it is the policy of the District to identify and promptly investigate any possibility of fraudulent or related dishonest activities against the District and, when appropriate, to pursue available legal remedies.

2105.3 Definitions:

- a) Fraud – Fraud and other similar irregularities include, but are not limited to:
- 1) ~~Claim for reimbursement of expenses that are not job-related or authorized by District policy;~~
 - 2) ~~Forgery, falsification, or unauthorized alteration of documents or records (including but not limited to checks, promissory notes, time sheets, independent contractor agreements, purchase orders, budgets, etc.);~~
 - 3) ~~Misappropriation of District assets (including but not limited to funds, securities, supplies, furniture, equipment, etc.);~~
 - 3) ~~Any use of company vehicles, equipment, or supplies for a strictly personal (non-business) use, in which there is no reasonably related District use or purpose.~~
 - 4) ~~Inappropriate use of District resources (including but not limited to labor, time, and materials);~~
 - 5) ~~Improprieties in the handling or reporting of money or financial transactions;~~
 - 6) ~~Authorizing or receiving payment for goods not received or services not performed;~~
 - 7) ~~Computer-related activity involving unauthorized alteration, destruction, forgery, or manipulation of data or misappropriation of District-owned software;~~
 - 8) ~~Misrepresentation of information;~~
 - 9) ~~Theft of equipment or goods;~~
 - 10)11) ~~Any apparent violation of federal, state, or local laws related to dishonest activities or fraud;~~
 - 11)12) ~~Seeking or accepting anything of material value from those doing business with the District including vendors, consultants, contractors, lessees, applicants, and grantees. Materiality is determined by the District’s Conflict of Interest Code which incorporates the Fair Political Practices Commission’s regulations;~~
 - 12)13) ~~Any other conduct, actions or activities treated as fraud or misappropriation under any federal or state law, rule or regulation.~~
- b) ~~Employee~~ – In this context, employee refers to any individual or group of individuals who receive compensation, either full- or part-time, including members of the Board of Directors, from the District. The term also includes any volunteer who provides services to the District through an authorized arrangement with the District or a District organization.
- c) ~~Management~~ – In this context, management refers to any manager, supervisor, or other designated individual who manages or supervises District’s employees, resources or assets.
- f) ~~External Auditor~~ – In this context, External Auditor refers to independent audit professionals who perform annual audits of the District’s financial statements and are appointed by the District’s Board of Directors.

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Commented [AD44]: Creating this committee through the policy results in the committee being subject to the Brown Act. It would be better to provide that the District will investigate all allegations of fraud, but not establish a committee through the policy. (See Gov. Code, §§ 54952, 54952.2; *Frazer v. Dixon Unified School Dist.*(1993) 18 Cal.App.4th 781, 792.)

2105.4 It is the District’s intent to fully investigate any suspected acts of fraud, misappropriation, or other similar irregularity. An objective and impartial investigation will be

conducted regardless of the position, title, and length of service or relationship with the District of any party who might be or become involved in or becomes the subject of such investigation. An employee being investigated for fraud may request representation by a representative of any recognized bargaining unit that represents the employee.

2105.5 The General Manager is responsible for instituting and maintaining a system of internal controls to provide reasonable assurance of the prevention and detection of fraud, misappropriations, and other irregularities. Management staff should be familiar with the types of improprieties that might occur within their areas of responsibility and be alert for any indications of such conduct.

2105.6 For claims of fraud not involving the General Manager, the General Manager shall have primary responsibility for investigation of activity covered by this policy. For claims of fraud involving the General Manager, the President of the Board shall have primary responsibility for investigation of activity covered by this policy. The District's General Counsel shall advise the General Manager or the Board President on all such investigations.

2105.7 An employee will be granted whistle-blower protection when acting in accordance with this policy so long as he or she has not engaged in activity that violates this policy. When informed of a suspected impropriety, neither the District nor any person acting on its behalf shall:

- a) Dismiss or threaten to dismiss an employee providing the information,
- b) Discipline, suspend, or threaten to discipline or suspend such an employee,
- c) Impose any penalty upon such an employee, or
- d) Intimidate or coerce such an employee.

Violations of this whistle-blower protection policy will result in discipline up to and including termination.

2105.8 Upon conclusion of the investigation, the results will be reported to the General Manager or, if the investigation involves the General Manager, the Board President, who shall advise the Board of Directors.

2105.9 Following review of investigation results, the General Manager or the Board President, as the case may be, will take appropriate action regarding employee misconduct. Disciplinary action can include termination, referral of the case for criminal prosecution, or both.

2105.10 The General Manager or the General Counsel will pursue every reasonable effort, including court-ordered restitution, to obtain recovery of District losses from the offender, other responsible parties, insurers, or other appropriate sources.

2105.11 Procedures:

2105.12.1 Board of Directors' Responsibilities

- a) If a Board Member has reason to suspect a fraud has occurred, he or she shall immediately contact the General Manager or, if the activity involves the General

- b) The Board Member shall not attempt to investigate the suspected fraud or discuss the matter with anyone other than the General Manager or Board President, as the case may be, and the District's Legal Counsel.
- c) The alleged fraud or audit investigation should not be discussed with the media by any person other than the General Manager or the Board President after consultation with the District's Legal Counsel.

Commented [AD46]: Given a director's first amendment rights, I recommend that this should be an encouragement rather than a prohibition. (See *DeGrassi v. City of Glendora* (9th Cir. 2000) 207 F.3d 636, 646.)

2105.12.2 Management Responsibilities

- b.a. Management staff are responsible for being alert to, and reporting fraudulent or related dishonest activities in their areas of responsibility.
- c.b. Each manager should be familiar with the types of improprieties that might occur in his or her area of responsibility and be alert for any indication that improper activity, misappropriation, or dishonest activity did occur or is occurring.
- d.c. When an improper activity is detected or suspected, management should determine whether an error or mistake has occurred or if there may be dishonest or fraudulent activity.
- e.d. If a manager determines a suspected activity may involve fraud or related dishonest activity, he or she should contact his or her immediate supervisor or the District's General Manager. If the activity involves the General Manager, it shall be reported to the Board President or the District's Legal Counsel.
- f.e. Managers should not attempt to conduct individual investigations, interviews, or interrogations other than as directed by the General Manager or General Counsel. However, management staff are responsible for taking appropriate corrective actions to implement adequate controls to prevent recurrence of improper actions.
- g.f. Management staff should support the District's responsibilities and cooperate fully with any investigation, other involved departments, and law enforcement agencies in the detection, reporting, and investigation of criminal acts, including the prosecution of offenders.
- h.g. Management staff must give full and unrestricted access to all necessary records and personnel to those responsible for identifying, investigating and remedying fraud and related dishonest acts. All District assets, including furniture, desks, and computers, are open to inspection at any time. No District officer, agent or employee has a reasonable expectation of privacy in District property and other resources to preclude such inspection.
- i.h. In dealing with suspected dishonest or fraudulent activities, great care must be taken. Therefore, management staff should avoid the following:
 - 1) Incorrect accusations;
 - 2) Alerting suspected individuals that an investigation is underway;
 - 3) Treating employees unfairly; and
 - 4) Making statements that could lead to claims of false accusations or other offenses.
- j.i. In handling dishonest or fraudulent activities, managers have the responsibility to:
 - 1) Make no contact (unless requested) with the suspected individual to determine facts or demand restitution. Under no circumstances should there be any reference to "what you did", "the crime", "the fraud", "the misappropriation", etc;
 - 2) Avoid discussing the case, facts, suspicions, or allegations with anyone outside the District, unless specifically directed to do so by the General Manager; and

- 3) Avoid discussing the case with anyone inside the District other than employees who have a need to know such as the General Manager, the District's Legal Counsel or law enforcement personnel.
- 4) Direct all inquiries from the suspected individual, or his or her representative, to the General Manager, the Board President, or the District's Legal Counsel. All inquiries by an attorney of the suspected individual should be directed to the General Manager or the District's Legal Counsel. All inquiries from the media should be directed to the General Manager or the Board President, if the activity involves the General Manager.
- 5) Take appropriate corrective and disciplinary action, up to and including dismissal, after consulting with the General Manager and Legal Counsel, in conformance with District policy and applicable law.

2105.12.3 Employee Responsibilities

- a) A suspected fraudulent incident or practice observed by, or made known to, an employee must be reported to the employee's supervisor for reporting to the proper management official.
- b) When an employee believes his or her supervisor may be involved in inappropriate activity, the employee shall make the report to the next higher level of management and/or the General Manager. If the activity involves the General Manager, it shall be reported to the Board President or the District's Legal Counsel.
- c) A reporting employee shall refrain from further investigation of the incident, confrontation with the alleged violator, or further discussion of the incident with anyone, unless requested by the General Manager, the District's Legal Counsel, or law enforcement personnel.

2105.12.2 Internal Investigation Protocols

- a) Upon allegations of fraud being made, an internal investigation shall commence. Upon allegations of fraud being made, an internal investigation shall commence.
- b) In all circumstances where there is reason to suspect a criminal fraud has occurred, the District General Manager and Legal Counsel will contact the appropriate law enforcement agency. If the General Manager is suspected of involvement in the fraud, the Board President and Legal Counsel will contact the appropriate law enforcement agency.
- c) Any investigator of an alleged fraud shall be available and receptive to relevant, confidential information to the extent allowed by law after consultation with the District's Legal Counsel.
- d) If evidence is uncovered showing possible dishonest or fraudulent activities, the investigator will:
 - 1) Discuss the findings with the General Manager or the Board President, if the activity involves the General Manager;

- 2) If the case involves District staff members, advise the General Manager to meet with the staff member to determine if disciplinary action should be taken;
- 3) Report to the External Auditor such activities to assess the effect of the illegal activity on the District's financial statements;
- 4) Coordinate with the General Manager regarding notification to insurers and filing of insurance claims;
- 5) Take immediate action, after consultation with the Legal Counsel, to prevent the theft, alteration, or destruction of evidence. Such action shall include, but is not limited to:
 - a) Removing relevant records and placing them in a secure location, or limiting access to those records
 - b) Preventing the individual suspected of committing the fraud from having access to the records.
- 6) In consultation with the District Legal Counsel and the local law enforcement agency, an investigator may disclose particulars of the investigation with potential witnesses if such disclosure would further the investigation.
- 7) If an investigator is contacted by the media regarding an alleged fraud or audit investigation, the investigator will refer the media to the General Manager. . If the activity involves the General Manager the investigator will refer the media to the Board President and Legal Counsel.
- 8) At the conclusion of the investigation, an investigator will document the results in a confidential memorandum report to the General Manager or the Board President, if the activity involves the General Manager, for action. If the report concludes that the allegations are founded and the District's Legal Counsel has determined that a crime has occurred, the report will be forwarded to the appropriate law enforcement agency.
- 9) The investigator shall make recommendations to the appropriate department as to the prevention of future similar occurrences.
- 10) Upon completion of the investigation, including all legal and personnel actions; all records, documents, and other evidentiary material, obtained from the department under investigation will be returned by the investigator to that department.

2105.13 Exceptions

There will be no exceptions to this policy.

The Board of Directors reserves the

right to amend, delete, or revise this policy at any time by formal action of the Board of Directors.

POLICY NUMBER 2110: Budget Preparation

2110.1 ___ An annual budget proposal shall be prepared by the General Manager.

2110.2 Before review by the Board of Directors, the Board's Finance Committee shall meet with the General Manager to review his/her annual budget proposal.

2110.3 The proposed annual budget as reviewed and amended by the Finance Committee shall be

2110.4 The proposed annual budget as amended by the Board during its review shall be adopted at

POLICY NUMBER 2115: Credit Card Use

2115.1 Purpose: The purpose of this policy is to prescribe the internal controls for management of District credit cards.

2115.3 Implementation: A credit card shall be issued to the General Manager and Field Supervisor

- a) All credit card bills shall be paid timely to avoid late fees and finance charges.
- b) All credit card expenses shall be reasonable and necessary to the furtherance of District business. No personal expenses shall be charged on a District credit card. If a transaction involves both personal and District business, the employee shall pay for the transaction personally and request reimbursement by the District of the appropriate portion of the expense.
- c) All credit card transactions shall have third-party documents (receipts) attached and the District purpose annotated by the cardholder.
- d) ~~All records of the District involving credit card use, including receipts, invoices, and requests~~
All records of the District involving credit card use, including receipts, invoices, and requests
All records of the District involving credit card use, including receipts, invoices, and requests

Commented [KF47]: Review of credit card transactions by the only credit card holder, the General Manager doesn't provide any oversight so this provision has been removed. The review of outstanding invoices by the Board at Board meeting should provide sufficient oversight for credit card transactions.

POLICY NUMBER 2120: Employment of Outside Contractors and Consultants

2120.1 The District employs outside contractors or consultants for construction, engineering, planning, environmental review projects, auditing, and other purposes approved by the Board of Directors. The District's procedure is as follows:

- a) Construction projects over \$20,000 will be advertised for bid in at least one local newspaper of general circulation and the local contractors bidding news if available. The bid opening is open to the public and will be specified in the bid documents.
- b) If public bidding requirements apply under law or the terms of any grant contract, those requirements shall be complied with to the exclusion of the previous paragraph.

Commented [AD48]: The District may reduce, increase or eliminate this requirement since the District does not need to comply with the Public Contracting Code. (See *Associated Builders & Contractors v. Contra Costa Water Dist.* (1995) 37 Cal.App.4th 466, 471.)

2120.2 All Consultants will be approved by the Board of Directors on the recommendation of the General Manager. The General Manager and/or Board of Directors will make their decision based on the consultant's experience and qualifications. The consultant will also be required to provide an

explanation of scope of work, hours to complete, and applicable cost estimate for their services that will be used in their evaluation in the selection process. Consultants for engineering, architectural, and other professional services shall be evaluated based upon qualifications and not on cost of services per state law.

2120.3 Every person involved in the solicitation, selection, and approval of consultants shall comply with applicable conflicts of interest laws, including Government Code section 1090, the Political Reform Act of 1974, and the District's conflict of interests code. (See [Policy No. 1035](#); [Resolution No. 20140707 \(adopted on 7/7/2014\)](#)).

Commented [AD49]: This policy also discusses conflict of interest requirements.

POLICY NUMBER 2125: Expense Authorization

2125.1 All purchases made for the District by staff shall be authorized by the General Manager, and shall be in conformance with the approved District budget.

2125.2 Any commitment of District funds for a purchase or expense greater than \$2,500 shall first be submitted to the Board of Directors for approval, or shall be in conformance with prior Board action and/or authorizations.

2125.3 A "petty cash" fund shall be maintained in the District office having a balance-on-hand maximum of \$500.00.

- a) Petty cash may be advanced to District staff or Directors upon their request and the execution of a receipt for same, for the purpose of procuring item(s) or service(s) appropriately relating to District business. After said item(s) or service(s) have been obtained, a receipt for same shall be submitted to the General Manager, and any remaining advanced funds shall be returned. The maximum petty cash advance shall be \$50.00
- b) No personal checks shall be cashed in the petty cash fund.
- c) The petty cash fund shall be included in the District's annual independent accounting audit.

2125.4 Whenever employees or Directors of the District incur "out-of-pocket" expenses for item(s) or service(s) appropriately relating to District business,

reimbursement shall be made pursuant to the District's current reimbursement policy.

reimbursement shall be made pursuant to the District's current reimbursement policy.

Reimbursement may be reimbursed from the District petty cash fund or by warrant request

Commented [AD50]: Recommend revisions so that policy conforms to the District's current reimbursement policy.

Commented [AD51]: I recommend removal. This contradicts with the Districts Reimbursement Policy, which requires approval of the General Manager for out of pocket expenses. (See Resolution 20181203.)

Commented [AD52]: I recommend making this optional, just in case the District wants to reimburse through some other method, like a check. (See Gov. Code, § 53912.)

The District may establish a reimbursement request form and, if it does no reimbursement will be

The District may establish a reimbursement

request form and, if it does no reimbursement will be made without submission of a request on that form.

Commented [AD53]: I recommend removal. This contradicts the Districts reimbursement policy provided which requires written verification prior to reimbursement. (See Resolution 20181203.) It also requires the General Manager to approve all reimbursements.

2125.5 Requests for reimbursement must have a good faith basis. Submission of a request for a reimbursement without such a basis shall subject the requestor to appropriate sanctions, up to and including termination of employment and referral to an appropriate law enforcement agency for prosecution.

POLICY NUMBER 2130: Investment of District Funds

2130.1 This policy is reflected in District Resolution No. 20190402 and supersedes all previous Statements of Investment Policies.

The purpose of this “Policy”, is to provide a framework for the management of Del Paso Manor Water District (“District”) assets. The Policy is designed to monitor and forecast expenditures and revenues, keeping funds invested to the fullest extent. The Policy also encourages effective communication, facilitates transparency and compliance, and provides a framework for investments.

The Policy sets forth the appropriate guidelines in consideration of the needs of the investment program. The Policy provides criteria against which investment results will be measured and serves as a review document to guide ongoing operations and oversight.

The Policy will be modified periodically to reflect the changing nature of the District assets and investment programs, benefit and structural changes, and economic conditions.

The District’s general investment goals are broad in nature. The overall objective of the District’s investment program is to provide members and beneficiaries with benefits as required by law. This will be accomplished through a carefully planned and executed long-term investment program that efficiently and effectively allocates and manages the assets of the District.

The Policy has been designed to allow the District to achieve a long-term total return. As such, prudent risk-taking is appropriate within the context of overall diversification to meet the District’s long-term investment objectives. The assets of the District will be broadly diversified to minimize the effect of short-term losses within any investment program. In accordance with Government Code Sections 16429.1 and 53601, the District may invest in the following types of investments:

1. Bonds issued by the State of California and/or any local agency within the State of California
2. Securities of the U.S. Government, or its agencies
3. Certificates of Deposit (or Time Deposit) placed with commercial banks and/or savings and loan companies
4. Bankers Acceptances
5. Commercial Acceptances

6. Local Agency Investment Fund (State Pool) Demand Deposits
7. Investment Trust of California (CalTRUST)
8. Repurchase Agreements (Repos)
9. Passbook Savings Account Demand Deposit
10. Reverse Repurchase Agreements
11. Medium Term Corporate Notes
12. Mutual Funds holding the above allowable investments

Risk management is central to managing the assets of the District and to achieving the strategic objectives. A framework for risk management is established through the adoption of investment policies for total fund strategic asset allocation, individual asset classes and portfolios with appropriate benchmarks and reasonable risk limits for the implementation of the program. The level of risk assumed will be monitored and reported.

Investment of District monies, not required for immediate expenditure, will be made as provided by law for the investment of public funds. Investments are made under the terms and conditions of Section 53600-53684 and Sections 16429.1 to 16429.3 of the Government Code of the State of California. The criteria for selecting investments and the order of priority are: safety, liquidity, and return on investment.

1. Safety of Principal - Safety of principal is the foremost objective of the District. Each investment transaction shall seek to ensure that capital losses are avoided, whether from institution default or erosion of market value of securities. The District shall seek to preserve principal by mitigating the two types of risk: credit risk and market risk.

a. Credit Risk – Credit risk, defined as the risk of loss due to failure of any issuer of a security, shall be mitigated by investing in only financially sound institutions and/or investment in State of California Local Agency Investment Fund (LAIF).

b. Market Risk – The risk of market value fluctuations due to overall changes in the general level of market interest rates. It is explicitly recognized herein that occasional losses in a diversified portfolio are inevitable, and must be considered within the context of the overall investment returns.

2. Liquidity - Liquidity is the second most important objective of the District's investment policy. It is important that an investment contain the feature of being easily sold or withdrawn at any time with a minimal risk of loss of some portion of principal or interest. Investments shall be as liquid as required. Term investments shall be selected to anticipate cash needs to avoid forced liquidation and loss of interest or payment of penalties.

3. Return on Investment - The District shall seek to attain a market-average rate of return throughout economic cycles. The market-average rate of return is defined as the average return on two-year U.S. Treasury Bonds.

In accordance with section 53600 et. seq. of the Government Code of the State of California (Government Code), the authority to invest public funds is expressly delegated to the Board of Directors who may re-delegate to an appointed designee (the “Designee”) by Board action. The Designee will prepare a monthly transactions report for the Board of Directors in accordance with Section 53607 of the Government Code.

Commented [AD54]: This can only be the Board treasurer or secretary or general manager. (Wat. Code, § 30543; Gov. Code, § 53607.)

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Within 30 days after the end of each quarter, the Designee will provide the Board of Directors a report which will include the investment type, issuer, maturity dates, and dollar value.

A. The Designee’s responsibilities include, but are not limited to:

1. Developing and adopting policies to achieve the District’s strategic objectives.
2. Reviewing policy recommendations made by the Board of Directors.
3. Recommending policies for the Board of Director’s consideration.

B. The Board of Director’s independent investment consultants’ responsibilities include, but are not limited to:

1. Providing independent review, analysis, and recommendations regarding the development and revision of policies to ensure overall consistency, use of best practices, a systemwide approach, and implementation of the District’s policies.
2. Reporting to the Board of Director’s and Designee as appropriate.

All money shall be deposited for safekeeping in state or national banks, state or federal savings and loan associations, or the State of California Local Agency Investment Fund (LAIF).

Investment of funds under the above provisions shall be limited as follows:

1. Non-transferable Certificates of Deposit that are insured by the FDIC, or in short term U.S. Treasury Certificates.
2. Funds invested in the Local Agency Investment Fund will be limited to an amount of \$4,000,000.
3. Funds invested in the Investment Trust of California (CalTRUST) will be limited to an amount of \$4,000,000.
4. LAIF funds and CalTRUST funds may exceed \$4,000,000 for up to three months. The Treasurer will present the Board with a revised investment policy if funds will exceed the stated limits.

POLICY NUMBER 2135: Purchasing

2135.1 The General Manager shall have the discretion and authority to purchase small items —

2135.2 To purchase items costing more than \$500 and up to \$2,500, quotations will be solicited from vendors and received by telephone, e-mail, written quotation, preferably from two or more sources, before selecting a supplier and processing a purchase order. The General Manager

must approve purchase orders, and shall have the discretion to do so without Board action. The General Manager shall have discretion to execute contracts for the purchase of such items.

Commented [AD56]: Same comment as above.

2135.3 For items over \$2,500 or orders of large quantities, the District will provide suppliers with a list of items to be purchased. Suppliers will provide written quotes for consideration and recommendation to the Board of Directors for award of contract. Items on the list will be purchased from the supplier quoting the best quality at the lowest price and having an acceptable delivery date.

2135.4 Vehicles will be purchased through the State's Vehicle Procurement Program, unless they can be acquired at the same cost or less expensively from local sources by competitive quotation bids in accordance with section 2135.2.

2135.5 This policy covers the purchase of goods, not services and not public works construction services.

POLICY NUMBER 2140: Receiving/Depositing Remittances

2140.1 _____ It is the policy of the District that the General Manager shall cause appropriate staff to timely receive and deposit remittances and to ensure accountability.

2140.2_ Procedures for incoming Checks:

- a) The Office Manager opens mail, receiving all checks and stamping "for deposit only".
- b) Using approved account codes, the Office Manager logs each check on a weekly spreadsheet.
 - If the application of any check to a particular fund or account of the District is unclear, the Office Manager logs as "Miscellaneous".
- c) The Office Manager stamps any accompanying paperwork "Paid" and forward to the General Manager.
 - If there is no accompanying paperwork, the Office Manager will match check to open invoice(s) and proceed with above.
- d) Once a week, the spreadsheet is given to the General Manager.
- e) —
 - Any checks logged as "Miscellaneous" go to the General Manager for appropriate coding.
- g)f) The Office Manager prepares the bank deposit.
- h)g) _____ The Office Manager verifies correct dollar amount and coding. Accounting for any check classified as payment for an administrative service will be verified by the General Manager.
- i)h) The designated staff person deposits with bank.
- j)i) The designated staff person records the deposit in the General Ledger.

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POLICY NUMBER 2145: Records Retention

2145.1 The purpose of this policy is to: provide guidelines to staff regarding the retention or disposal of District records; provide for the identification, maintenance, safeguarding and disposal of records in the normal course of business; ensure prompt and accurate retrieval of records; and, ensure compliance with legal and regulatory requirements.

2145.2 Vital and important records, regardless of recording media, are those having legal, financial, operational, or historical value to the District.

2145.3 The General Manager is authorized by the Board of Directors to interpret and implement this policy, and to cause to be destroyed any or all such records, papers and documents that meet the qualifications governing the retention and disposal of records, specified below, after consultation with the General Counsel.

2145.4 Pursuant to the provisions of Government Code §§ 60200 through 60203, and the guidelines prepared by the State Controller's office and the Controller's Advisory Committee for Special Districts, the following qualifications will govern the retention and disposal of records of the District.

Commented [AD57]: Ensure that this complies with the District's current Records Inspection, Retention, Disposal and Storage policy.

2145.4.1 Duplicate records, papers and documents may be destroyed at any time without Board authorization, advice of the General Counsel, or copying to photographic or electronic media.

2145.4.2 Originals of records, papers and documents more than two years old that were prepared or received in any manner other than pursuant to State or Federal statute may be destroyed without the necessity of copying to photographic or electronic media except for permanent records of the District as defined in this policy.

2145.4.3 In no instances are records, papers or documents to be destroyed where there is a continuing need for such records for such matters as pending litigation, special projects, etc.

2145.4.4 Records, papers or documents which are not expressly required by law to be filed and preserved may be destroyed if all of the following conditions are met:

2145.4.4.1 The record, paper or document is photographed, micro-photographed, reproduced on film of a type approved for permanent photographic records by the National Bureau of Standard, or copied to an approved electronic media;

2145.4.4.2 The device used to reproduce such record, paper or document on film, (or retrieves and prints the document from the electronic media,) is one which accurately reproduces the original thereof in all details; and,

2145.4.4.3 The photographs, micro-photographs, or other reproductions on film are placed in conveniently accessible files and provisions are made for

_____preserving, examining, and using the same, together with documents stored via _____
_____electronic media.

2145.4.5 Any accounting record except the journals and ledgers which are more than five years old and which were prepared or received in any manner other than pursuant to State statute may be authorized for destruction, provided that:

2145.4.5.1 There is no continuing need for said record, i.e., long-term transactions, special projects, pending litigations, etc., and;

2145.4.5.2 There exists in a permanent file, an audit report or reports covering the inclusive period of said record, and that;

2145.4.5.3 Said audit report or reports were prepared pursuant to procedures outlined in Government Code section 26909 and other State or Federal audit requirements, and that;

2145.4.5.4 Said audit or audits contain the expression of an unqualified opinion.

2145.4.6 _____Any accounting record created for a specific event or action may be destroyed upon authorization five years after said event has in all respects terminated. Any source document detailed in a register, journal, ledger or statement may be authorized for destruction five years from the end of the fiscal period to which it applies. The following may be destroyed at any time without Board authorization or consultation with the General Counsel:

2145.4.6.1 Duplicates (original-subject to aforementioned requirements).

2145.4.6.2 Rough drafts, notes or working papers (except audit).

2145.4.6.3 Cards, listings, nonpermanent indices, transitory files and other papers used for controlling work.

2145.4.7 All payroll and personnel records shall be retained indefinitely. Originals may upon authorization be destroyed after seven years' retention, provided said records have been microfilmed and qualify for destruction section 2145.4, above. Payroll and personnel records include the following:

2145.4.7.1 Accident reports, injury claims and settlements.

2145.4.7.2 Medical histories.

2145.4.7.3 Injury frequency charts.

2145.4.7.4 Applications, changes and terminations of employees.

2145.4.7.5 Insurance records of employees.

2145.4.7.6 Time cards.

2145.4.7.7 Classification specifications (job descriptions).

2145.4.7.8 Performance evaluation forms.

2145.4.7.9 Earning records and summaries.

2145.4.7.10 Retirements.

2145.4.8 Records of proceedings for the authorization of long-term debt, bonds, warrants, loans, etc., after issuance or execution may be destroyed if [electronically copied](#) as provided for in section [2145.4.4](#), above. Terms and conditions of bonds warrants, and other long-term agreements should be retained until final payment, and thereafter may be destroyed in less than 10 years if microfilmed as provided for in section [2145.4.4](#), above. Paid bonds, warrant certificates and interest coupons may be destroyed after six months if detailed payment records are kept for 10 years.

2145.5 Minutes of the meetings of the Board of Directors are usually retained indefinitely in their original form. However, they may, upon the General Manager's authorization, be destroyed if they are [electronically copied](#) as provided for in [section 2145.4.4](#) above.

Commented [AD58]: Recommend removal since the District does not record its meetings.

2145.5.1 Construction records, such as bids, correspondence, change orders, etc., shall not be kept in excess of seven years unless they pertain to a project which includes a guarantee or grant and, in that event, they shall be kept for the life of the guarantee or grant plus seven years. As-built plans for any public facility or works shall be retained as long as said facility is in existence.

2145.5.2 Contracts should be retained for its life plus seven years. Any unaccepted bid or proposal for the construction or installation of any building, structure or other public work which is more than two years old may be destroyed.

2145.5.3 Property records, such as documents of title, shall be kept until the property is transferred or otherwise no longer owned by the District.

Appendix A: Definitions for Records Retention and Disposal Policy

1. AUTHORIZATION. Approval from the General Manager, as authorized by the District's Board of Directors.
2. ACCOUNTING RECORDS. Include but are not limited to the following:

- a. SOURCE DOCUMENTS
 - (1) Invoices
 - (2) Warrants
 - (3) Requisitions/Purchase Orders (attached to invoices)
 - (4) Cash Receipts
 - (5) Claims (attached to warrants in place of invoices)
 - (6) Bank Statements
 - (7) Bank Deposits
 - (8) Checks
 - (9) Bills
 - (10) Various accounting authorizations taken from Board minutes, resolutions or contracts

- b. JOURNALS
 - (1) Cash Receipts
 - (2) Accounts Receivable or Payable Register
 - (3) Check or Warrant (payables)
 - (4) General Journal
 - (5) Payroll Journal

- c. LEDGERS
 - (1) Expenditure
 - (2) Revenue
 - (3) Accounts Payable or Receivable Ledger
 - (4) Construction
 - (5) General Ledger
 - (6) Assets/Depreciation

- d. TRIAL BALANCE

- e. STATEMENTS (Interim or Certified - Individual or All Fund)
 - (1) Balance Sheet
 - (2) Analysis of Changes in Available Fund Balance
 - (3) Cash Receipts and Disbursements
 - (4) Inventory of Fixed Assets (Purchasing)

- f. JOURNAL ENTRIES

- g. PAYROLL and PERSONNEL RECORDS include but are not limited to the following:
 - (1) Accident reports, injury claims and settlements
 - (2) Applications, changes or terminations of employees
 - (3) Earnings records and summaries
 - (4) Fidelity Bonds
 - (5) Garnishments
 - (6) Insurance records of employees

- (7)Job Descriptions
- (8)Medical Histories
- (9)Retirements
- (10) Time Cards

h. OTHER

- (1)Inventory Records (Purchasing)
- (2)Capital Asset Records (Purchasing)
- (3)Depreciation Schedule
- (4)Cost Accounting Records

- 3. LIFE. The inclusive or operational or valid dates of a document.
- 4. RECORD. Any paper, bound book or booklet, card, photograph, drawing, chart, blueprint, map, tape, microfilm, or other document, issued by or received in a department, and maintained and used as information in the conduct of its operations.
- 5. RECORD COPY. The District copy of a document or file.
- 6. RECORD SERIES. A group of records, generally filed together, and having the same reference and retention value.
- 7. RECORDS CENTER. The site selected for storage of inactive records.
- 8. RECORDS DISPOSAL. The planning for and/or the physical operation involved in the transfer of records to the Records Center, or the authorized destruction of records pursuant to the approved Records Retention Schedule.
- 9. RECORDS RETENTION SCHEDULE. The consolidated, approved schedule list of all District records which timetables the life and disposal of all records.
- 10. RETENTION CODE. Abbreviation of retention action which appears on the retention schedule.
- 11. VITAL RECORDS. Records which, because of the information they contain, are essential to one or all of the following:
 - a. The resumption and/or continuation of operations;
 - b. The recreation of legal and financial status of the District, in case of a disaster;
 - c. The fulfillment of obligations to bondholders, customers, and employees.

Vital records include but are not limited to the following

:
:
:
:

- _____ (1) Agreements
- _____ (2) Annexations and detachments
- _____ (3) As-built drawings
- _____ (4) Audits
- _____ (5) Contract drawings
- _____ (6) Customer statements
- _____ (7) Deeds
- _____ (8) Depreciation schedule
- _____ (9) Disposal
- _____ surplus & excess property

_____ (10) _____ Disposal
 scrap materials

of
 of

- _____ (11) District insurance records
- _____ (12) District water rights
- _____ (13) Employee accident reports, injury claims & settlements
- _____ (14) Employee earning records
- _____ (15) Employee fidelity bonds
- _____ (16) Employee insurance records
- _____ (17) Encroachment permits (by others)
- _____ (18) Encroachment permits (by OWID)
- _____ (19) Facility improvement plans
- _____ (20) Improvement districts
- _____ (21) Individual water rights
- _____ (22) Individual claims/settlements
- _____ (22) Inventory
- _____ (24) Journal vouchers
- _____ (25) Ledgers
- _____ (26) Licenses & permits (to operate)

- _____(27) Loans & grants
- _____(28) Maps
- _____(29) Minutes of Board meetings
- _____(30) Payroll register
- _____(31) Policies, Rules & Regulations
- _____(32) Purchase orders & requisitions
- _____(33) Restricted materials permits
- _____(34) Rights of ways & easements
- _____(35) Spray permits
- _____(36) Statements of Economic Interest

Appendix B: Records Retention & Storage Summary

<u>Group</u>	<u>Title or Description</u>	<u>Original</u>	<u>Duplicate</u>	<u>Office</u>	<u>Retention Periods</u>	
					<u>Record Center</u>	<u>Retain or Destroy</u>
-	-	-	-	-	-	-
<u>1</u>	<u>Records affecting title to real property or liens thereof.</u>	<u>X</u>	-	<u>2 yrs.</u>	<u>OP</u>	<u>ES</u>
<u>2</u>	<u>Records required to be kept permanently by statute.</u>	<u>X</u>	-	<u>2 yrs.</u>	<u>OP</u>	<u>ES</u>
<u>3</u>	<u>Minutes, ordinances & resolutions of Board.</u>	<u>X</u>	-	<u>2 yrs.</u>	<u>OP</u>	<u>ES</u>
<u>4</u>	<u>Documents with lasting historical, administrative, legal, fiscal, or research value.</u>	<u>X</u>	-	<u>2 yrs.</u>	<u>OP</u>	<u>ES</u>
<u>5</u>	<u>Correspondence, operational reports and information upon which District policy has been established.</u>	-	-	<u>2 yrs.</u>	<u>10 yrs.</u>	<u>12 yrs.</u>
<u>6</u>	<u>Duplicates of 5, above, when retention is necessary for reference.</u>	<u>X</u>	-	<u>2 yrs.</u>	-	<u>2 yrs.</u>

<u>7</u>	<u>Records requiring retention for more than five years, but no more than 15 years by statute or administrative value.</u>	<u>X</u>	<u>-</u>	<u>2 yrs.</u>	<u>13 yrs.</u>	<u>15 yrs.</u>
<u>8</u>	<u>Duplicates needed for administrative purposes for five to 15 years.</u>	<u>-</u>	<u>X</u>	<u>2 yrs.</u>	<u>13 yrs.</u>	<u>15 yrs.</u>
<u>9</u>	<u>All other original District records, or instruments, books or papers that are considered public documents not included in Groups 1 through 8.</u>	<u>X</u>	<u>-</u>	<u>2 yrs.</u>	<u>1 yr.</u>	<u>3 yrs.</u>
<u>10</u>	<u>Duplicates and other documents not public records required to be maintained for administrative purposes.</u>	<u>X</u>	<u>X</u>	<u>2 yrs.</u>	<u>3 yrs.</u>	<u>5 yrs.</u>
<u>11</u>	<u>Duplicate records requiring retention for administrative purposes such as reference material for making up budgets, planning and programming.</u>	<u>-</u>	<u>X</u>	<u>3 yrs.</u>	<u>-</u>	<u>3 yrs.</u>
<u>12</u>	<u>Reference files (copies of documents which duplicate the record copies filed elsewhere in the District; documents which require no action and are non-record; rough drafts, notes, and similar working papers accumulated in preparation of a communication, study or other document, and cards, listings, indexes and other papers used for controlling work).</u>	<u>-</u>	<u>X</u>	<u>1 yr.</u>	<u>-</u>	<u>1 yr.</u>

13	<u>Transitory files, including letters of transmittal (when not a public record), suspense copies when reply has been received, routine requests for information and publication, tracer letters, and other duplicate copies no longer needed.</u>	X	X	<u>3 mos.</u>		<u>3 mos.</u>
14	<u>Original documents disposable upon occurrence of an event or an action (i.e., audit, job completion, completion of contract, etc.) or upon obsolescence, supersession, revocation.</u>	X	-	<u>2 yrs.</u>	<u>3 yrs.</u>	<u>7 yrs.</u>
15	<u>Policy files and reference sets of publications.</u>	-	X	I	-	I
16	<u>Duplicates or non-record documents required for administrative needs but destroyable on occurrence of an event or an action.</u>	-	X	I	-	I

Group No.	Title or Description	Original	Duplicate	Retention Periods		
				Office	Record Center	Retain or Destroy
1	Records affecting title to real property or liens thereof.	X		2-yrs.	OP	ES
2	Records required to be kept permanently by statute.	X		2-yrs.	OP	ES

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3	Minutes, ordinances & resolutions of Board.	X		2-yrs.	OP	ES
4	Documents with lasting historical, administrative, legal, fiscal, or research value.	X		2-yrs.	OP	ES
5	Correspondence, operational reports and information upon which District policy has been established.	X		2-yrs.	10 yrs.	12-yrs.
6	Duplicates of 5, above, when retention is necessary for reference.	X		2-yrs.		2-yrs.
7	Records requiring retention for more than five years, but no more than 15 years by statute or administrative value.	X		2-yrs.	13 yrs.	15-yrs.
8	Duplicates needed for administrative purposes for five to 15 years.		X	2-yrs.	13 yrs.	15-yrs.
9	All other original District records, or instruments, books or papers that are considered public documents not included in Groups 1 through 8.	X		2-yrs.	1-yr.	3-yrs.
10	Duplicates and other documents not public records required to be maintained for administrative purposes.	X	X	2-yrs.	3-yrs.	5-yrs.

11	Duplicate records requiring retention for administrative purposes such as reference material for making up budgets, planning and programming.		X	3-yrs.		3-yrs.
12	Reference files (copies of documents which duplicate the record copies filed elsewhere in the District; documents which require no action and are non-record; rough drafts, notes, and similar working papers accumulated in preparation of a communication, study or other document, and cards, listings, indexes and other papers used for controlling work).		X	1-yr.		1-yr.
13	Transitory files, including letters of transmittal (when not a public record), suspense copies when reply has been received, routine requests for information and publication, tracer letters, and other duplicate copies no longer needed.	X	X	3-mos.		3-mos.
14	Original documents disposable upon occurrence of an event or an action (i.e., audit, job completion, completion of contract, etc.) or upon obsolescence, supersession, revocation.	X		2-yrs.	3-yrs.	7-5-yrs.

Commented [AD59]: I recommend making this seven years because District is retaining contracts for seven years after its life (See Policy No. 2145.5.)

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OP= Original or photographic copy.

ES = May be destroyed if stored in electronic media.

I = Indefinitely

POLICY NUMBER 2150: Reserve Policy (Check against our reserve policy)

2150.1 Purpose: The District shall maintain reserve funds from existing unrestricted funds as

- a) Fund replacement and major repairs for the District’s physical assets.
- b) Fund regular replacement of computer hardware and software.
- c) Fund designated conservation projects/programs or other special uses not otherwise funded by grants or requiring additional monetary support;
- d) Fund capital improvements; and
- e) Maintain minimal operational sustainability in periods of economic uncertainty.

The District shall account for reserves as required by Governmental Accounting Standards Board Statement No. 54, which distinguishes reserves as among these classes: non-spendable, restricted, committed, assigned and unassigned. The reserves stated by this policy, unless otherwise required by law, contract, or District policy shall be deemed “assigned” reserves.

System maintenance policy

b)–2150.3 Monitoring Reserve Levels: The General Manager, in collaboration with the Board Additional information may be provided to the Board of Directors upon the occurrence of the

- b)a) _____ When a major change in conditions threatens the reserve levels established by this policy or calls into question the effectiveness of this policy;
- c)b) _____ Upon General Manager and/or Board request.

POLICY NUMBER 2155: Debt Management

This Debt Policy is intended to comply with Government Code Section 8855(i), and shall govern all debt issued by the District. The District hereby recognizes that a fiscally prudent debt policy is required to:

- a) Maintain the District’s sound financial position.
- b) Ensure the District has the flexibility to respond to changes in future service priorities, revenues, and operating expenses.
- c) Protect the District’s credit-worthiness.
- d) Ensure that all debt is structured to protect current and future taxpayers, ratepayers and constituents of the District.

- e) Ensure that the District's debt is consistent with the District's planning goals and objectives and capital improvement program or budget, as applicable.

2155.1. Purposes for Which Debt May Be Issued

2155.1.1 Long-Term Debt. Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land to be owned and operated by the District. Long-term debt financings are appropriate:

- a) When a project to be financed is necessary to provide District services.
- b) When the project to be financed will benefit constituents over several years.
- c) When total debt does not constitute an unreasonable burden to the District and its taxpayers or ratepayers.
- d) ~~When the debt is used to refinance outstanding debt to reduce the total cost of the debt or to realize other benefits of a debt restructuring, such as increased flexibility in the use of cash and reserves.~~

2155.1.1.2 Long-term debt financings will not generally be considered appropriate for current operating expenses and routine maintenance expenses. The District may use long-term debt financings subject to the following conditions:

- a) The project to be financed must be approved by the District Board.
- b) The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%.
- c) The District estimates that sufficient revenues will be available to service the debt through its maturity.
- d) The District determines that the issuance of the debt will comply with the applicable state and federal law.

2155.1.2 Short-term debt. Short-term debt may be issued to provide financing for the District's operational cash flows to maintain a steady and even cash flow balance as in anticipation of periodic receipts of property taxes and other revenues. Short-term debt may also be used to finance short-lived capital projects; for example, the District may undertake lease-purchase financing for equipment [consistent](#) with debt limit requirements of California Constitution, article XVI, § 18.

2155.1.3 Financings on Behalf of Other Entities. The District may also find it beneficial to issue debt on behalf of other governmental agencies or private third parties to further the public purposes of District. In such cases, the District shall take reasonable steps to confirm the financial feasibility of the project to be financed and the financial solvency of any borrower and that the issuance of such debt is consistent with this policy.

2155.2. Types of Debt - The following types of debt are allowable under this Debt Policy:

- a) General obligation bonds (GO Bonds)
- b) Bond or grant anticipation notes (BANs)
- c) Lease revenue bonds, certificates of participation (COPs) and lease-purchase transactions
- d) Other revenue bonds and COPs

- e) Tax and other revenue anticipation notes (TRANS)
- f) Land-secured financings, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment statutes
- g) Tax increment financing to the extent permitted under State law
- h) Refunding Obligations
- i) State Revolving Loan Funds
- j) Lines of Credit

2155.2.1 The District Board may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such [amending this](#) Debt Policy. Debt shall be issued as fixed rate debt unless the District makes a specific determination as to why a variable rate issue would be beneficial to the District in a specific circumstance.

2155.3. Relationship of Debt to Capital Improvement Program and Budget

2155.3.1 The District is committed to long-term capital planning. The District intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the District's capital budget and capital improvement plan.

2155.3.2 The District shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues ("pay as you go"). The District shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear.

2155.3.3 The District shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the District's public purposes.

2155.4 Policy Goals Related to Planning Goals and Objectives

2155.4.1 The District is committed to long-term financial planning, maintaining appropriate reserves and employing prudent practices in governance, management and budget administration. The District intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the District's annual operations budgets.

2155.4.2 It is a policy goal of the District to protect taxpayers, ratepayers and constituents by using conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical total borrowing costs.

2155.4.3 The District will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges.

2155.4.4 When refinancing debt, it shall be the policy goal of the District to realize, whenever possible, and subject to any overriding non-financial policy considerations, (i) minimum net

present value debt service savings approximately 3.0% of the refunded principal amount, and (ii) present value debt service savings equal to or greater than any escrow fund negative arbitrage. The cost of refinancing will always be less than the savings.

2155.4.5 The District shall seek to avoid the use of debt to fund infrastructure and facilities improvements in circumstances when the sole purpose of such debt financing is to temporarily reduce annual budgetary expenditures. Capital investments intended to reduce District operating costs indefinitely, as by improving the efficiency of its operations, are appropriate for long-term debt.

2155.4.6 The District shall seek to time debt issues to avoid need for unplanned general fund expenditures for capital improvements or equipment.

2155.5. Internal Control Procedures

2155.5.1 When issuing debt, in addition to complying with the terms of this Debt Policy, the District shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds. Without limiting the foregoing, the District will periodically review the requirements of and will remain in compliance with the following:

- a) Any continuing disclosure undertakings entered into by the District in accordance with SEC Rule 15c2-12.
- b) Any federal tax compliance requirements, including, without limitation, arbitrage and rebate compliance.
- c) ~~The District's investment policies as they relate to the use and investment of bond proceeds.~~

2155.5.2 Proceeds of debt will be held either (a) by a third-party trustee or fiscal agent, which will disburse such proceeds to or upon the order of the District upon the submission of one or more written requisitions by the Finance Director of the District (or his or her written designee), or (b) by the District, to be held and accounted for in a separate fund or account to ensure debt proceeds are expended only for the purposes for which the debt was issued, the expenditure of which will be carefully documented by the District in records compliance with current accounting standards and subject to the District's annual audit.

POLICY NUMBER 2160: Internal Controls

A policy of the Board of Directors defining financial internal controls:

Whereas, the Del Paso Manor Water District is a district created pursuant to the California County Water District Law, Water Code §30000 et seq.; and

Whereas, the Board of Directors may establish, policies for the conduct of the District's business; and

Whereas, the Board of Directors has previously reviewed and approved several policies which reference an established a program of "internal controls"; and

Whereas, the Board of Directors is cognizant of its duty to ensure that proper controls are established and implemented to ensure the financial integrity of district operations; and

Whereas, the Board of Directors desires to formalize a policy to define the financial internal controls that have been developed through various practices and procedures to date;

Now therefore, the following is the internal controls policy of the Board of Directors of the District, until such policy is amended or rescinded:

2160.1 There will be established procedures for the adequate separation of duties, including at least the following:

- a) a receipt log of all cash/checks received will be prepared daily by the Office Manager
- b) the Office Manager prepares or oversees the deposit;
- c) the General Manager confirms that the daily deposits agree with the original of the receipt log which he/she maintains;
- d) all invoices presented for payment must be approved by an authorized person;
- e) all invoices presented for payment must be approved by an authorized person;
- f) every check must be signed by two authorized signers; and
- g) all paid invoices shall be so marked and filed for reference.
- h)-

2160.2 There will be an annual financial audit and any finding(s) shall be reported directly to the President of the Board of Directors with simultaneous notice to the General Manager.

2160.3 There will be annual audits of the Property/Liability and Workers' Compensation Program

2160.4 In regard to the District's cash reserve account in the Local Agency Investment Fund (LAIF), the District will maintain a balance for all programs, not to exceed the amount as currently authorized by LAIF guidelines and the District's investment policy, and that transfers out of LAIF must have the approval of the two following individuals: Board President and General Manager,) . must have the approval of the two following individuals: Board President and General Manager,) . The requests for such transfers out of LAIF shall be signed by the General Manager and Board President and be supported by detailed information which shall be maintained by the General Manager.

2160.5 That other excess funds shall be deposited in or transferred to such long-term investment

2160.6 That funds in the investment account(s) shall only be withdrawn upon approval of the Board's

2160.7 To maximize interest earnings and manage district's cash flow needs, the General Manager will

2160.8 Templates for Fed-wire or Automated-Clearing House (ACH) Transfers out of the district's bank accounts may only be established by the [General Manager](#). Subsequent use of these Fed-wire or ACH templates shall require [the approval of the Board President and the General Manager](#).

2160.9 The signing of any checks written on the accounts of the [District shall require the signatures of](#)

2160.11 The Board of Directors confirms that the Board will review these internal control policies

This Policy No. 2160 supersedes any policy inconsistent with the provisions included above.

POLICY NUMBER 2200: Disposal of Surplus Property or Equipment

2200.1 Sale of Surplus Equipment:

- a) Board of Directors takes action to declare equipment surplus.
- b) Item is advertised for sale with notation of location/hours/days it can be seen and deadline date for submission of sealed bids. (Advertisement also notes that the District reserves the right to reject any or all bids, equipment sold AS IS.)
- c) Sealed bids are opened at the next Regular Board Meeting and action is taken by the Board to accept or reject highest bid.
- d) Bidders are notified of Board's action.
- e) Junked Certificates are obtained for vehicles that are sold to protect the District from liability.

2200.2 Sale of Real Estate:

- a) Board takes action to declare property surplus and authorizes District staff to obtain appraisal.
- b) Property is offered to public agencies at the appraised price. (State law requires that public agencies have the opportunity to purchase property before advertisement to the general public.)
- c) If property is not purchased by a public agency, it is advertised in the newspaper with a request that sealed bids be submitted to the District.
- d) Board takes action at the next regular Board Meeting to accept or reject highest bid.
- e) Bidders are notified of the Board's action.

2200.3 Conflicts of Interest: As required by Government Code section 1090, no officer or employee of the District who plays any role in declaring District property surplus may bid on that property.

POLICY NUMBER 2205: District Electronic Resources Policy and Procedures

The District makes every effort to provide its employees with technology resources to conduct business more effectively. The District has installed personal computers, local area networks (LANs), electronic mail (email), cell phones and access to the Internet. The purpose of the District's

Electronic Resources Policy and Procedures is to establish uniform guidelines for use of this technology, including the use of the Internet and email.

Policy

2205.1 District technology, including computers, fax machines, and internet licenses are provided for District business and are not to be used for personal gain, private purposes (except as described in subsection 6), or to support or advocate non-District-related business or purposes. All data and electronic messages, including information accessed via the Internet and sent or received through electronic mail (email) systems, are the property of the District. All records whether paper or electronic, may be subject to disclosure under the California Public Records Act and are not private. Notwithstanding the foregoing, email should only be used for the transmission of information and should not be used for preserving information for future reference. Information to be retained may be stored electronically on the system/network and/or may be converted to a hard copy and archived in a District physical file cabinet.

2205.2 There is no expectation of personal privacy in any use of District computer systems and software, including email and the Internet. The District may, at any time, review the contents of all records, data and communication transmitted, received and stored by its electronic systems. This review may include accessing and disclosing all electronic documents, information and messages including email and Internet records.

2205.3 The District purchases, owns and administers the necessary software and licenses and cell phones to provide access to email and Internet services and voice communications in the office, in the field and for emergency communications. Users may not rent, copy or loan District software or its documentation, nor use alternative software to access District systems. Users may be subject to discipline for negligence for introducing unauthorized software or viruses into District systems whether or not damage arises from that conduct.

2205.4 The District is not responsible for items originating from the Internet and reserves the right to restrict employee access to the Internet or to certain Internet content.

2205.5 Examples of prohibited uses:

- a) Using the Internet to view, obtain or disseminate any sexually oriented material, images or messages.
- b) Using the Internet and/or email systems to send or distribute disruptive, offensive, abusive, threatening, slanderous, racial or sexually harassing materials
- c) Using District computer systems for private purposes, personal gain, solicitation of commercial ventures, religious or political causes, chain letters, or other non-job-related purposes (except as described in subsection 6 below).
- d) Downloading or installation of software that has not been approved by the District and scanned for viruses.
- e) Sending unencrypted confidential documents via the Internet with direction from District management to do so in the course of District business.
- f) Any other use that may compromise the integrity of the District and its business in any way.
- g) A good rule of thumb when using the computer and email is "never put anything in an email that you would not want to see on the front page of the newspaper."

2205.6 To promote employee computer and Internet proficiency and as an employee benefit, certain incidental employee personal use is allowed. This use is only permitted during employee personal time. Examples include educational enhancement and personal communications, which conform to the above prohibited uses. Personal use is secondary, and should not (i) interfere with the agency's operation of Electronic Communications Resources, (ii) interfere with the user's employment or other obligations to the District, or (iii) burden the District with noticeable incremental costs. The District reserves the right to limit or discontinue incidental personal use of its technology resources at any time. More than occasional and incidental personal use of District resources is forbidden by State law.

2205.7 The acquisition of hardware and software shall follow the normal budgetary and purchasing procedures, ensuring budget authorization is in place. Requests for acquiring hardware and software shall be recommended to the General Manager for evaluation and recommendation to the Board of Directors.

2205.8 Equipment operation and maintenance:

- a) The authorized technology staff (in-house or agreement/contract) shall assist in evaluating District functional needs and recommend appropriate options for improvement of District technology resources.
- b) Technology staff shall maintain an on-site office automation library of proven and reliable software and hardware requiring minimum technical support that is easy to use, enhances District productivity, and is compatible with District technology systems.
- c) Technology staff shall maintain an on-site inventory control of all workstation hardware and software.
- d) Technology staff shall provide on-site training and consulting advice on approved software and make recommendations as appropriate.
- e) Technology staff shall maintain the District technology systems including all personal computer workstations and client server network for the purpose of retrieving data files, sharing licensed applications and nightly data backup.
- f) Technology staff shall periodically review the District technology systems for adherence to operating standards and implement approved upgrades.
- g) Technology staff shall backup District databases daily, weekly, monthly, quarterly and annually for archival and retrieval purposes.

2205.9 Security: The [General Manager](#) must approve remote access to District systems. All computer systems users are responsible for data residing on personal devices used to access District systems remotely. Employees may not access systems remotely so as to incur overtime compensation without advance authorization by District management.

Procedures:

2205.10 Passwords:

- a) Users dealing in confidential matters will define their own confidential password. Users should be aware that this does not imply that the system may be used for personal communication or that email is confidential or the property of the user.
- b) To ensure the security of the email system, the system will prompt the user to routinely change their password. Should the user forget their password, and attempt to input a password they are not sure of, the system may lock them out after three failed attempts.

2205.11 Internet and email access:

- a) Access to the Internet and email is restricted to authorized employees. The District may deny or restrict Internet and/or email access to any employee at any time.
- b) When using email and the Internet, employees are cautioned to remember they represent the District and must act professionally, courteously and so as to not bring an employee or the District into disrepute. Employees may not speak for the District unless they are authorized to do so.
- c) Email and Internet messages can be forwarded without the express permission of the original author. Users must use caution in the transmission and dissemination of messages outside the District and must comply with all State and Federal laws, rules and regulations and District policy.

2205.12 Electronic Document, Software and Mail Storage

- a) Electronic mail is backed-up on a regular basis. It is synchronized with the server on every start-up and shut-down. The District back-up procedures allow the District to restore current software, documents and electronic mail upon a system failure.
- b) Electronic mail is not intended to be a permanent storage medium. Electronic in-boxes and out-boxes should be regularly archived or purged. The District may, in its discretion, automatically purge older mail.
- c) To save critical electronic mail as a permanent record, employees should print out a hard copy for permanent filing or save the file on the “C” drive of the desktop or laptop computer assigned to them or to another electronic archive designated by District management.
- d) ~~Signature Block:~~ Email sent outside the District should include a signature block at the end of all messages. The block should include the sender’s name, title, company name, direct telephone number, FAX number, email address, and be in a format approved by District management.

POLICY NUMBER 2300: Emergency Preparedness

2300.1 It is the policy of the District to create and maintain an active emergency preparedness program to manage the District’s critical functions during any emergency and to protect District staff. The District will coordinate the emergency plan, function and response with those responders from the public and private entities and organizations charged with emergency services.

2300.2 Emergency Defined: “Emergency” means the actual or threatened existence of conditions of disaster or of extreme peril to critical District functions, the health and safety of staff or the public, and property within the District, caused by such conditions as air pollution, fire,

Commented [AD60]: I recommend these revisions to make it parallel with the California Emergency Services Act. (See Gov. Code, § 8558.)

[flood](#), storm, [epidemic](#), riot, hazardous materials releases, earthquake, power outages, dam failures, freezes, [drought](#), water supply contamination, [cyberterrorism](#), [plants or animal infestation or disease](#) and other conditions which may be beyond the capability of the services, personnel, equipment, and facilities of this District, and response to which may require the combined forces of other agencies.

2300.3 Emergency Preparedness: The Board of Directors authorizes the establishment of an Emergency Preparedness Program, which consists of the nationally-recognized four phases of emergency management: mitigation, preparedness/planning, response, and recovery. District actions will include developing and maintaining a District-wide emergency plan, identifying and training District staff to activate and use the plan, appointing District staff to critical positions identified in the emergency plan, and appointing staff to represent the District in negotiations or consultations with other agencies on matters pertaining to response to the emergency and recovery of damaged systems and costs incurred during the emergency.

2300.4 Standardized Emergency Management System: The California Office of Emergency Services regulates the Standardized Emergency Management System (SEMS), which was created pursuant to Government Code § 8607 following the East Bay Hills Firestorm in 1991. To ensure reimbursement for claims filed after a disaster, all District emergency plans, procedures, and training will follow the SEMS regulations, and coordinate with the District-wide emergency plan.

2300.5 District Emergency Declaration: When an emergency condition arises, the General Manager may, in consultation with the Board President, declare a “District Emergency.” The Board must ratify the declaration within 14 days at a regular, special or emergency Board meeting.

2300.6 Authorization During District Emergencies: The General Manager’s Declaration of a District Emergency is a public acknowledgement of the serious situation the District faces, and that the District’s resources may not be adequate to respond to the emergency. The Board of Directors, in consultation with the General Manager, may delegate to the General Manager the authority to suspend competitive bidding and enter into emergency contracts of up to \$250,000.

2300.7 Mutual Aid: The California Master Mutual Aid Agreement (Government Code §§ 8561–8617) allows for the implementation of mutual aid during threatened, actual, or declared emergencies. The General Manager, in accordance with the Emergency Plan, may request mutual aid assistance from other agencies, or commit District resources to other agencies requesting aid. The General Manager may sign appropriate documents to effectuate mutual aid and other emergency response agreements.

2300.8 Continuity of Management: The District’s emergency plan will list at least two successors to critical staff identified in the plan, including the General Manager. If the primary person is unable to respond to an emergency, each successor, in order, may assume all the duties and powers of the primary person.

2300.9 Status Reports: The General Manager will provide annual reports to the Board of Directors

Commented [AD61]: I recommend deletion because the District, as a County Water District, does not need to comply with these sections. (See Pub. Contract Code, § 20560; *Associated Builders & Contractors v. Contra Costa Water Dist.* (1995) 37 Cal.App.4th 466, 470.)

POLICY NUMBER 2305: Emergency Response Guideline for Hostile or Violent Incidents

2305.1 Purpose of the Policy:

To provide direction for the District Board of Directors and staff regarding responses to hostile or violent incidents including possible armed intruders or related threats on District facilities or properties.

2305.2 Background:

The potential for hostile or violent incidents on District facilities or operational locations always exists. Recent incidents involving armed intruders have occurred in increasing frequency involving injuries and deaths at government institutions, offices and educational facilities. Often, an intruder is a person who is an ex-employee, customer, or person known to the agency. The person often is upset at an event or person who works at the facility. However, armed intruders can be any person with or without a prior relationship with the District or its officers and employees. Incidents involving armed intruders can escalate to include multiple persons and potentially taking of hostages, including District customers.

Threats of these types are dire emergencies and the safety and well-being of employees and/or customers is the District's highest priority.

2305.3 Response to an Incident:

Any evidence of the exposure to a hostile or violent person or situation on District facilities or operating areas should be taken seriously. Any District Director or employee observing or sensing that a violent or hostile situation is occurring or threatened should consider precautionary and safety actions. Any event resulting in awareness of a possible violent act including gunfire, explosion, fighting, or scuffling could indicate an incident of violent potential. Any staff person observing such potential activities should take steps to protect themselves and others on the District premises, including but not limited to:

- a) Attempt to communicate the situation to everyone in the facility by means of telephone, paging, email and/or radio system including basic information that a potential incident is occurring. If a perpetrator(s) is seen or known, information on the person(s) should be provided.
- b) Since different types and levels of workplace violence may require various responses, establishing basis information on the type of event is essential. Examples are:
 - 1) Gunfire: Awareness of gunfire in a District facility should result in evacuation to the extent possible. If not possible, securing of rooms or offices and notification of others by phone or email is encouraged. Calling emergency services via 911 is imperative once it is safe to do so. Remain in the most secure location possible until contacted by public safety personnel or a facility supervisor, etc.
 - 2) Explosion: An explosion could occur naturally or by violent intention. Awareness of an explosion or fire in the facility should result in immediate evacuation in accordance with

established fire safety procedures. Response to a planned location is important so safety personnel can determine who is out of the facility.

- 3) Physical or bomb threat: Awareness of a telephone or in-person threat to facility or staff should be met with action to evacuate and clear staff from the threatened area. Calling 911 as soon as it is safe to do so is imperative.
- 4) Situations involving hostages: If a possible hostage incident is known, evacuation of the facility is paramount to safety of persons in the area. Contact 911 as soon as it is safe to do so.
- 5) ~~In~~irate customer/threat at counter or meeting: When any person threatens a staff person or customer at a District facility in a manner causing fear for safety, action to summon public safety personnel by 911 should be taken. In no way should steps be taken to physically confront or subdue such a person except in defense of life at the facility. If a volatile situation occurs at a Board of Directors or other public meeting, the person chairing or hosting the meeting should take steps to control the situation or adjourn the meeting to abate the confrontation, if possible. In event of threatening or hostile situation, call 911 immediately and proceed with evacuation or other appropriate actions.

2305.4 Planning for Emergency Incidents: Steps should be taken to plan response capabilities for emergencies in addition to fires, earthquakes, etc. that may involve hostile situations. These include but are not limited to:

- a) Preparation of a facility evacuation plan for each room. Post the plan at each doorway and hallway exit. Establish a safe area zone for staging.
- b) Procedures to lock both exterior and interior doors to secure the facility.
- c) Develop an emergency notice code for intercom, email and radio to facility and District staff. Use of a code word/number is recommended.
- d) Develop a radio communication alert code word/number to notify other District staff so they will not return to the facility during the incident until cleared to do so by public safety personnel.
- e) ~~Training~~ of all personnel in dealing with customers, employees and other persons in threatening situations and in how to identify and assess potential threats or volatile situations. All employees assigned or expected to serve at the front desk or counter shall receive such training regularly.

All employees and members of the Board of Directors shall receive training on response to violent or hostile incidents. In the event of a potential incident, employees should notify a supervisor or the General Manager immediately or call 911. If assessment of a possible threat is needed, the General Manager or ranking staff person shall be notified. Public safety agency shall be contacted by 911 whenever a perceived threat is considered valid.

2305.5 Actions for Violent or Armed Threat Situation: The existence or potential for an event involving a violent person or armed intruder at a District facility should be considered an emergency condition. Actions could include some or all of:

- a) Notify your supervisor or General Manager and other staff immediately if a threat is received but not actively in process. If validated, contact public safety by calling 911 immediately.

- b) The General Manager or ranking staff member shall evaluate the situation and consider appropriate actions including shutting down operations and evacuation and/or locking down the facility until public safety response abates the threat.
- c) Initiate notification of other facility staff of active threat by emergency code procedure. Evacuate the facility if possible. Secure money or computer equipment if time allows.
- d) Activate an alarm for notifying other staff or an alarm company if one is engaged by the District. A call contact would be included in procedure to double check for safety at the facility.
- e) Upon sighting an armed intruder, an alert to all employees should be made by page, email, or radio.
- f) Secure your work area or evacuate if safely possible. If not able to evacuate, find a safe hiding place and stay put until contacted by public safety personnel.
- g) Once outdoors after an evacuation, proceed to designated staging area to report in for identification. Inform public safety personnel of any information on the incident.
- h) Attempt to remain calm and assist others; wait for instructions from public safety or supervisory personnel.
- i) ~~Do not attempt to look around to see what is happening. Evacuate whenever possible and with others in areas you see directly. Do not confront or attempt to apprehend a violent perpetrator unless directly attacked for self-defense. Do not assume someone already called 911, call them immediately.~~

2305.6 Post Event Actions: Following the clear announcement of ending of a violent or hostile-person situation, contact public safety or supervisory personnel for instructions. Report any first hand observations or other knowledge of the incident. Contact your family and immediate friends so they will not take any unnecessary actions to respond to new reports. Await direction as to return to work or other steps dependent on the level of the incident. If not able to do so, consult with your supervisor or notify the ranking person on-site.

The General Manager shall evaluate and debrief any major incident and take needed steps to abate the conditions after the event and prepare as necessary for continued operations. Planning and actions to address conditions are expected and your input via your supervisor is important. There may be the potential to lock-down or close the facility for some time or other corrective steps. If necessary, seek direction on what actions you should take to assist in procedure.

POLICY NUMBER 2310: Workers' Compensation

2310.1 All employees are covered for Workers' Compensation, effective the first day of

2310.2 All payments for lost wages or salary due to a work-related illness or injury, medical treatment, and any other benefits will be made by the Workers' Compensation claims administrator or insurance carrier as required by law. Workers' Compensation benefit payments may be coordinated with any accrued sick leave or vacation leave as part of a medical or disability leave of absence. For more information about Workers' Compensation benefits, please contact the General Manager.

2310.3 The District provides medical treatment for work-related injuries and illnesses through designated hospitals or clinics. Clinics are selected due to their experience in treating work-related injuries; an emergency hospital may be needed in major injury situations and used for first treatment pending added review by [the General Manager](#).

2310.4 Employees who are injured in a work-related accident will be referred to the designated clinic unless the District has received a written notice that the employee wishes to be treated by his/her own health care provider. This notification must have been submitted to the employee's supervisor before any injury.

2310.5 Any supervisor who learns that an employee has incurred a work-related illness or injury shall provide that employee with a notice of his or her right to seek workers' compensation benefits and shall promptly report doing so to [the General Manager](#).

2310.6 Notices of workers compensation benefits shall be posted annually as required by California law by or at the direction of [the General Manager](#). A form for such notices is available at: <https://www.dir.ca.gov/dwc/NoticePoster.pdf>.

POLICY NUMBER 2400: Customer Relations

2400.1 Employees are expected to be polite, courteous, prompt, and attentive to every

2400.2 Never place a telephone caller on hold for an extended period. Direct incoming calls to the appropriate person and make sure the call is received. Through your conduct, show your desire to assist the customer in obtaining the help he or she needs. If you are unable to help a person requesting assistance, find someone who can.

2400.3 All correspondence and documents, whether to customers or others, must be neatly prepared and error-free. Attention to accuracy and detail in all paperwork demonstrates your commitment to those with whom we do business.

2400.4 When an employee encounters an uncomfortable situation that he or she does not feel capable of handling, the [General Manager](#) should be called immediately for assistance. Employees should never argue with a customer. If a problem develops, or if a customer remains dissatisfied, ask your supervisor to assist in a resolution.

POLICY NUMBER 2405: Press Relations

2405.1 Purpose:

The purpose of this policy is to provide for an orderly presentation to the press of factual information about District activities and Board action.

2405.2_Press Relations:

The General Manager is hereby designated as the official of the District to represent the District to the press. Employees of the District shall refer all press inquiries to the General Manager. Board members and other District officials are encouraged to refer press inquiries regarding District activities and Board actions to the General Manager or the President of the Board. Individual Board members should take care not to represent their own opinions as those of the Board or the District, even when those opinions coincide with formal Board action.

2405.3 Press Releases:

Press releases regarding the District shall be approved by the General Manager and the President of the Board. Whenever possible, all members of the Board shall be given an opportunity to review proposed press releases. Board members should take care not to comment on proposed press releases outside Board meetings in a way that might constitute a serial meeting violation of the Brown Act. Thus, comments should be directed to the President of the Board, the General Manager, or both, but not to other members of the Board.

POLICY NUMBER 2410: Public Complaints

2410.1 The Board of Directors desires that public complaints be resolved at the lowest possible administrative level, and that the method for resolution of complaints be logical and systematic.

2410.2 A public complaint is an allegation by a member of the public of a violation or misinterpretation of a District policy, state, or federal law by an individual who has been adversely affected by that alleged violation or misinterpretation.

2410.3 Complaints shall be resolved as follows:

- a) An individual with a complaint shall first discuss the matter with the Office Manager to resolve the matter informally if possible.
- b) If an individual registering a complaint is not satisfied with the disposition of the complaint by the Office Manager.

The complaint will be

transferred to the General Manager. The General Manager may conduct conferences and take testimony or written documentation in the resolution of the complaint. The General Manager shall memorialize his/her decision in writing, providing the individual registering the complaint with a copy.

- c) If an individual filing a complaint is not satisfied with the disposition of the matter by the General Manager he/she may request consideration by the Board of Directors by filing said request in writing within ten (10) days of receiving the General Manager's decision. The Board may consider the matter at its next regular meeting, call a special meeting, or decline to consider the matter further. In making a decision, the Board may conduct conferences, hear testimony, and review the materials provided to the General Manager. The Board's final decision shall be memorialized in writing and copied to the individual registering the complaint. The action of the Board, including an action to decline to consider a complaint, is the final action of the District, not subject to further internal appeal.

2410.4 This policy is not intended to prohibit or deter a member of the community or a staff member from appearing before the Board to orally present testimony, a complaint, or a statement in regard to actions of the Board, District programs and services, or pending considerations of the Board as permitted by the Brown Act. Noting in this policy shall alter the duties of District employees to protect the District's confidences and avoid insubordination and as otherwise provided by law and District policy.

POLICY NUMBER 2415: Social Media Use

2415.1 Purpose:

The policy outlines the protocol and procedures for use of social media to publicize District services and events. In addition, this policy addresses the responsibilities of employees and District officials with regard to social media and the use of District resources (time/equipment), as well as responsibilities related to the public records and open meeting laws.

2415.2 Definitions:

- a) Social Media: Various forms of discussions and information-sharing, including social networks, blogs, video sharing, podcasts, wikis, message boards, and online forums. Technologies include: picture-sharing, wall-postings, fan pages, email, instant messaging and music-sharing. Examples of social media applications include but are not limited to Google and Yahoo Groups, (reference, social networking), Wikipedia (reference), Facebook (social networking), [Instagram \(social networking\)](#), [Nextdoor \(social networking\)](#) YouTube (social networking and video sharing), Flickr, (photo sharing), Twitter (social networking and microblogging), LinkedIn (business networking), and news media comment sharing/blogging.
- b) Social Networking: The practice of expanding business and/or social contacts by making connections through web-based applications. This policy focuses on social networking as it relates to the Internet to promote such connections for District business and for employees, elected and appointed officials who are using this medium in the conduct of official District business.
- c) "Posts" or "postings" means information, articles, pictures, videos, or any other form of communication posted on a District social media site.

Policy:

2415.3 No district social media site may be created without the approval of the [Board of Directors](#). All District social media sites created on behalf of the District, by its employees on District time, or using other District resources are the property of the District and shall be administered and regularly monitored by the General Manager or his/her designee. These social media sites shall be used only to inform the public about District business, services and events. Individual departments may not have their own pages/sites. Individual departments wishing to add content to District social media sites may submit a request to the General

Manager. The District's web site, <https://www.delpasomanorwd.org> will remain the location for content regarding District business, services and events. Whenever possible, links within social media formats should direct users to the District web site for more information, forms, documents, or online services necessary to conduct business with the District. District social media sites shall clearly state that such sites are maintained by the District and that the sites comply with this Social Media Policy.

2415.4 District employees and appointed and elected officials shall not disclose information about confidential District business on the District's social media sites, personal social media sites, or otherwise. In addition, all use of social media sites by elected and appointed officials shall be in compliance with California's open meeting laws, which prohibit serial meetings of a majority of the Board or another legislative body of the District via email or other electronic means. Members of the Board, committees and/or legislative bodies shall not respond to, "like", "share", retweet, or otherwise participate in any published postings, or use the platform or any form of electronic communication to respond to, blog or engage in serial meetings, or otherwise discuss, deliberate, or express opinions on any issue within the subject matter jurisdiction of the body on which they serve. Employees and elected or appointed officials' posts to non-District social media sites are a reflection of their own views and not necessarily those of the District and should not suggest otherwise.

2415.5 Posting/Commenting Guidelines:

- a) All postings made by the District to social media sites will contain information and content that has already been published or broadcast by the District. The District will not comment on other social media member's sites. All official social media postings by the District will be done solely on the District's social media sites or in response to postings made on the District's social media sites. Officers, employees and agents of the District representing it on District social media sites shall conduct themselves professionally and in accordance with all District policies. All District social media sites shall use authorized District contact information for account set-up, monitoring and access. Personal email accounts or phone numbers may not be used to set up, monitoring, or post to a District social media platform.
- b) The District reserves the right to remove from its social media sites content that it finds to violate this policy or applicable law. Any participants on the District's social media sites who are in continual violation of the postings/commenting guidelines may be barred from further use of the District's site. The District will only post photos for which it has copyright or the owner's permission.
- c) District social media platforms are subject to the California Public Records Act. Any content maintained on a District social media site that is related to District business, including a list of subscribers, posted communication, and communication submitted for posting, may be considered a public record and subject to public disclosure. All postings on District social media sites shall be sent to a District email account and maintained consistently with the Public Records Act. Any material removed from a District social media site consistent with this policy shall be considered a preliminary draft, note or memorandum. These are not retained by the District in the ordinary course of business and shall not constitute a public record of the District required to be retained in accordance with the District's records retention schedules.
- d) Chat functions in any social media sites will not be used.

Commented [KF62]: The District will need to be cautious in its application of this to its social media pages. There is some precedent identifying social media as a public forum. Individuals cannot be barred from public forums, except in the most egregious circumstances.

- e) Links to all social media networks to which the District belongs will be listed on the District's website. Interested parties wishing to interact with these sites will be directed to visit the District's web site for more information on how to participate.
- f) The District reserves the right to terminate any District social media site without notice or to temporarily or permanently suspend access to District social media as to some or all persons at any time. The District reserves the right to implement or remove any functionality of its social media platforms, at the discretion of the General Manager or his/her designee. This includes, but is not limited to, information, articles, pictures, videos, or any other form of communication that can be posted on a District social media platform
- g) District social media sites may contain content, including but not limited to, advertisements or hyperlinks over which the District has no control. The District does not endorse any hyperlink or advertisement placed on District social media sites by the social media site's owners, vendors, or partners.
- h) District employees may post to District social media platforms only during working hours. After-hours or weekend postings may only be made with prior approval of the General Manager or his or her designee.
- i) Any person authorized to post items on any of the District social media platforms shall review, be familiar with, and comply with this Policy and each social media platform's terms and conditions of use.
- k) District posts must contain information that is freely available to the public and not be confidential as defined by any District policy or state or federal law.
- l) District posts may NOT contain any personal information, except for the names of persons being available for contact by the public as representatives of the District. Posts to District social media sites shall NOT contain any of the following:
 - 1) Comments that are not topically related to the information commented upon;
 - 2) Comments in support for or in opposition to, political campaigns, candidates or ballot measures;
 - 3) Profane language or content;
 - 4) Content that promotes, fosters, or perpetuates discrimination on the basis of race, creed, color, age, religion, gender, marital status, or status with regard to public assistance, national origin, physical or mental disability, sexual orientation, or any other category protected by federal, state, or local law;
 - 5) Sexual content or links to sexual content;
 - 6) Solicitations of commerce;
 - 7) Conduct or encouragement of illegal activity;
 - 8) Information that may tend to compromise the safety or security of the public or public systems; or
 - 9) Content that violates a legal ownership interest of any other party.

Procedures:

2415.6 The General Manager or his/her designee will be responsible for responding to comments and messages as appropriate. The District will direct users to the District's web site for more information, forms, documents or online services necessary to conduct business with the District.

2415.7 The District may invite others to participate in its social media sites. Such invitations will be based upon the best interests of the District as determined by the General Manager or his or her designee.

Responsibilities:

2415.8 It is the responsibility of employees, and appointed and elected officials to understand the procedures as outlined in this policy.

2415.9 Employees who are not designated by the General Manager to access social media sites for District business are prohibited from accessing social media sites utilizing the District computer equipment and/ or the District's web access. While at work, employees who are not granted access via District systems and computing equipment may use personal computing devices and personal web accounts to access social media sites only during non-working hours such as lunch periods and breaks. State law provides that more than occasional or incidental personal use of District resources is a crime.

2415.10 The General Manager will determine if a requested use of District social media sites or other District resources is appropriate and complies with this policy.

2415.11 All [District](#) content on District social media sites must comply with District web standards, the rules and regulation of the social media site provider, including privacy policies, and applicable law. Employee or District confidentiality shall be maintained in accordance with all applicable laws and District policies. If a question arises regarding the use or posting of confidential information on a social media site, the matter shall be referred to the General Manager. The information in question shall not be posted, or if already posted, shall be removed until an opinion is rendered by [the](#) General Manager or, at his/her request, Legal Counsel. Notwithstanding the opinion of the District counsel, the General Manager reserves the right to restrict or remove District information from a District social media site if the General Manager concludes the information does not serve the best interest of the District.

2415.12 All social media-based services to be developed, designed, managed by or purchased from any [third-party](#) source for District use requires appropriate budget authority and approval from the Board of Directors.

2415.13 The District reserves the right to change, modify, or amend all or part of this policy at any time.

POLICY NUMBER [2420: District Web Page](#)

Policy

2420.1 It is District policy to control the content and accuracy of the information provided on the

Procedure:

2420.2 Any District Board Director, official or employee may request postings to the District Web page through the General Manager or his/[her](#) designated representative. Postings must be non-political in nature. The General Manager shall approve, modify, or deny the request. Postings shall be submitted in Word format as an e-mail attachment unless only a hard copy is available. In either case, it is the submitter's responsibility to check the item for accuracy both prior to submission and after posting to the Web page to [ensure](#) no inadvertent errors appear on the final document. The submitter shall inspect the posted submission within 24 hours of posting.

- a) The General Manager or his/[her](#) designee shall approve [the](#) request for inclusion on the web page and, when necessary, suggest alternative solutions.
 - b) The General Manager or his or her designee shall also manage removal of outdated postings.
- 2420.3 Privacy Policy.

Last Updated: [date]

The following privacy policy shall be posted to the District's website under a link on the home page.

The [Del Paso Manor Water District](#) is concerned about privacy issues and wants you to be familiar. By accessing or using this website, you agree with all the terms of this Privacy Policy, so please do not access or use this website if you do not.

We may change this Privacy Policy at any time. Please take a look at the "Updated" legend at the top of this page to see when this Privacy Policy was last revised. Any changes to this Privacy Policy will become effective when posted to this website. By accessing or using the website after any such changes, you accept the revised Privacy Policy.

We [may](#) collect two types of information through this website: Personal Information and Other Information. "Personal Information" is information that identifies you or relates to you as an individual. "Other Information" is any information that does not reveal your specific identity or does not directly relate to an individual. Other Information is addressed below, under the heading "[Other Information.](#)"

We may collect Personal Information through the Sites such as:

- Name
- Email address
- Mailing Address
- Preferences for electronic or physical delivery of [billing and/or](#) newsletters

We may use Personal Information:

- to respond to your inquiries and fulfill your requests, such as to send you information, to register you for events, and to provide you District services.
- to keep a record of your contact information and correspondence, if you contact us through this website and to respond to you.

- to send you administrative information, including information regarding the websites and changes to our terms, conditions and policies.
- as we believe to be necessary or appropriate: (a) under applicable law, including laws outside your country of residence; (b) to comply with legal process; (c) to respond to requests from public or government authorities, including public or government authorities outside your country of residence; (d) to enforce our terms and conditions; (e) to protect our operations or those of any of our affiliates; (f) to protect our rights, privacy, safety or property, or yours or others'; or (g) to pursue available remedies or limit the damages that we may sustain.

How Personal Information May Be Disclosed:

- to third-parties that provide us services such as website hosting, data analysis, IT services and infrastructure, customer service, email delivery, auditing and the like.
- to a third party (whether affiliated or unaffiliated with us) upon any reorganization of the District or transfer of some or all of its services to another entity.
- by you, on message boards, blogs and other services to which you are able to post information. Please note that any information you post or disclose through these services will become public information, and may be available to visitors to this website and to the general public. We urge you to be thoughtful when disclosing your Personal Information, or any other information, on this site.
- to your friends associated with your social media account, to other website users as well as to your social media account provider, in connection with your social sharing activity, such as if you connect your social media account to your use of this website. By connecting your use of this website to your social media account, you authorize us to share information with your social media account provider and you understand that the use of the information we share will be governed by the social media site's privacy policy. If you do not want your Personal Information shared with other users or with your social media account provider, please do not connect your social media account with your use of this website and do not participate in social sharing on this website.
- as we believe to be necessary or appropriate: (a) under applicable law, including laws outside your country of residence; (b) to comply with legal process; (c) to respond to requests from public or government authorities, including public or government authorities outside your country of residence; (d) to enforce our terms and conditions; (e) to protect our operations; (f) to protect our rights, privacy, safety or property, or yours or others'; or (g) to allow us to pursue available remedies or limit the damages that we may sustain.

Other Information We May Collect:

“Other Information” is any information that does not reveal your identity or relate to an individual, such as:

- Browser information
- Information collected through cookies, pixel tags and other technologies
- Demographic information and Other Information you provide

- Aggregated information
- Zip codes

POLICY NUMBER 2425: California Public Records Act Response Procedures

The California Public Records Act (Government Code, section 6250 et seq.) grants California

2425.1 All requests for public records shall be in writing on a form approved by the Board of Directors, unless the request is to review an agenda, agenda reports, or minutes of the Board or ordinances or resolutions of the Board or any of its committees, which are available in the District office.

2425.2 Staff will respond to all requests as soon as possible after they are received, but not later than the 10-day period, or extensions thereof, provided by Government Code section 6253.

- Staff shall review each request and determine whether it seeks identifiable records and, if not, staff shall help the requestor identify records responsive to the request.
- Staff shall request all Directors who may have the records requested to search their files and report whether they have the records and, if so, when the records can be made available to the requestor.
- Staff shall respond to the requestor, advising him or her in writing of the availability of the documents, a description of the medium (paper, electronic format, etc.) and location of the records, and whether any are exempt from disclosure under the Public Records Act. As the Public Records Act requires, to the extent feasible, staff will provide suggestions to overcome any practical basis for denying access to the records sought.
- If a request is made for copies of records, staff shall also advise the requestor of the estimated copying cost.
- The person requesting the copies shall pay the charges for the requested copies established by the Board. At present those are: \$.05 each page, \$.10 per page for Political Reform Act materials, CD's-\$5.00, DVD's \$10.00 and \$20.00 for USB Drives. Staff shall not make the requested copies until a deposit of the estimated copying cost is received and shall not release the copies until the actual copying cost is paid.

Commented [AD64]: Ensure that these are costs that cover the direct cost of duplication. (See Gov. Code, § 6253.)

2425.3 In accordance with the Public Records Act, the administrative staff will provide records upon requests that reasonably describe the records Staff shall assist members of the provide records upon requests that reasonably describe the records Staff shall assist members of the public with making a focused and effective request that reasonably describes identifiable records.

Commented [AD65]: I recommend revision. District cannot respond solely to specific requests for records. (See Gov. Code, §§ 6253, 6253.1.) Staff must respond to all reasonable requests and must assist if the request is not reasonable.

2425.4 Administrative staff will respond to requests for public records in accordance with the Public Records Act as the Act now exists or may hereafter be amended, and nothing in this Policy is intended nor shall it be construed to conflict with the terms of the Public Records Act.

2425.5 The District shall make the following form available for the public to make a request for records under the Public Records Act:

Commented [AD66]: Note that the District cannot require the use of this form, but it should make a form available nevertheless for the use by the Public to make Public Records Act requests.



Del Paso Manor Water District

Public Records Request

Date Requested: ___/___/___

I wish to:

Review: _____

Obtain copies of the following public records: _____
(Please list each document, file or record separately)

I / We, the undersigned, request the documents as indicated above and agree to pay Del Paso Manor Water District the rate of fifteen cents per page.

Name / Organization: _____

Address: _____

Phone: _____ Fax: _____

Signature

Estimated page count: _____ Date of Payment: _____

1817 Maryal Drive, Suite 300, Sacramento, CA 95864
 Phone: (916) 487-0419 Fax: (916) 487-8534
www.delusomanorwd.com

Rev. 9.10.19

POLICY NUMBER 2430: Electronic Document Retention Policy

The Electronic Document Retention Policy of the Del Paso Manor Water District governs the retention of text messages, voicemail messages, social media posts, and email messages sent or received in the conduct of District business.

2430.1 Definitions

- a) Email Message: An electronic communication sent and received via web mail or email client.

- b) Social Media: Information posted to websites and applications that enable users to create and share content or to participate in social networking, including Facebook, Twitter, Instagram, Snapchat, and LinkedIn.
- c) Text Message: An electronic, written communication sent and received via telephone or Internet connection.
- d) Voicemail Message: An electronic, aural communication sent or received via telephone or Internet connection.

2430.2 Text Messages, Voicemail Messages, and Social Media

Text messages, voicemail messages, and social media posts not saved to an archive or a more permanent medium are intended to be ephemeral documents, not preserved in the ordinary course of business.

Directors and District staff are not required to retain these electronic documents. Business done on behalf of the District that requires the creation and preservation of records should be conducted in other media.

Commented [AD68]: I recommend this deletion. Text messages and social media posts are disclosable under the Public Records Act. (See *City of San Jose v. Superior Court* (2017) 2 Cal.5th 608, 614,618.)

2430.3 Email Messages

- a) Email messages sent or received by the District's computer systems from the date this policy is adopted will be preserved for two years and made available for public inspection on the same terms as other District records.
- b) Except as provided (c) of this policy, Directors and District staff are required to use (or copy to an address on) the District's computer systems for all email messages regarding District business. Such email messages are email messages covered by (a) of this policy, i.e., they will be preserved for two years and made available for public inspection on the same terms as other District records.
- c) The District will continue to comply with Government Code § 54957.5 which deems to be a public record any document communicated to a majority of the Directors, whether at the same time or seriatim, with respect to an item of District business regardless of the means of that communication, including via non-District email accounts. Directors are encouraged to forward such email messages not received by the District's computer systems nor copied to its staff or to an email address designated for that purpose so they can be preserved in the District's email retention system, relieving individual Directors of any duty to preserve such email messages or make them available for public inspection.
- d) This policy applies only to the conduct of District business that is subject to the Public Records Act. It has no application to communications to or from Directors in their other public and private capacities or communications to or from District staff that are personal, private or otherwise not District business.

POLICY NUMBER 3100: Attendance at Meetings

3100.1 Members of the Board of Directors are expected to and shall attend all regular and special meetings of the Board unless there is good cause for absence.

To be counted as present for any meeting, Board Members must be present for the duration of the meeting.

Good cause for absence, including late arrivals or early departures, includes absences where a Director has provided notification of the absence to President of the Board prior to the meeting and temporary illness or other unavoidable circumstances. Good cause also includes Board authorized meeting absences such as attendance at a conference directly related to the functions and interests of the District or at the meeting of another public agency in order to participate in an official capacity. A good cause absence requires the Director to notify the President of the Board prior to the meeting, if practical. If it is not practical to provide notification to the President of the Board prior to the meeting, then the Director must provide an explanation of the failure to contact the President that is satisfactory to the Board as soon as possible after the meeting. If the Director fails to provide a satisfactory explanation to the Board, then the absence will be without good cause.

A Board Member who will be absent for good cause may notify the President by electronic transmission (email), telephone communication, or letter. The President shall notify the General Manager and the Board of all absences that are excused for good cause. The minutes shall indicate whether an absence was excused.

A vacancy shall occur if a Board Member is absent from three (3) consecutive regular meetings without good cause, except as otherwise provided for by law or as authorized by the Board.

POLICY NUMBER 3105: Committees of the Board of Directors

3105.1 Temporary (Ad Hoc) Advisory Committees:

The Board President shall appoint any such temporary (Ad Hoc) advisory committees (“Ad Hoc Advisory Committee”) as may be deemed necessary or advisable by the President or the Board. The purpose of an Ad Hoc Advisory Committee and the time allowed to accomplish that purpose shall be outlined at the time of appointment. An Ad Hoc Advisory Committee shall be considered dissolved when its purpose has been accomplished or when the timeframe for its existence has expired, whichever occurs first.

3105.1.1 An Ad Hoc Advisory Committee shall be comprised solely of members of the Board, and shall consist of less than a majority of Board Members.

3105.1.2 An Ad Hoc Advisory Committee may make recommendations to the Board. The Board may not delegate any decision-making power to the Ad Hoc Advisory Committee.

3105.1.3 An Ad Hoc Advisory Committee shall meet on an as needed basis and shall not have a meeting schedule fixed by charter, ordinance, resolution, or formal action of the Board. An Ad Hoc Advisory Committee shall not have jurisdiction or decisional authority over any matter requiring full Board action.

3105.2 Standing Committees:

Commented [DS69]: We may want to work on the wording for this section. Good cause could include a scheduled vacation. Also, an early departure for an emergency (such as family) will not allow the required “must notify the Board President prior to the meeting”. Just a suggestion – I wouldn’t want to tie directors hands too much in emergency situations.

Commented [AD70R69]: This can be modified as desired. I recommend the proposed revisions to take into account that sometimes notice cannot be provided to the Board president, and to include the possibility of scheduled vacations.

An alternative approach that can be used is the “cause” or without cause approach, which is determined based solely on notification. Absence without notification can trigger a vacancy. Using this approach I recommend the following language:

Absent with Cause. If a Member of the Board of Directors contact either the Board President or General Manager in advance of the meeting to notify either of them of the impending absence, then that absence is determine to be “with cause”.

Absent without cause. If a Member of the Board of Directors fails to contact either the Board President or General Manager in advance of the meeting and the Director is absent, then that absence is determine to be “without cause” unless said Director provides an explanation of their failure to contact the Board President or General Manager that is satisfactory to the Board

By formal action, the Board may create standing committees to review District functions, activities, and operations pertaining to their designated concerns. Any recommendations from standing committees shall be submitted to the Board via a written or oral report. All meetings of standing committees are subject to the requirements of all applicable open meeting laws, including but not limited to the Brown Act.

POLICY NUMBER 3110: Duties of the Board President

3110.1 Presiding Officer:

The President of the Board of Directors shall serve as the presiding officer at all Board meetings.

In the absence or disability of the President, the Vice President of the Board of Directors shall serve as the presiding officer over all meetings of the Board. If the President and Vice President of the Board are both absent or disabled, the remaining members present shall select one of themselves to act as temporary presiding officer of the meeting.

The presiding officer shall have the same rights as the other members of the Board in voting, introducing motions, resolutions and ordinances, and any discussion of questions that follow said actions. The presiding officer may move, second, debate, and vote from the chair.

3110.2 Duties Regarding Meetings:

The President shall preside over and conduct all meetings of the Board of Directors, shall carry out the resolution and orders of the Board of Directors, and shall exercise such other powers and perform such other duties as the Board of Directors shall prescribe including, but not limited to, the following:

- a) Call the meeting to order at the appointed time;
- b) Announce the business to come before the Board in its proper order;
- c) Enforce the Board's policies in relation to the order of business and the conduct of meetings;
- d) Recognize persons who desire to speak, and protect the speaker who has the floor from disturbance or interference;
- e) Explain what the effect of a motion would be if it is not clear to every member;
- f) Restrict discussion to the question when a motion is before the Board;
- g) Rule on parliamentary procedure;
- h) Put motions to a vote, and state clearly the results of the vote; and
- i) Preserve order and decorum.

3110.3 Responsibilities:

Responsibilities of the President include, but are not limited to, the following:

- a) Sign all instruments, act, and carry out stated requirements and the will of the Board;
- b) Sign the minutes of the Board meeting following their approval;
- c) Appoint and disband all committees, subject to Board ratification;
- d) Call such meetings of the Board as he/she may deem necessary, giving notice as prescribed by law;
- e) Coordinate the preparation of meeting agendas with the General Manager;

Commented [DS71]: We will need to consider when and how these will be held, including staffing to take minutes. Most District's that have standing committees have more staff to do the extra work. Just a consideration that should be addressed before you state "will have". A suggestion is to change the verbiage to "may have". Also, who will be required to be at these committee meetings? Job descriptions may need to be changed to reflect. Again, changing to "may have" will allow flexibility.

Commented [AD72R71]: Revisions allows for some flexibility by allowing the Board or Board president to create standing committees at a later date, after District resources are considered.

Commented [DS73]: I think this contradicts a policy you had in the first section of review that states the Secretary will takes over the roles of the President if the President and Vice President are absent. This needs to be changed in one of the sections.

Commented [AD74R73]: Can keep this policy since Policy 1015.3 has been deleted.

Commented [AD75]: Ensure that this complies with Ordinance No.2

Commented [AD76]: Are the Board minutes to be signed by both the secretary and the president? (See Policy No. 1015.4.)

- f) Confer with the General Manager or designee on crucial matters which may occur between Board of Directors meetings;
- g) Be responsible for the orderly conduct of all Board meetings;
- h) Be the spokesperson for the Board; and
- i) Perform other duties as authorized by the Board.

POLICY NUMBER 3115: Ethics Training

3115.1 All Directors, designated staff, and members of all commissions, committees and other bodies that are subject to the Brown Act shall receive two hours of training in general ethics principles and ethics laws relevant to public service within one year of election or appointment to the board of directors and at least once every two years thereafter, pursuant to Government Code Sections 53234 et seq. as may be amended from time to time.

3115.1.1 All ethics training shall be provided by providers whose curricula have been approved by the California Attorney General and the Fair Political Practices Commission.

3115.1.2 Ethics training may consist of either a training course or a set of self-study materials with tests, and may be taken at home, in person, or online.

3115.1.3 Attendees shall obtain proof of participation after completing the ethics training. Applicable costs for attending the training shall be reimbursed by the District.

3115.1.3.1 District staff shall maintain records indicating both the dates that attendees completed the ethics training and the name of the provider that provided the training. These records shall be maintained for at least five years after the date of training and may be public records subject to disclosure under the California Public Records Act.

3115.1.4 District staff shall provide the prospective attendees with information on available training that meets the requirements of this policy at least once every year.

3115.1.5 A single training course may be used to satisfy the obligation to receive training for multiple agencies or positions.

POLICY NUMBER 3120: Members of the Board of Directors

3120.1 Meeting Preparation:

Directors shall thoroughly prepare themselves to discuss agenda items at meetings of the Board of Directors. Directors may request information from staff before meetings.

3120.1.1 Requests by individual Directors for substantive information and/or research from District staff will be channeled exclusively through the General Manager.

3120.1.2 The General Manager shall be responsible for providing the requested information and shall make all information equally available to all Directors.

3120.1.3 If writings are distributed to a majority of the Board in connection with an agenda item, those writings shall be made available to the public in the manner required by law.

3120.2 Meeting Decorum:

3120.2.1 Directors shall at all times conduct themselves with courtesy to each other, to staff, and to members of the audience present at Board meetings.

3120.2.2 Directors shall defer to the President or, if absent, the presiding officer for conduct of meetings of the Board, but shall be free to question and discuss items on the agenda. All comments should be brief and confined to the matter being discussed by the Board.

3120.2.3 Directors may request for inclusion into the meeting minutes brief comments pertinent to an agenda item only at the meeting that item is discussed (including, if desired, a position on abstention or dissenting vote).

3120.3 Abstentions and Failure to Vote:

Directors should not abstain from the Board's decision-making responsibilities unless a personal or financial conflict of interest exists. Directors abstaining due to a disqualifying conflict of interest will not be counted as part of a quorum and will be considered absent for the purposes of determining the outcome of a vote on the matter. Directors who fail to vote in the absence of a declared conflict of interest will be counted as part of a quorum and in effect consent that a majority of the quorum will determine the outcome of a vote on the matter.

POLICY NUMBER 3125: Training, Education and Conferences

3125.1 Members of the Board of Directors are encouraged to attend educational conferences, seminars, trainings, and professional meetings when the purpose of any such activity is to improve District operation. Unless otherwise restricted by the Director Compensation and Travel Allowance Policy, there is no limit as to the number of Directors attending a particular activity when it is apparent that attendance is beneficial to the District, as long as a majority of the members of a body do not discuss issues related to their local agency's business. Directors shall not attend conference or training events at District expense when it is apparent that there is no significant benefit to the District. Directors shall not attend or engage in any tour or journey for pleasure at public expense (e.g. "junkets" or other such events that are not beneficial to the District).

3125.2 It is the policy of the District to encourage Board development and excellence of

Commented [DS77]: Will this document supercede the Travel Policy as that states there is a limit of three Directors for conferences? This was done to save money.

Commented [AD78R77]: I recommend revision to take into account the District's travel and reimbursement policy.

performance by reimbursing actual expenses incurred for tuition, travel, lodging and meals as a result of training, educational courses, participation with professional organizations, and attendance at local, state, and national conferences associated with the interests of the District. All reimbursement shall be made pursuant to the District's current Director Compensation and Travel Allowance Policy.

Commented [AD79]: This is to make clear that the reimbursement policy applies. (See Res No. 20181203.)

3125.2.1 The District shall reimburse Directors for approved conference tuition and registration expenses, and for per diem expenses. Per diem expenses, when appropriate, shall include meals, lodging, and travel. All expenses for which reimbursement is requested by Directors, or which are billed to the District by Directors, shall be submitted to the General Manager, together with validated receipts. All reimbursements shall be made in accordance with applicable State and federal law, including, but not limited to, Internal Revenue Service Guidelines.

Commented [DS80]: We currently offer less of a per diem for meal allowance than the IRS. What we offer is fair and reasonable so the committee may want to discuss this before making a recommendation to follow IRS guidelines.

3125.2.2 Attendance by Directors at seminars, workshops, courses, professional organization meetings, and conferences shall be approved by the Board of Directors prior to the District incurring any reimbursable costs.

Commented [AD81R80]: I recommend retaining this. Under the current reimbursement policy, the District reimburses vehicle use at the IRS standard rate. (See Res 20181203.) Also, where the reimbursement policy does not establish reimbursement rates, the IRS rates applies. (See Gov. Code, § 53232.2.)

3125.2.3 Expenses to the District for Board of Directors' training, education, and conferences should be kept to a minimum by utilizing recommendations for transportation and housing accommodations provided by the General Manager, and by:

3125.2.3.1 Utilizing hotel(s) recommended by the event sponsor in order to obtain discounted rates.

3125.2.3.2 Directors traveling together whenever feasible and economically beneficial.

3125.2.3.3 Requesting reservations sufficiently in advance, when possible, to obtain discounted air fares and hotel rates.

3125.3 A Director shall not be reimbursed for expenses incurred at any educational conference seminar, training, or professional meeting event if such event occurs after the District has announced that Director's pending resignation, or if such event occurs after an election in which it has been determined that the Director will not retain his or her seat on the Board.

Commented [DS82]: A suggestion is to state that "expenses should be kept to a minimum but can not exceed the per diem set by the Board Policy, event host hotels, and economy airfare, unless otherwise authorized by the Board." We do not have a Finance Division Manager.

3125.4 Upon returning from educational conferences, seminars, trainings, and professional meetings where expenses are reimbursed by the District, Directors will either prepare a written or verbal report for presentation at the next regular meeting of the Board. Said report shall detail what was learned at the session(s) that will be of benefit to the District. Materials from the session(s) may be delivered to the District office to be included in the District library for the future use of other Directors and staff.

Commented [AD83R82]: The reference to the Compensation policy (above) will reflect the limits of compensation.

POLICY NUMBER 3200: Board Actions and Decisions

3200.1 Actions by the Board of Directors include but are not limited to the following:

3200.1.1 ____ Adoption or rejection of regulations or policies;

3200.1.2 ____ Adoption or rejection of a resolution;

3200.1.3 ____ Adoption or rejection of an ordinance;

3200.1.4 ____ Approval or rejection of any contract or expenditure;

3200.1.5 ____ Approval or rejection of any proposal which commits District funds or facilities, including employment and dismissal of personnel; and,

3200.1.6 ____ Approval or disapproval of matters that require or may require the District or its employees to take action and/or provide services.

3200.2 ____ Action can only be taken by the vote of the majority of the Board of Directors. Three (3) Directors] represent a quorum for the conduct of business.

3200.2.1 ____ A member abstaining in a vote is considered as absent for that vote. A member abstaining due to a conflict of interest does not count towards a quorum.

3200.2.1.1 ____ Example. If three of five Directors are present at a meeting, a quorum exists and business can be conducted unless the abstention is due to a conflict of interest. However, if one Director abstains on a particular action and the other two cast "aye" votes, no action is taken because a "majority of the Board" did not vote in favor of the action.

3200.2.1.2 ____ Example. If an action is proposed requiring a two-thirds vote and two Directors abstain, the proposed action cannot be approved because four of the five Directors would have to vote in favor of the action.

3200.2.1.3 ____ Example. If a vacancy exists on the Board and a vote is taken to appoint an individual to fill said vacancy, three Directors must vote in favor of the appointment for it to be approved. If two of the four Directors present abstain, the appointment is not approved.

3200.3 ____ The Board may give directions that are not formal action. Such directions do not require formal procedural process. Such directions include the Board's directives and instructions to the General Manager.

3200.3.1 ____ The President shall determine by consensus a Board directive and shall state it for clarification. Should any two Directors challenge the statement of the President, a voice vote may be requested.

3200.3.2 ____ A formal motion may be made to place a disputed directive on a future agenda for Board consideration, or to take some other action (such as refer the matter to the General Manager for review and recommendation, etc.).

3200.3.3 ____ Informal action by the Board is still Board action and shall only occur regarding matters that appear on the agenda for the Board meeting during which said informal action is taken.

3200.3.4 ____ Nothing in this policy prevents the Board from providing direction to the General Manager in response to public comments or under Board member or General Manager comments, as allowed under the Brown Act. No vote or action shall be taken.

POLICY NUMBER 3205: Board Meeting Agenda

3205.1 Agenda preparation. The General Manager, in cooperation with the Board President, shall prepare an agenda for each regular and special meeting of the Board of Directors in accordance with the Brown Act. Any Director may contact the General Manager and request an item to be placed on the agenda. A Director's request to place an item on the agenda must be submitted no later than 5:00 P.M. two business days prior to the deadline for posting the agenda and Board packet for the next meeting date (72 hours before the regular monthly Board meeting and 24 hours before a special Board meeting).

3205.2 Public requests. Any member of the public may request that a matter directly related to District business be placed on the agenda of a regularly scheduled meeting of the Board of Directors, subject to the following conditions:

3205.2.1 ____ The request must be in writing and be submitted to the General Manager together with supporting documents and information, if any, at least seven business days prior to the date of the meeting.

3205.2.2 ____ The General Manager shall be the sole judge of whether the public request is or is not a "matter directly related to District business."

3205.2.3 ____ No request related to a matter which is legally a proper subject for consideration by the Board in closed session will be accepted under this policy.

3205.2.6 ____ The Board of Directors may place limitations on the total time to be devoted to a public request issue at any meeting, and may limit the time allowed for any one person to speak on the issue at the meeting. Del Paso Manor Water District allows the public to speak for 5 minutes during public comment or after Board Discussion on any agenda item. The Board President retains the discretion to adjust the speaking time limit, if the President deems it appropriate or necessary.

3205.3 ____ Agenda descriptions. All Board agendas shall include an unambiguous description of each item on the agenda to be discussed, including closed session items. The General Manager shall ensure that the description gives notice to the public of the essential nature of business

Commented [AD87]: District can retain this section as is. When enforcing the policy, however, the District must ensure that any time restriction it imposes (including by the Board President) is to ensure that the District's business is done efficiently. The District must ensure that it is not limiting time limits because of the content of a comment, because it would violate the First Amendment. (See *Acosta v. City of Costa Mesa* (9th Cir. 2013) 718 F.3d 800, 812; see also Gov. Code, § 54954.3.)

to be considered.

3205.4 Agenda posting. Agendas for regular meetings shall be posted 72 hours in advance of the

3205.5 Agenda packages. When distributing agenda packages and other materials to members of the

3205.6 Public comment.

3205.6.1 ____ For regular meetings the Board shall provide the public with an opportunity to address not only any item on the agenda but any item within the subject matter jurisdiction of the District.

3205.6.2 ____ For special meetings, the Board shall provide the public with an opportunity to address any item on the agenda.

3205.6.3 ____ The Board may not prohibit public criticism, but shall control the order of the proceedings, including placing reasonable time limits on public comment.

3205.6.4 ____ The Board may not require members of the public to give names or sign a register as a condition of attendance or speaking.

3205.7 ____ Closed sessions. The Board may conduct a closed session during a noticed meeting for certain matters, as identified on the agenda, where it is necessary to conduct business in private or for any other reason as authorized under the Brown Act. Major reasons for permissible closed sessions, as authorized by the Brown Act, include real property transactions, labor negotiations, and pending or potential litigation. The Board shall allow public comment on any closed session item before or after going into closed session, at the Board's discretion.

3205.8 ____ Items not on the agenda. The Board shall not discuss or take action on any item that does not appear on the posted agenda except that the Board may act on items not on the agenda to address emergency situations, subsequent need items, and hold-over items from a continued previous meeting held within the prior five days. The Board may also respond to public comments and make announcements.

POLICY NUMBER 3210: Board Meeting Conduct

3210.1 ____ Rules of order. Meetings of the Board of Directors shall be conducted by the President in a manner consistent with the policies of the District. Policy No. 4230, "Rules of Order for Board and Committee Meetings," shall be used as a general guideline for meeting protocol. Failure to strictly follow any procedural guidelines for meeting protocol shall not result in a reversal of a Board decision.

3210.2 ____ Agenda timing. All Board meetings shall commence at the time stated on the agenda and shall be guided by same. The placement of an item on the agenda shall not be deemed a requirement that the items proceed in any particular order. The Board President, with concurrence of

a majority of the Board, may alter the order in which agenda items shall be considered for discussion and/or action by the Board.

3210.3 Conduct of meetings. The following concepts shall be applied to Board meetings:

3210.3.1 The meetings shall be conducted in an open and fair manner.

3210.3.2 The public shall be given ample opportunity to participate in the meetings.

3210.3.3 Due process principles shall apply to quasi-judicial proceedings, or as otherwise required by law.

3210.3.4 The meetings shall proceed in a manner that enables the Board to consider problems to be solved and make wise decisions intended to solve the problems.

3210.3.5 The Board may receive, consider and take any needed action with respect to reports of accomplishment of District operations.

3210.3.6 Noticed public hearings shall be conducted in an orderly fashion, with the Board President establishing the order of the proceedings.

3210.3.7 The Board may weigh and determine the credibility of evidence and public comment.

3210.4 Public comment. Public comment on items on the agenda, and general public comment at a regular Board meeting for matters within the jurisdiction of the Board of Directors, shall be as follows:

3210.4.1 Five minutes may be allotted to each speaker.

3210.4.2 The Board president may allow additional per speaker and per subject comment time when

3210.4.3 No disruptive conduct shall be permitted at any Board meeting. Persistence in disruptive

3210.5 Disruption of meetings. Willful disruption that impedes the orderly conduct of any meetings of the Board of Directors shall not be permitted. If the President finds that there is willful disruption of any meeting of the Board, he/she may do the following:

3210.5.1 Notify the disrupting parties to immediately stop the conduct and that they will be asked to leave the meeting if the behavior continues.

Commented [AD88]: I recommend revision. Because of the First Amendment, the District is only permitted to eject public from meeting if the conduct actually disrupts the meeting of the Board i.e. prevents orderly business. (See *Norse v. City of Santa Cruz* (9th Cir. 2010) 629 F.3d 966, 976; *White v. City of Norwalk* (9th Cir. 1990) 900 F.2d 1421, 1424.)

Because of the limitation imposed by the First Amendment, before exercising powers under this policy, conferring with Legal Counsel is recommended.

3210.5.2 ____ If the behavior continues after notice, order the disrupting parties out of the room and conduct the Board's business without them present.

3210.5.3 ____ In cases of extreme disruption, clear the room of all members of the public, and conduct the Board's business without them present. If the disruptive members of the public refuse to leave the room, the Board President may adjourn the meeting.

3210.5.4 ____ Duly accredited representatives of the news media, whom the President finds not to have participated in the disruption, shall be permitted to remain in the meeting.

POLICY NUMBER 3215: Brown Act Compliance – Open Meeting Requirements

3215.1 The Brown Act. The Legislature adopted the Brown Act, commonly referred to as California's "Open Meeting Law" in 1964. The Brown Act is contained in Government Code section 54950 et seq. The Brown Act is broadly construed and compliance is constitutionally mandated.

Formatted: Font: Italic

3215.2 Compliance with Brown Act. All meetings of the Board of Directors shall comply with the Brown Act.

3215.2.1 ____ Meetings occur whenever the majority of the Board of Directors meets to discuss District business.

3215.2.2 ____ Member of the Board includes newly elected and appointed officials prior to assuming office.

3215.2.3 ____ All Board meetings shall be open and freely accessible to the public, including those with disabilities.

3215.2.4 ____ Meetings through the use of intermediaries, serial communications, social media or emails are prohibited.

3215.2.5 ____ The Board shall only take action during a properly noticed meeting.

3215.3 Committees. Committees created by formal action of the Board shall comply with the Brown Act.

POLICY NUMBER 3220: Minutes of Board Meetings

3220.1 Duty to keep minutes. The General Manager/Secretary of the Board of Directors shall keep minutes of all regular and special meetings of the Board.

3220.1.1 _____ Copies of a meeting’s minutes shall be distributed to Directors as part of the information packet for the next regular meeting of the Board, at which time the Board will consider approving the minutes as presented or with modifications. Once approved by the Board, the official minutes shall be kept in a fireproof vault or in a fire-resistant, locked cabinet and posted on the District’s website.

3220.1.2 _____ [reserved]

3220.1.3 _____ Motions, resolutions or ordinances shall be recorded in the minutes as having passed or failed. The motion makers and individual votes will be recorded. A unanimous vote shall be recorded as a vote in favor by each member.

3220.1.4 _____ All resolutions and ordinances adopted by the Board shall be numbered consecutively, starting new at the beginning of each year [e.g. “Resolution 2019-01”].

3220.1.5 In addition to other information that the Board may deem to be of importance, the following information (if relevant) shall be included in each meeting’s minutes:

- Date, place and type of each meeting;
- Directors present and absent by name;
- Administrative staff present by name;
- Call to order;
- Time and name of late arriving Directors;
- Time and name of early departing Directors;
- Names of Directors absent during any agenda item upon which action was taken;
- Summary record of staff reports;
- Summary record of public comment regarding matters not on the agenda including names of commenters, if provided;
- Approval of the minutes or modified minutes of preceding meetings;
- Approval of financial reports
- Complete information as to each subject of the Board’s deliberation;
- Record of the vote of each Director on every action item for which the vote was not unanimous;
- Resolutions and ordinances described as to their substantive content and sequential numbering;
- Record of all contracts and agreements, and their amendment, approved by the Board;
- Approval of the annual budget;
- Approval of all polices, rules and/or regulations;

Commented [DS89]: I suggest the first sentence be changed to “may be made” at the end instead of “will be made”. If you want to keep it “will be made” then we need to purchase an audio device and then we need to make sure that audio recording is kept in compliance with the law. Adam, is there special requirements for an audio recording? If so, maybe it should be stated here to be clear.

Commented [AD90R89]: I recommend keeping strikethrough if the District does not wish audio record meetings. There is no special recording requirements. But the creation of such recordings is a public record under the Public Records Act and must be made public for thirty days. (See Gov. Code, § 54953.5.)

Commented [DS91]: The law does not require a participant to state their name so not sure this can be done. Adam, legal opinion?

Commented [AD92R91]: This is true. Members of the public cannot be required to provide their information. (See Gov’t Code Section 54953.3.) Can revise to state “including names of commenters if provided,” if the District desires to do so.

- Approval of all dispositions of District assets;
- Approval of all purchases of District assets; and,
- Time of meeting's adjournment.

POLICY NUMBER 3225: Review of Administrative Decisions

3225.1 Code of Civil Procedure § 1094.6. The provisions of California Code of Civil Procedure

3225.1.1. All administrative decisions of the Board shall be in writing. An administrative decision of the Board becomes final once the decision is served first class certified mail, return receipt requested with a copy of the affidavit or certificate of mailing to the person seeking judicial review, and the Board's decision cannot be reconsidered. In making a final decision, the Board shall provide notice of the time period within which to seek judicial review is governed by this policy and Code of Civil Procedure § 1094.6

3225.1.2 In accordance with §1094.6, the time to seek judicial relief shall be 90 days following the date in which the Board's decision becomes final. If a person seeking judicial review files a request for the record within 10 days after the date in which the Board's decision becomes final, the time to seek judicial relief shall be extended to no later than the 30th day following the date on which the record is either personally delivered or mailed by first class, certified mail, return receipt requested to the person seeking judicial relief, or the person's attorney of record.

3225.1.4 No person aggrieved by a Board decision shall be allowed to seek judicial relief unless they shall have first raised that issue before the Board and provided the Board with an opportunity to address the issue.

3225.1.5 No person aggrieved by a Board decision shall be allowed to seek judicial relief unless they shall have first exhausted all available administrative remedies made available by the District.

3225.1.5 As provided by Code of Civil Procedure § 1094.6, any person requesting preparation of the administrative record shall be responsible for payment of the actual costs of transcribing or otherwise preparing the record. Actual costs shall include, but not be limited to: the salary and fringe benefit rates of pay by the District to personnel for the time consumed in typing a transcript and reproducing, assembling and compiling the transcript and exhibits; unit costs (including prorated rental) of equipment utilized in reproduction; the cost of materials and supplies; and the cost to the District of having a transcript typed when testimony has been recorded by a court reporter. The Board may determine and promulgate unit costs of preparing the record by resolution.

3225.1.5.1 Before commencing preparation of a transcript, or other record, the officer or employee responsible for preparation shall estimate the actual total cost. Preparation of the record shall not be commenced until the person requesting preparation of the record has deposited the full amount of the cost estimate.

Commented [DS95]: This section should be reviewed by Adam.

Commented [AD96]: I recommend that the Board issue all of its decisions in writing. (See *Bam, Inc. v. Board of Police Com'rs* (1992) 7 Cal.App.4th 1343, 1346; *Topanga Assn. for a Scenic Community v. County of Los Angeles* (1974) 11 Cal.3d 506, 513.)

Commented [AD97]: This reflect Code Civ. Proc., § 1094.6.)

Commented [AD98]: This is required by Code of Civil Procedure § 1094.6 (f).

Formatted: Font: Times New Roman, Superscript

Commented [AD99]: This is required by section Code of Civil Procedure § 1094.6 (d)

Commented [AD100]: Since the District is responsible for preparing the administrative record, I recommend addition of this section so that the Board can recover the costs of preparing the record. (See Code Civ. Proc., § 1094.6.)

3225.1.5.2 If the deposit exceeds the actual costs, the difference shall be refunded. If the actual cost exceeds the estimate, the difference shall be paid when the record is delivered.

3225.5.3 The limitation of action period shall not be extended, pursuant to provisions of Section 1094.6(d) of the Code of Civil Procedure, beyond 90 days after the decision becomes final, unless the person seeking judicial review deposits pursuant to Section 4225.1.5.1 the estimated cost of preparing the transcript within 10 days after being furnished with the written estimate of such cost.

3225.2 Applicability. This policy affects those administrative decisions rendered by the Board of Directors following a proceeding at which notice and an opportunity to be heard has been provided.

3225.3 Purpose. The purpose of this policy is to ensure efficient administration of the District, and the expeditious review of decisions rendered by the Board of Directors.

3225.4 Claims. Nothing in this policy shall be deemed to waive the claims filing requirements of the District when damages are being sought.

POLICY NUMBER 3230: Rules of Order for Conduct of Board and Committee Meetings

3230.1 General:

3230.1.1 Action items shall be brought before and considered by the Board by motion in accordance with this policy. These rules of order are intended to be informal and applied flexibly. The Board prefers a flexible form of meeting and, therefore, does not conduct its meetings under formalized rules such as Robert's Rules of Order.

3230.1.1.1 If a Director believes order is not being maintained or procedures are not adequate, then he/she should raise a point of order - not requiring a second - to the President. If the ruling of the President is not satisfactory to the Director, then it may be appealed to the Board. A majority of the Board will govern and determine the point of order.

3230.2 Obtaining the Floor:

3230.2.1 Any Director desiring to speak should address the President and, upon recognition by the President, may address the subject under discussion.

3230.3 Motions:

3230.3.1 Any Director, including the President, may make or second a motion. A motion shall be brought and considered as follows:

Commented [AD101]: We will need to ensure that this policy complies with Ordinance No. 2.

Can the District provide us a copy for review?

Commented [DS102]: Will this supercede Ordinance No. 2 where we state we use Roberts Rules of Order?

Commented [AD103R102]: If Ordinance No. 2 explicitly provides that the Board will follow Roberts Rules of Order, this will need to be removed. Since we are adopting this manual by resolution, Ordinance No. 2 will supersede this section if it is inconsistent.

Commented [DS104]: See comment above. Will relaxed rules allow the President to 2nd a motion?

Commented [AD105R104]: This will allow the President to second a motion. If Ordinance No. 2 does not provide for that we will need to revise this policy.

3230.3.1.1 ___ A Director makes a motion; another Director seconds the motion; and the President states the motion.

3230.3.2 ___ Once the motion has been stated by the President, it is open to discussion and debate. After the matter has been fully debated, and after the public in attendance has had an opportunity to comment, the President will call for the vote.

3230.3.2.1 ___ If the public in attendance has had an opportunity to comment on the proposed action, any Director may move to immediately bring the question being debated to a vote, suspending any further debate. The motion must be made, seconded, and approved by a majority vote of the Board.

3230.4 Secondary Motions: Ordinarily, only one motion can be considered at a time and a motion must be disposed of before any other motions or business are considered. There are a few exceptions to this general rule, though, where a secondary motion concerning the main motion may be made and considered before voting on the main motion.

3230.4.1 ___ Motion to Amend: A main motion may be amended before it is voted on, either by the consent of the Directors who moved and seconded, or by a new motion and second.

3230.4.2 ___ Motion to Table: A main motion may be indefinitely tabled before it is voted on by motion made to table, which is then seconded and approved by a majority vote of the Board.

3230.4.3 ___ Motion to Postpone: A main motion may be postponed to a certain time by a motion to postpone, which is then seconded and approved by a majority vote of the Board.

3230.4.4 ___ Motion to Refer to Committee: A main motion may be referred to a Board committee for further study and recommendation by a motion to refer to committee, which is then seconded and approved by a majority vote of the Board.

3230.4.5 ___ Motion to Close Debate and Vote Immediately: As provided above, any Director may move to close debate and immediately vote on a main motion.

3230.4.6 ___ Motion to Adjourn: A meeting may be adjourned by motion made, seconded, and approved by a majority vote of the Board before voting on a main motion.

3230.5 Decorum:

3230.5.1 ___ The President shall take whatever actions are necessary and appropriate to preserve order and decorum during Board meetings, including public hearings. The President may eject any person or persons [that disrupts, disturbs or otherwise impedes the orderly conduct of the meeting.](#)

Commented [AD106]: Because of First Amendment concerns, I recommend this revision. (See *Acosta v. City of Costa Mesa* (9th Cir. 2013) 718 F.3d 800, 811.)

3230.5.2 ___ The President may also declare a short recess during any meeting.

3230.6 Amendment of Rules of Order:

3230.6.1 ___ By motion made, seconded and approved by a majority vote, the Board may, at its discretion and at any meeting: a) temporarily suspend these rules in whole or in part; b) amend these rules in whole or in part; or, c) both.

POLICY NUMBER 3235: Types of Board Meetings

3235.1 Regular meetings: Regular meetings of the Board of Directors shall be held on the first

3235.2 Special meetings: Special meetings of the Board of Directors may be called by the Board President or by a majority of the Board.

3235.2.1 ___ All Directors shall be notified of the special Board meeting and the purpose or purposes for which it is called. Notice of the meeting shall be in writing, received by them at least 24 hours prior to the meeting.

3235.2.2 ___ An agenda shall be prepared and posted at least 24 hours before the meeting as specified in Policy #4205 and shall be delivered with the notice of the special meeting to the Board of Directors.

3235.2.3 ___ Notice of the meeting shall be provided to the local newspaper and any other media outlet or person who has requested to receive notices of meetings by serving a copy of the agenda at least 24 hours before the meeting.

3235.2.4 ___ Only those items of business listed in the call for the special meeting shall be considered by the Board at any special meeting.

3235.3 Emergency Meetings: In the event of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities, the Board of Directors may hold an emergency special meeting without complying with the 24-hour notice requirement. An emergency situation means a crippling disaster which severely impairs public health, safety, or both, or as otherwise permitted under the Brown Act, as determined by a majority of the Board.

3235.3.1 ___ When possible, notice shall be provided to the media outlets on record with the District as having requested notice of meetings, by telephone at least one hour before the meeting. If telephones are not working, notice to media outlets of the emergency meeting, the purpose of emergency meeting and any action taken at the meeting shall be provided as soon as possible after the meeting.

3235.3.2 ___ Actions taken during an emergency meeting shall be by roll call vote.

Commented [AD107]: This is required by Gov. Code, § 54956.5.

3235.3.3 The Board may meet in closed session if agreed to by 2/3 vote of the members present, or if less than 2/3 present, by unanimous vote.

3235.3.4 Following an emergency meeting, the minutes of the meeting, a list of persons notified or attempted to be notified of the meeting, and actions taken must be posted for ten (10) days in the District office and on the District's website.

3235.4 Adjourned Meetings: A majority vote by Board of Directors may adjourn any Board meeting at any place in the agenda to a time and place specified in the order of adjournment, except that if no Directors are present at any regular or adjourned regular meeting, the Board Secretary or the General Manager may declare the meeting adjourned to a stated time and place. Notice of the adjourned meeting shall be posted on or near the door of the meeting within 24 hours after the adjournment and the adjourned meeting shall be noticed in the same manner as a special meeting.

3235.5 Annual Organizational Meeting: The Board of Directors shall hold an annual organizational meeting at its regular meeting in January. At this meeting the Board will elect a President, Vice President and Clerk from among its members to serve during the coming calendar year, and will appoint the General Manager as the Board's Secretary.

Commented [AD108]: Brown Act places the ability to adjourn meetings in the Board of Directors, even if there is less than a quorum. (See Gov. Code, § 54955.)

Commented [DS109]: This should be January because in an election year, the final election record notice and swearing of new directors may come after the December meeting.

ITEM #8

Action on Resolution 20200502 regarding Bond Re-Finance

RESOLUTION NO. _____

**A RESOLUTION OF THE DEL PASO MANOR WATER DISTRICT
AUTHORIZING THE EXECUTION AND DELIVERY BY THE
DISTRICT OF AN INSTALLMENT PURCHASE CONTRACT AND
AUTHORIZING THE EXECUTION OF OTHER NECESSARY
DOCUMENTS AND RELATED ACTIONS**

WHEREAS, the Del Paso Manor Water District (the “District”) is a special district duly organized and validly existing under the laws of the State of California; and

WHEREAS, the District is authorized to sell and purchase its property to finance and refinance public capital improvements; and

WHEREAS, the District desires to provide funds to refinance certain installment payments (the “2018 Installment Payments”) made by the District to the CSDA Finance Corporation (the “Corporation”) pursuant to an Installment Purchase Contract, dated as of June 1, 2018, between the District and the Corporation for the purpose of refinancing the acquisition and construction of certain improvements, betterments, renovations and expansions of facilities within its water system (the “2010 Project”); and

WHEREAS, to provide funds necessary to refinance the 2018 Installment Payments and 2010 Project, the District desires to enter into that certain Installment Purchase Contract (the “Installment Purchase Contract”) with the Corporation in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution; and

WHEREAS, the Corporation intends to assign without recourse certain of its rights under and pursuant to the Installment Purchase Contract to First Foundation Bank (the “Bank”), pursuant to an Assignment Agreement, between the Bank and the Corporation; and

WHEREAS, there have been presented at this meeting the form of Installment Purchase Contract; and

WHEREAS, the District desires to appoint Brandis Tallman LLC, as placement agent (“Placement Agent”), and Kutak Rock LLP, as special counsel (“Special Counsel”), in connection with the refinancing of the 2018 Installment Payments and 2010 Project; and

WHEREAS, Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) (“SB 450”) requires that the Board of Directors of the District (the “Board”) obtain from an underwriter, municipal advisor or private lender and disclose, prior to authorization of the issuance of bonds, including debt instruments such as the Installment Purchase Contract, with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the Installment Purchase Contract, (b) the sum of all fees and charges paid to third parties with respect to the Installment Purchase Contract, (c) the amount of proceeds of the Installment Purchase Contract expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with

proceeds of the Installment Purchase Contract, and (d) the sum total of all debt service payments on the Installment Purchase Contract calculated to the final maturity of the Installment Purchase Contract plus the fees and charges paid to third parties not paid with the proceeds of the Installment Purchase Contract; and

WHEREAS, in compliance with SB 450, the Board obtained from the Placement Agent, the required good faith estimates and such estimates are disclosed and set forth on Exhibit A attached hereto; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the financing and refinancing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the District is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing for the purpose, in the manner and upon the terms herein provided.

NOW, THEREFORE, the Board of Directors of the District **DOES HEREBY RESOLVE, DETERMINE AND ORDER:**

Section 1. All of the recitals herein contained are true and correct and the Board so finds.

Section 2. The form of Installment Purchase Contract submitted to this meeting and made a part hereof as though set forth herein is hereby approved. The President of the Board, and such other member of the Board as the President may designate, the General Manager of the District, and such other officers of the District as the General Manager of the District may designate (each an "Authorized Officer") are, and each of them is, hereby authorized and directed, for and in the name of the District, to execute and deliver the Installment Purchase Contract in the form submitted to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, with the advice and approval of District Counsel and Special Counsel, such requirement or approval to be conclusively evidenced by the execution and delivery of the Installment Purchase Contract by such Authorized Officer. In connection therewith, the District approves the execution and delivery of the Installment Purchase Contract so long as the maturity of the Installment Payments (as defined in the Installment Purchase Contract) does not exceed July 1, 2040, the interest rate with respect to the Installment Payments does not initially exceed 3.25%, and the principal amount of the Installment Payments does not exceed \$4,700,000.

Section 3. The Board of Director hereby appoints the firm of Brandis Tallman LLC, as placement agent and Kutak Rock LLP, as special counsel, in connection with the refinancing of the 2018 Installment Payments and 2010 Project. The Board of Directors hereby authorizes the President of the Board of Directors to execute and deliver an agreement with said firms for their respective services. Payment of fees and expenses with respect to such agreements shall be contingent upon the execution of the Installment Purchase Contract.

Section 4. In accordance with SB 450, good faith estimates of the following have been obtained from the Placement Agent and are set forth on Exhibit A attached hereto: (a) the true interest cost of the Installment Purchase Contract, (b) the sum of all fees and charges paid to third parties with respect to the Installment Purchase Contract, (c) the amount of proceeds of the Installment Purchase Contract expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Installment Purchase Contract, and (d) the sum total of all debt service payments on the Installment Purchase Contract calculated to the final maturity of the Installment Purchase Contract plus the fees and charges paid to third parties not paid with the proceeds of the Installment Purchase Contract.

Section 5. The Officers and staff of the District are hereby authorized and directed, jointly and severally, to do any and all things, to execute and deliver any and all documents, including but not limited to a fee agreement, costs of issuance agreement, custodian agreement or other similar agreements, which in consultation with District Counsel and Special Counsel, they may deem necessary or advisable in order to effectuate the purposes of this Resolution, and any and all such actions previously taken by such Officers or staff members are hereby ratified and confirmed.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a regular meeting held on May 5, 2020.

President

ATTEST:

District Secretary

I, hereby certify that the foregoing Resolution No. _____ was passed and adopted at a regular meeting of said Board on the 5th day of May 2020, by the following vote, to wit:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand this 5th day of May 2020.

District Secretary

Exhibit A

GOOD FAITH ESTIMATES

The following information was obtained from the District's Placement Agent, and is provided in compliance with Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) with respect to the Installment Purchase Contract:

1. *True Interest Cost of the Installment Purchase Contract.* A good faith estimate of the true interest cost of the Installment Purchase Contract, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for Installment Purchase Contract, is 3.25%.

2. *Finance Charge of the Installment Purchase Contract.* A good faith estimate of the District's finance charge of the Installment Purchase Contract, which means the sum of all fees and charges paid to third parties (or costs associated with the Installment Purchase Contract), is \$96,000.00.

3. *Amount of Proceeds to be Received by the District.* A good faith estimate of the amount of proceeds expected to be received by the District for sale of the Installment Purchase Contract less the finance charge of the Installment Purchase Contract described in paragraph 2 above and any reserves or capitalized interest paid or funded with proceeds of the Installment Purchase Contract, is \$4,843,591.50.

4. *Total Payment Amount.* A good faith estimate of the total payment amount, which means the sum total of all payments the District will make to pay debt service on the Installment Purchase Contract plus the finance charge of the Installment Purchase Contract described in paragraph 2 above not paid with the proceeds of the Installment Purchase Contract, calculated to the final maturity of the Installment Purchase Contract, is \$6,467,562.92.

Attention is directed to the fact that the foregoing information constitutes good faith estimates only. The actual interest cost, finance charges, amount of proceeds and total payment amount may vary from those presently estimated due to variations from these estimates in the timing of the sale of the Installment Purchase Contract, the actual principal amount of Installment Purchase Contract sold, the amortization of the Installment Purchase Contract sold and market interest rates at the time of sale. The date of sale and the amount of Installment Purchase Contract sold will be determined by the District based on need for improvement funds and other factors. The actual interest rates at which the Installment Purchase Contract will be sold will depend on the bond market at the time of sale. The actual amortization of the Installment Purchase Contract will also depend, in part, on market interest rates at the time of sale. Market interest rates are affected by economic and other factors beyond the District's control.

INSTALLMENT PURCHASE CONTRACT

between the

DEL PASO MANOR WATER DISTRICT

and the

CSDA FINANCE CORPORATION

Dated as of June 1, 2020

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INSTALLMENT PURCHASE CONTRACT

This INSTALLMENT PURCHASE CONTRACT, dated as of June 1, 2020 (as amended and supplemented hereafter, the “Installment Purchase Contract”), between the DEL PASO MANOR WATER DISTRICT, a special district duly organized and validly existing under the laws of the State of California (the “District”), and the CSDA FINANCE CORPORATION, a nonprofit public benefit corporation duly organized and validly existing under the laws of the State of California (the “Corporation”);

WITNESSETH:

WHEREAS, the District is authorized by the laws of the State of California to acquire certain property for its water system and to finance the acquisition and construction of such facilities through the execution of installment purchase contracts; and

WHEREAS, the District proposes to undertake the refinancing of certain installment payments (the “2018 Installment Payments”) made by the District to the Corporation pursuant to an Installment Purchase Contract, dated as of June 1, 2018, between the District and the Corporation for the purpose of refinancing the acquisition and construction of certain improvements, betterments, renovations and expansions of facilities within its water system, as more particularly described in Exhibit A hereto (the “2010 Project”); and

WHEREAS, the Corporation has been formed for the purpose of, among other things, assisting public agencies such as the District in financing facilities and property useful to them and the Corporation is authorized to assist the District in the financing, construction, acquisition, and improvement of the District’s facilities and property; and

WHEREAS, the Corporation has agreed to assist the District in refinancing the 2018 Installment Payments; and

WHEREAS, the District and the Corporation have duly authorized the execution of this Installment Purchase Contract; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Installment Purchase Contract do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Installment Purchase Contract;

NOW, THEREFORE, IN CONSIDERATION OF THE PROMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

**ARTICLE I.
DEFINITIONS**

Section 1.01 Definitions.

Unless the context otherwise requires, the terms defined in this Section 1.01 shall for all purposes hereof, and of any amendment hereof, and of any opinion or report or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein.

“Additional Revenues” means, with respect to the issuance of any Parity Obligations, an allowance for Net Revenues (i) arising from any increase in the charges made for service from the Enterprise adopted prior to the incurring of such Parity Obligations and effective within eighteen (18) months following the date of incurring such Parity Obligations, in an amount equal to the total amount by which the Net Revenues would have been increased if such increase in charges had been in effect during the whole of the most recent completed Fiscal Year or during any more recent twelve (12) month period selected by the District, and (ii) arising from any increase in service connections to the Enterprise prior to the incurring of such Parity Obligations, in an amount equal to the total amount by which the Net Revenues would have been increased if such connections had been in existence during the whole of the most recent completed Fiscal Year or during any more recent twelve (12) month period selected by the District, all as shown by the certificate or opinion of an Independent Financial Consultant.

“Assignment Agreement” means the Assignment Agreement, dated as of June 1, 2020, between the Corporation and the Bank relating to this Installment Purchase Contract, as amended and supplemented.

“Bank” means initially First Foundation Bank, and thereafter any successor or assign.

“Business Day” means any day other than a Saturday, Sunday or legal holiday or a day on which banks are authorized to be closed for business in California and New York.

“Closing Date” means June 1, 2020.

“Corporation” means the CSDA Finance Corporation, a nonprofit, public benefit corporation organized and existing under the laws of the State of California, and any successor thereto.

“Debt Service” means, for any Fiscal Year, the sum of (1) the Installment Payments (except to the extent that interest has been fully capitalized and is invested in Federal Securities which mature at times and in such amounts as are necessary to pay the interest to which such amounts are pledged) required to be paid hereunder during such Fiscal Year, (2) the interest falling due during such Fiscal Year on all Parity Obligations (which are outstanding under the documents or agreements pursuant to which they were issued), assuming that all outstanding serial Parity Obligations are retired as scheduled and that all outstanding term Parity Obligations are redeemed from sinking fund payments as scheduled (except to the extent that such interest has been fully capitalized and is invested in Federal Securities which mature at times and in such amounts as are necessary to pay the interest to which such amounts are pledged), (3) the principal amount of all serial Parity Obligations (which are outstanding under the documents or agreements pursuant to

which they were issued) falling due by their terms during such Fiscal Year, and (4) the minimum amount of term Parity Obligations (which are outstanding under the documents or agreements pursuant to which they were issued) required to be paid or called and redeemed during such Fiscal Year, together with the redemption premiums, if any, thereon; provided that, whenever interest as described herein accrues at other than a fixed rate, such interest shall be assumed to be a rate equal to the greater of (i) the actual rate on the date of calculation, or if the Parity Obligations are not yet outstanding, the initial rate (if established and binding), (ii) if the Parity Obligations have been outstanding for at least twelve months, the average rate over the twelve months immediately preceding the date of calculation, and (iii) (x) if interest on the Parity Obligations is excludable from gross income under the applicable provisions of the Tax Code, the most recently published The Bond Buyer Bond Revenue Index (or comparable index if no longer published) plus fifty (50) basis points, or (y) if interest is not so excludable, the interest rate on direct U.S. Treasury Obligations with comparable maturities, plus fifty (50) basis points.

“Debt Service Fund” means the fund established in Section 3.04 hereof.

“Debt Service Payments” means the payments of Debt Service.

“Default Rate” means the then current interest rate plus 3.00%.

“Delivery Costs” means all items of expense directly or indirectly payable by or reimbursable to the District, the Corporation or the Bank relating to the refinancing of the 2010 Project, including but not limited to filing costs, settlement costs, initial fees and charges of the Corporation or the Bank and their counsel, financing discounts, outside legal fees and charges, financial and other professional consultant fees, and charges and fees in connection with the foregoing, including fees of the California Debt and Investment Advisory Commission.

“Determination of Taxability” means and shall be deemed to have occurred on the first to occur of the following:

(i) on the date when the District files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have occurred;

(ii) on the date when the Bank notifies the District that it has received a written opinion from Special Counsel to the effect that an Event of Taxability has occurred, which notice shall be accompanied by a copy of such opinion of Special Counsel, unless, within 180 days after receipt by the District of such notification and copy of such opinion from the Bank, the District shall deliver to the Bank a ruling or determination letter issued to or on behalf of the District by the Commissioner or any District Director of the Internal Revenue Service (or any other governmental official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(iii) on the date when the District is advised in writing by the Commissioner or any District Director of the Internal Revenue Service (or any other government official or agent

exercising the same or a substantially similar function from time to time) that, based upon any review or audit or upon any other ground whatsoever, an Event of Taxability has occurred; or

(iv) on the date when the District receives notice from the Bank that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed the interest on the Installment Payments as includable in the gross income of the Bank due to the occurrence of an Event of Taxability, provided that the Bank has provided a copy of document(s) received from the Internal Revenue Service to the District; *provided, however*, that no Determination of Taxability shall occur under subparagraph (iii) or subparagraph (iv) above unless the District has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; *provided further, however*, that upon demand from the Bank following an event listed in subparagraphs (i), (ii), (iii) or (iv), the District shall reimburse the Bank for any payments, including any taxes, interest, penalties or other charges, Lender shall be obligated to make to the Internal Revenue Service as a result of the Determination of Taxability.

“District” means the Del Paso Manor Water District, a special district duly organized and validly existing under the laws of the State of California.

“Due Date” means the date three (3) Business Days prior to an Interest Payment Date.

“Electronic Notice” means notice given through means of telecopy, facsimile transmission, e-mail or other similar electronic means of communication confirmed by writing or written transmission.

“Enterprise” means the District’s water system, including all facilities, works, properties and structures of the District for the treatment, transmission and distribution of potable and non-potable water, including all contractual rights to water supplies, transmission capacity supply, easements, rights-of-way and other works, property or structures necessary or convenient for such facilities, together with all additions, betterments, extension and improvements to such facilities or any part thereof hereafter acquired or constructed.

“Event of Default” means an event of default described in Section 7.01.

“Event of Taxability” means any action, inaction or event that has the effect of causing interest paid or payable on the Installment Payments to be includable, in whole or in part, in the gross income of the holder of the Installment Payments for federal income tax purposes.

“Federal Securities” means direct obligations of (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States), or obligations the timely payment of the principal of and interest on which are fully and unconditionally guaranteed by, the United States of America.

“Finance Officer” means the General Manager of the District.

“Fiscal Year” means the twelve-calendar month period terminating on June 30 of each year, or any other annual accounting period hereafter selected and designated by the District as its Fiscal Year in accordance with applicable law.

“Generally Accepted Accounting Principles” means the uniform accounting and reporting procedures prescribed by the California State Controller or his successor for water districts in the State of California, or failing the prescription of such procedures means generally accepted accounting principles as presented and recommended by the American Institute of Certified Public Accountants or its successor, or by the National Council on Governmental Accounting or its successor, or by any other generally accepted authority on such principles.

“Governmental Loan” means a loan from the State or the United States of America, acting through any of its agencies, to finance improvements to the Enterprise, and the obligation of the District to make payments to the State or the United States of America under the loan agreement memorializing said loan on a parity basis with the payment of Installment Payments.

“Gross Revenues” means all gross income and revenue received or receivable by the District from the ownership and operation of the Enterprise, calculated in accordance with Generally Accepted Accounting Principles, including all rates, fees and charges (including fees for connecting to the Enterprise and any water stand-by or water availability charges or assessments) received by the District for Water Service and all other income and revenue howsoever derived by the District from the Enterprise or arising from the Enterprise; provided, however, that (i) any specific charges levied for the express purpose of reimbursing others for all or a portion of the cost of the acquisition or construction of specific facilities, or (ii) customers’ deposits or any other deposits subject to refund until such deposits have become the property of the District, are not Revenues and are not subject to the lien of the Installment Purchase Contract. Revenues shall include amounts on deposit in the Revenue Fund which have been previously released from the pledge and lien of this Installment Purchase Contract. Revenues shall also include interest with respect to any Parity Obligations reimbursed to or on behalf of the District by the United States of America pursuant to Section 54AA of the Internal Revenue Code of 1986, as amended (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009), or any future similar program.

“Independent Certified Public Accountant” means any certified public accountant or firm of certified public accountants duly licensed and entitled to practice, and practicing as such appointed and paid by the District, and each of whom--

1. is in fact independent and not under the domination of the District;
2. does not have a substantial financial interest, direct or indirect, in the operations of the District; and
3. is not connected with the District as a board member, officer or employee of the District, but may be regularly retained to audit the accounting records of and make reports thereon to the District.

“Installment Payments” means the installment payments of principal and interest scheduled to be paid by the District under this Installment Purchase Contract for the purposes and as described in Section 3.01 hereof in the amounts on the dates designated in Exhibit B to this Installment Purchase Contract.

“Interest Payment Date” means each January 1 and July 1, commencing January 1, 2021.

“Maintenance and Operation Costs” of the Enterprise means the reasonable and necessary costs and expenses paid by the District for maintaining and operating the Enterprise, as determined in accordance with Generally Accepted Accounting Principles, including but not limited to (a) the reasonable expenses of management and repair and other costs and expenses necessary to maintain and preserve the Enterprise in good repair and working order, including the cost of water, and (b) administrative costs of the District attributable to the Enterprise and the financing thereof; but excluding (x) depreciation, replacement and obsolescence charges or reserves therefor, (y) in any Fiscal Year prior to setting aside an amount equal to the Installment Payments for such Fiscal Year, capital expenditures other than as set forth in subsection (a) above, and (z) amortization of intangibles or other bookkeeping entries or a similar nature.

“Maximum Annual Debt Service” means the largest annual sum of (i) Debt Service Payments during the period from the date of such determination through the later of (a) the final Interest Payment Date hereunder or (b) the maturity date of Parity Obligations reflected by such Debt Service Payments.

“Net Proceeds” means, when used with respect to any insurance or condemnation award, the proceeds from such insurance or condemnation award remaining after payment of all reasonable expenses (including attorneys’ fees) incurred in the collection of such proceeds.

“Net Revenues” means, for any period, all of the Gross Revenues during such period less all of the Maintenance and Operation Costs during such period.

“Outstanding” (i) when used as of any particular time with reference to this Installment Purchase Contract, means all Installment Payments except Installment Payments paid or deemed to have been paid within the meaning of Article VI, and (ii) when used as of any particular time with reference to any Parity Obligation, means all debt service payments due and owing on such Parity Obligation except debt service payments paid or deemed to have been paid pursuant to the terms of such Parity Obligation.

“Parity Obligations” means all bonds, notes, loan agreements, installment sale agreements, leases or other obligations of the District, payable from and secured by a pledge of and lien upon any of the Net Revenues incurred on a parity with the payment of the Installment Payments pursuant to Section 4.01 hereof.

“Permitted Investments” means any investment that is a legal investment under the laws of the State for the moneys proposed to be invested therein.

“Revenue Fund” means the fund maintained by the District into which it deposits Gross Revenues.

“State” means the State of California.

“Taxable Rate” means 4.47%.

“Tax Code” means the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder, as the same may be amended from time to time, and any successor provisions of law. Reference to a particular section of the Tax Code shall be deemed to be a reference to any successor to any such section.

“2010 Project” means the additions, betterments, extensions and improvements to the Enterprise described in Exhibit A hereto.

“Water Service” means the water service made available or provided by the Enterprise.

ARTICLE II.
SALE AND PURCHASE OF THE 2010 PROJECT

Section 2.01 Sale and Purchase of the 2010 Project.

The parties hereby confirm that the District currently has title to the 2010 Project. In consideration for the Corporation’s assistance in refinancing the 2010 Project, the District agrees to sell, and hereby sells, to the Corporation, and the Corporation agrees to purchase, and hereby purchases, from the District, the 2010 Project in the manner and in accordance with the provisions of this Installment Purchase Contract. In consideration for the Installment Payments as set forth in Section 3.01, the Corporation agrees to sell, and hereby sells, to the District, and the District agrees to purchase, and hereby purchases, from the Corporation, the 2010 Project at the purchase price specified below and otherwise in the manner and in accordance with the provisions of this Installment Purchase Contract. All right, title and interest in the 2010 Project shall vest in the District immediately upon execution and delivery of this Installment Purchase Contract.

The Corporation, upon the effective date hereof, agrees to cause to be deposited in the Redemption Account created hereunder the aggregate amount of \$4,843,591.50, respecting its purchase of the Installment Payments arising hereunder in order to prepay the 2018 Installment Payments. In the event the money so deposited as first above provided is insufficient to prepay the 2018 Installment Payments, the Corporation shall have no obligation whatsoever to use or provide any additional funds for the purposes described in this Article II.

In the event the Corporation fails to observe or perform any agreement, condition, covenant or term contained herein required to be observed or performed by it, the District may institute such action or proceeding against the Corporation as the District may deem necessary to compel the observance or performance of such agreement, condition, covenant or term, or to recover damages for the nonobservance or nonperformance thereof; provided, however, that the District shall have no right to terminate this Installment Purchase Contract as a remedy to such failures. The District may, at its own cost and expense and in its own name or in the name of the Corporation, prosecute or defend any action or proceeding or take any other action involving third persons which the District deems reasonably necessary in order to protect or secure its rights hereunder, and in such event the Corporation agrees to cooperate fully with the District and to take all action necessary to effect the substitution of the District for the Corporation in any action or proceeding if the District shall so request.

Section 2.02 Indemnification and Expenses of the Corporation.

The District hereby agrees to indemnify and hold harmless the Corporation and its directors, officers and employees if and to the extent permitted by law, from and against all claims, advances, damages and losses, including legal fees and expenses, arising out of or in connection with the acceptance or the performance of its duties hereunder and the Assignment Agreement; provided

that no indemnification will be made for willful misconduct, negligence or breach of an obligation hereunder or under the Assignment Agreement by the Corporation.

Section 2.03 Corporation not Liable.

The Corporation and its directors, officers and employees shall not be liable to the District or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in, on, or about or relating to the 2010 Project, and in no event shall the Corporation be liable for any incidental, indirect, special or consequential damage in connection herewith or arising hereunder.

Section 2.04 Disclaimer of the Corporation.

The District acknowledges and agrees that the Corporation makes no representation or warranty, express or implied, as to the Enterprise or the 2010 Project, except as expressly set forth in this Installment Purchase Contract. The District acknowledges that all risks relating to the Enterprise or the 2010 Project or the transactions contemplated hereby, are to be borne by the District, and the benefits of any and all implied warranties and representations of the Corporation are hereby waived by the District.

ARTICLE III.
INSTALLMENT PAYMENTS, REVENUES AND ACCOUNTS

Section 3.01 Payment of the Installment Payments.

The total principal amount of the Installment Payments owed and to be paid by the District to the Bank, as assignee of the Corporation under the Assignment Agreement, for the prepayment of the 2018 Installment Payments is \$4,694,000, plus interest thereon, calculated at the rate of 3.25% per annum. The Installment Payments shall, subject to any rights of prepayment of the District provided in Article VI, be due in installments in the amounts and on the dates described in Exhibit B attached hereto.

Each Installment Payment shall be payable to the Bank in accordance with the terms hereof and at the times required by this Section 3.01 in lawful money of the United States of America. In the event the District fails to make any of the payments required to be made by it under this Section 3.01, such payment shall continue as an obligation of the District until such amount shall have been fully paid and the District agrees to pay the same with the stated interest thereon at the rate set forth in the preceding paragraph.

Subject to Section 8.01 hereof, the obligation of the District to make the Installment Payments is absolute and unconditional, and until such time as all Installment Payments shall have been fully paid (or provision for the payment thereof shall have been made pursuant to Article VI hereof), the District will not, under any circumstances, discontinue, abate or suspend any Installment Payments required to be made by it under this Section 3.01 when due, whether or not the Enterprise or any part thereof is operating or operable or has been completed, or whether or not the Enterprise is condemned, damaged, destroyed or seized or its use is suspended, interfered with, reduced or curtailed or terminated in whole or in part, and such payments shall not be subject to reduction whether by offset, counterclaim, defense, recoupment, abatement, suspension, deferment or

otherwise and shall not be conditional upon the performance or nonperformance by any party of any agreement or covenant contained herein for any cause whatsoever.

Section 3.02 Interest Component of the Installment Payments.

The Installment Payments shall bear interest from the Closing Date until the payment of the principal thereof and the prepayment premiums, if any, thereon, shall have been made or provided for in accordance with the provisions of Article VI hereof, whether at maturity, upon prepayment or otherwise. Interest accrued on the Installment Payments from the Closing Date and from each Interest Payment Date to, but not including, the next succeeding Interest Payment Date shall be paid on each such succeeding Interest Payment Date and shall be computed on the basis of a year of 360 days and twelve 30-day months. From and after the final Interest Payment Date, or upon the occurrence and during the continuance of an Event of Default, the outstanding principal balance of the Installment Payments shall bear interest until paid in full at the Default Rate (computed on the basis of a 360-day year of twelve thirty-day months). From and after a Determination of Taxability, the interest rate applicable to the outstanding principal balance of the Installment Payments shall be the Taxable Rate (computed on the basis of a 360-day year of twelve thirty-day months) and Exhibit B attached hereto shall be revised to reflect the same.

Section 3.03 Establishment of Accounts.

The funds and accounts and flow of funds set forth in this Article III are hereby established and shall control to the extent inconsistent with any other terms of this Installment Purchase Contract.

Section 3.04 Pledges of Net Revenues and Other Funds; Debt Service Fund.

The District hereby irrevocably pledges all of the Net Revenues to the punctual payment of the Installment Payments and any Parity Obligations, and such Net Revenues, except as otherwise permitted herein, shall not be used for any other purposes while any of the Installment Payments are due hereunder. The pledge of Net Revenues to secure the Installment Payments and any Parity Obligations shall constitute a first lien on the Net Revenues, for the payment of such Installment Payments and such Parity Obligations in accordance with the terms hereof and thereof.

There is hereby established with the District a fund known as the "Debt Service Fund," which the District shall maintain and hold in trust separate and apart from other funds held by it. Within the Debt Service Fund, the District shall establish a Debt Service Account and a Redemption Account. Installment Payments made by the District shall be deposited in the Debt Service Account. Such payments shall be net of amounts already on deposit therein that are in excess of the amount required to accumulate therein pursuant to Section 3.01 above. The District shall transfer the money contained in the Debt Service Account and the Redemption Account at the following respective times in the following respective accounts in the following order of priority in the manner hereinafter provided, each of which accounts the District hereby agrees to establish and maintain so long as any Installment Payments are due hereunder, and the money in each of such accounts shall be disbursed only for the purposes and uses hereinafter authorized:

(i) Debt Service Account. All moneys in the Debt Service Account shall be used and withdrawn by the District solely for the purpose of paying Installment Payments and principal of and interest on any Parity Obligations on each Interest Payment Date. The District shall

be entitled to receive as a credit against Installment Payments an amount equal to the amount of any balance contained in the Debt Service Account prior to the Due Date for such Installment Payments (excluding money designated or necessary for the payment of Parity Obligations).

(ii) Redemption Account. The District, on any optional prepayment date, shall deposit in the Redemption Account moneys to accomplish any such optional prepayment. All money in the Redemption Account shall be used and withdrawn by the District solely for the purpose of paying the Installment Payment to be optionally prepaid on their respective prepayment dates.

Section 3.05 Receipt and Deposit of Gross Revenues; Establishment and Maintenance of Accounts for Gross Revenues; Use and Withdrawal of Gross Revenues.

The District covenants and agrees that all Gross Revenues, when and as received, will be received and held by the District in trust hereunder for the benefit of the Bank, as assignee of the Corporation under the Assignment Agreement, and for the benefit of the holders of any Parity Obligations. All Gross Revenues will be deposited by the District in the Revenue Fund (which the District hereby covenants and agrees to maintain so long as any Installment Payments are due hereunder) and will be accounted for through and held in trust in the Revenue Fund; provided, that the District may withdraw such amounts in the Revenue Fund as may be necessary to make refunds for amounts paid in advance for services provided by the Enterprise, which such service was not thereafter made available or provided. All Gross Revenues held by the District shall be disbursed, allocated and applied solely to the uses and purposes hereinafter in this Article III set forth, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the District.

All Gross Revenues in the Revenue Fund shall be set aside by the District or deposited by the District as follows and in the following order of priority:

(a) Maintenance and Operation Costs of the Enterprise. In order to carry out and effectuate the pledge and lien contained herein, the District agrees and covenants to pay all Maintenance and Operation Costs of the Enterprise (including amounts reasonably required to be set aside in contingency reserves for Maintenance and Operation Costs of the Enterprise, the payment of which is not then immediately required) from the Revenue Fund as they become due and payable.

(b) Debt Service Funds. Installment Payments payable pursuant to Section 3.01 above, and all other payments relating to principal and interest on or with respect to Parity Obligations, shall be paid in accordance with the terms hereof and of such Parity Obligations, without preference or priority, and in the event of any insufficiency of such moneys, ratably without any discrimination or preference.

(c) General Expenditures. All Gross Revenues not required to be withdrawn pursuant to the provisions of (a) and (b) above shall be used for expenditure for any lawful purpose of the District, including payment of any rebate requirement or of any obligation subordinate to the payment of all amounts due hereunder or under Parity Obligations.

Section 3.06 Investment of Funds.

Amounts on deposit in any fund or account created pursuant to this Installment Purchase Contract shall be invested in Permitted Investments which will, as nearly as practicable,

mature on or before the dates when such money is anticipated to be needed for disbursement hereunder. Interest or profit received on such investments shall be deposited to the Debt Service Fund in which such investments are then held. In computing the amount in any fund or account, Permitted Investments shall be valued at market value, exclusive of accrued interest.

If at any time after investment therein a Qualified Investment ceases to meet the criteria set forth in the definition of Permitted Investments and such obligation, aggregated with other non-conforming investments, exceeds five percent (5%) of invested funds, such Qualified Investment shall be sold or liquidated.

ARTICLE IV. PARITY OBLIGATIONS

Section 4.01 Parity Obligations.

(a) So long as any Installment Payments are due hereunder, the District shall not issue or incur any obligations payable from Net Revenues or the Revenue Fund senior or superior to the Installment Payments.

(b) The District may at any time issue Parity Obligations payable from Net Revenues on a parity with the Installment Payments to provide financing for the Enterprise in such principal amount as shall be determined by the District. The District may issue or incur any such Parity Obligations subject to the following specific conditions which are hereby made conditions precedent to the issuance and delivery of such Parity Obligations:

(1) No Event of Default shall have occurred and be continuing;

(2) The Net Revenues, calculated in accordance with Generally Accepted Accounting Principles, either (i) as shown by the books of the District for the latest Fiscal Year, as verified by a certificate of the District, or (ii) as shown by the books of the District for any more recent twelve (12) month period selected by the District, as verified by a certificate or opinion of an Independent Certified Public Accountant employed by the District, plus in either case (at the option of the District) the Additional Revenues, shall be at least equal to one hundred and twenty percent (120%) of the amount of Maximum Annual Debt Service.

Notwithstanding the above, the District may incur debt payable from Net Revenues (i) to cause a defeasance of the Installment Payments pursuant to Article VI hereof or a defeasance of any outstanding Parity Obligations, or (ii) which is payable on a basis which is subordinate to the payment of the Installment Payments.

The District may at any time execute contracts or issue bonds or other indebtedness payable from Net Revenues or the Revenue Fund payable on a subordinated basis to the payment of the Installment Payments.

**ARTICLE V.
REPRESENTATIONS, COVENANTS AND WARRANTIES**

Section 5.01 Compliance with Installment Purchase Contract.

The District will not suffer or permit any material default by it to occur under this Installment Purchase Contract, but will faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms hereof required to be complied with, kept, observed and performed by it.

Section 5.02 Observance of Laws and Regulations; Internal Revenue Code.

(a) The District will faithfully comply with, keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States of America or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of each and every franchise, right or privilege now owned or hereafter acquired by it, including their right to exist and carry on their respective businesses, to the end that such franchises, rights and privileges shall be maintained and preserved and shall not become abandoned, forfeited or in any manner impaired.

(b) The District has complied with the Internal Revenue Code of 1986, as amended (the "Tax Code"), with respect to the Installment Payments, and the District shall not knowingly take or omit to take any action that, under existing law, may adversely affect the exclusion from gross income for federal income tax purposes, or the exemption from any applicable State tax of the interest on the Installment Payments.

Section 5.03 Prosecution and Defense of Suits.

The District will promptly, upon request of the Corporation or the Bank, take such action from time to time as may be necessary or proper to remedy or cure any cloud upon or defect in the title to the 2010 Project or any part thereof, whether now existing or hereafter developing, will prosecute all actions, suits or other proceedings as may be appropriate for such purpose and will indemnify and save the Corporation and the Bank harmless from all cost, damage, expense or loss, including reasonable attorneys' fees, which they or any of them may incur by reason of any such cloud, defect, action, suit or other proceeding.

Section 5.04 Accounting Records and Statements.

The District will keep proper accounting records in which complete and correct entries shall be made of all transactions made by the District relating to the receipt, deposit and disbursement of the Gross Revenues, Net Revenues and Installment Payments, and such accounting records shall be available for inspection by the Bank or its agent duly authorized in writing on any Business Day upon reasonable notice at reasonable hours and under reasonable conditions prescribed by the District.

Section 5.05 Further Assurances.

Whenever and so often as requested to do so by the Bank, the District will promptly execute and deliver or cause to be executed and delivered all such other and further assurances,

documents or instruments and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Bank all advantages, benefits, interests, powers, privileges and rights conferred or intended to be conferred upon them by this Installment Purchase Contract.

Section 5.06 Against Encumbrances.

The District hereby represents that there is no pledge of or lien on Net Revenues senior to the pledge and lien securing the Installment Payments. The District will not make any pledge of or place any lien on the Net Revenues, provided that the District may at any time, or from time to time, pledge or encumber the Net Revenues in connection with the issuance or execution of Parity Obligations in accordance with Section 4.01 or other obligations permitted hereby, or subordinate to the pledge of Net Revenues herein.

Section 5.07 Against Sale or Other Disposition of Property.

The District will not sell, lease, encumber or otherwise dispose of the Enterprise or any part thereof in excess of one-half of one percent of the book value of the Enterprise in any Fiscal Year, unless a Finance Officer certifies that such sale, lease, encumbrance or disposition will not materially adversely affect the operation of the Enterprise or the Net Revenues; provided however, any real or personal property which has become non-operative or which is not needed for the efficient and proper operation of the Enterprise, or any material or equipment which has become worn out, may be sold or exchanged at not less than the fair market value thereof and the proceeds (if any) of such sale or exchange shall be deposited in the Revenue Fund.

The District will not enter into any agreement or lease which would impair the ability of the District to meet the covenant set forth in Section 5.16 hereof or which would otherwise impair the rights of the Bank or the operation of the Enterprise.

Section 5.08 Against Competitive Facilities.

To the extent permitted by law, the District covenants that it will not acquire, construct, maintain or operate and will not, to the extent permitted by law and within the scope of its powers, permit any other public or private agency, corporation, district or political subdivision or any person whomsoever to acquire, construct, maintain or operate within the District any Enterprise competitive with the Enterprise.

Section 5.09 Tax Covenants.

The District shall not take any action or permit to be taken any action within its control which would cause or which, with the passage of time if not cured would cause, the interest with respect to the Installment Payments to become includable in gross income for federal income tax purposes. To that end, the District hereby makes the following specific covenants:

(a) The District hereby covenants that it shall not make or permit any use of the proceeds of this Installment Purchase Contract that may cause the Installment Purchase Contract to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

(b) The District covenants that the proceeds of the Installment Purchase Contract will not be used as to cause the proceeds of the Installment Purchase Contract to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(c) The District covenants not to take any action or permit or suffer any action to be taken if the result of the same would be to cause the Installment Purchase Contract to be “federally guaranteed” within the meaning of Section 149(b) of the Tax Code.

In furtherance of the covenants stated in this Section, the District shall comply with the requirements of the Tax Certificate executed in connection with this Installment Purchase Contract.

Section 5.10 Maintenance and Operation of the Enterprise; Budgets.

The District will maintain and preserve the Enterprise in good repair and working order at all times and will operate the Enterprise in an efficient and economical manner. The District will pay all Maintenance and Operation Costs of the Enterprise as they become due and payable.

Section 5.11 Payment of Claims.

The District will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien on the Net Revenues or any part thereof or on any funds in the control of the District prior or superior to the lien of the Installment Payments or which might impair the security of the Installment Purchase Contract; provided the District shall not be obligated to make such payment so long as the District contests such payment in good faith.

Section 5.12 Compliance with Contracts.

The District will comply with, keep, observe and perform all agreements, conditions, covenants and terms, expressed or implied, required to be performed by it contained in all contracts for the use of the Enterprise and all other contracts affecting or involving the Enterprise to the extent that the District is a party thereto.

Section 5.13 Insurance.

(a) The District will procure and maintain insurance on the Enterprise with commercial insurers or through participation in a joint powers insurance authority, in such amounts, with such deductibles and against such risks (including accident to or destruction of the Enterprise) as are usually insurable in accordance with industry standards with respect to similar enterprises and consistent with the District’s current coverage.

In the event of any damage to or destruction of the Enterprise caused by the perils covered by such insurance, the proceeds of such insurance shall be applied to the repair, reconstruction or replacement of the damaged or destroyed portion of the Enterprise. The District shall cause such repair, reconstruction or replacement to begin promptly after such damage or destruction shall occur and to continue and to be properly completed as expeditiously as possible, and shall pay out of the proceeds of such insurance all costs and expenses in connection with such repair, reconstruction or replacement so that the same shall be completed and the Enterprise shall be

free and clear of all liens and claims, unless the District determines that such reconstruction, repair, or replacement is not necessary to the efficient or proper operation or use of the Enterprise and therefore determines not to reconstruct, repair, or replace such damaged or destroyed portion of the Enterprise. If such Net Proceeds exceed the costs of such reconstruction, repair, or replacement, then the excess Net Proceeds shall be deposited in such funds and accounts of the District as is permitted by law.

(b) The District will procure and maintain commercial general liability insurance covering claims against the District for bodily injury or death, or damage to property, occasioned by reason of the ownership or operation of the Enterprise, such insurance to afford protection in such amounts and against such risks as are usually covered in connection with similar enterprises.

(c) The District will procure and maintain workers' compensation insurance against liability for compensation under the Workers' Compensation Insurance and Safety Act of California, or any act hereafter enacted as an amendment or supplement or in lieu thereof, such insurance to cover all persons employed in connection with the Enterprise.

(d) In lieu of obtaining insurance coverage as required by this Section, such coverage may be maintained by the District in the form of self-insurance so long as the District certifies that (i) the District has segregated amounts in a special insurance reserve meeting the requirements of this Section; (ii) an Insurance Consultant certifies annually, on or before December 1 of each year in which self-insurance is maintained, in writing that the District's general insurance reserves are actuarially sound and are adequate to provide the necessary coverage; and (iii) such reserves are held in a separate trust fund by an independent trustee. The District shall pay or cause to be paid when due the premiums for all insurance policies required hereby.

Section 5.14 Books and Accounts; Financial Statements.

(a) The District shall keep proper books of record and accounts of the Enterprise and the Debt Service Fund all separate from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the Enterprise and relating to the funds created by this Installment Purchase Contract. Said books shall, upon prior request, be subject to the inspection by the Bank, or its representatives authorized in writing, upon not less than five (5) Business Days' prior notice to the District.

(b) The District shall cause the books and accounts of the Enterprise, which shall include a statement of revenues and expenditures and changes in fund balances, a balance sheet and a statement of cash flow, to be audited annually by an independent certified public accountant or firm of certified public accountants, not more than two hundred and seventy (270) days after the close of each Fiscal Year. The District shall send a copy of such report and all related financial statements and notes to the Bank not more than two hundred and seventy (270) days after the close of each Fiscal Year. No later than one month after its adoption, the District shall also send to the Bank a copy of the annual budget of the Enterprise and any amendment or supplement thereto and any other financial information reasonably requested by the Bank.

(c) Not more than two hundred and seventy (270) days after the close of each Fiscal Year, the District shall file with the Bank a certificate in the form attached hereto as Exhibit C.

Section 5.15 Payment of Taxes and Compliance with Governmental Regulations.

The District will pay and discharge all taxes, assessments and other governmental charges, if any, which may hereafter be lawfully imposed upon the Enterprise or any part thereof or upon the Net Revenues when the same shall become due and the District will duly observe and conform with all valid regulations and requirements of any governmental authority relative to the operation of the Enterprise or any part thereof. However, the District shall not be required to make such payments, or to comply with any regulations or requirements, so long as the payment or validity or application thereof shall be contested in good faith.

Section 5.16 Amount of Rates and Charges.

(a) To the fullest extent permitted by law, so long as any Installment Payments remain outstanding, the District will fix and prescribe rates and charges for the Enterprise which are reasonably expected to be at least sufficient to yield during each Fiscal Year Net Revenues equal to 120% of the aggregate amount of the Installment Payments, and principal of and interest on any Parity Obligations issued or incurred after the date hereof payable from Net Revenues coming due and payable during such Fiscal Year. The District may make adjustments from time to time in such rates and charges and may make such classifications thereof as it deems necessary but shall not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges are reasonably expected to be sufficient to meet the requirements of this subsection.

(b) So long as the District has complied with its obligations set forth in subsections 5.16(a) above, the failure of Net Revenues to meet the thresholds set forth in subsections 5.16(a) above at the end of a Fiscal Year shall not constitute a default or an Event of Default so long as the District has complied with subsections 5.16(a) above at the commencement of the succeeding Fiscal Year.

Section 5.17 Collection of Rates and Charges.

The District will have in effect at all times rules and regulations requiring all users of the Enterprise to pay the assessments, rates, fees and charges applicable to the Enterprise provided or made available to such users. Such rules and regulations shall also provide for the billing thereof and for a due date and a delinquency date for each bill.

Section 5.18 Eminent Domain Proceeds.

If all or any part of the Enterprise shall be taken by eminent domain proceedings, the Net Proceeds thereof shall be applied as follows:

(a) If (1) the District certifies (i) the estimated loss of annual Net Revenues, if any, suffered or to be suffered by the District by reason of such eminent domain proceedings, (ii) a general description of the additions, betterments, extensions or improvements to the Enterprise proposed to be acquired by the District from any Net Proceeds, and (iii) an estimate of the additional annual Net Revenues to be derived from such additions, betterments, extensions or improvements, and (2) on the basis of such certificate, determines that the estimated additional annual Net Revenues will sufficiently offset the estimated loss of annual Net Revenues resulting from such eminent domain proceedings so that the ability of the District to meet its obligations hereunder will not be substantially impaired (which determination shall be final and conclusive); then the District shall

promptly proceed with the acquisition of such additions, betterments, extensions or improvements substantially in accordance with such certification and such Net Proceeds shall be applied for the payment of the costs of such acquisition, and any balance of such Net Proceeds not required by the District for such purpose shall be deposited in such funds and accounts of the District as is permitted by law.

(b) If the foregoing conditions are not met, then such Net Proceeds shall be applied to prepay the Installment Payments, and any Parity Obligations, on a pro rata basis in the manner provided herein and in the instruments authorizing such Parity Obligations.

Section 5.19 [Reserved].

Section 5.20 Further Representations, Covenants and Warranties of the District.

The District represents, covenants and warrants as follows:

(a) The District is a duly organized and validly existing special district of the State of California.

(b) The Constitution and the laws of the State of California authorize the District to enter into the Installment Purchase Contract and to enter into the transactions contemplated thereby and to carry out its obligations under each of the aforesaid agreements, and the District has duly authorized and executed each of the aforesaid agreements in accordance with the laws of the State of California.

(c) The District has duly authorized and executed this Installment Purchase Contract in accordance with the laws of the State of California.

(d) The District is empowered to set rates and charges for services provided by the Enterprise provided to the users of the Enterprise without review or approval by any state or local governmental agency.

(e) This Installment Purchase Contract and the pledge of Net Revenues is a first lien and pledge on Net Revenues.

Section 5.21 Representations, Covenants and Warranties of the Corporation.

The Corporation represents, covenants and warrants to the District as follows:

(a) The Corporation is duly organized and in good standing under the laws of the State of California, has full legal right, power and authority to enter into this Installment Purchase Contract and to carry out and consummate all transactions contemplated by this Installment Purchase Contract and by proper action has duly authorized the execution and delivery and due performance of this Installment Purchase Contract.

(b) The execution and delivery of this Installment Purchase Contract and the consummation of the transactions herein contemplated will not violate any provision of law, any order of any court or other agency of government, or any indenture, material agreement or other

instrument to which the Corporation is now a party or by which it or any of its properties or assets is bound, or be in conflict with, result in a breach of or constitute a default (with due notice or the passage of time or both) under any such indenture, agreement or other instrument, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Corporation.

(c) Neither the Corporation, nor the Bank as assignee of the Corporation, will assign the Installment Purchase Contract or its right to receive Installment Payments from the District, or its duties and obligations under the Installment Purchase Contract to any other person, firm or corporation, except to affiliates of the Corporation or affiliates of the Bank or to banks, insurance companies or other financial institutions or their affiliates, including participation arrangements with such entities; provided, (i) no such assignment shall be made that would cause there to be more than 15 such assignees or any interest in the Installment Payments of less than \$100,000 and (ii) such assignee shall deliver a letter of representations to the District in a form addressed to and acceptable to the District and in substantially the same form delivered by the Bank in connection with the execution of this Installment Purchase Contract.

(d) The District acknowledges that (i) the Bank, as the assignee of the Corporation under the Assignment Agreement, is acting solely for its own loan account and not as a fiduciary for the District or in the capacity of broker, dealer, placement agent, municipal securities underwriter or municipal advisor, (ii) the Bank has not provided, and will not provide, financial, legal (including securities law), tax, accounting or other advice to or on behalf of the District or with respect to this Installment Purchase Contract and the financing related thereto, and (iii) the Bank has expressed no view regarding the legal sufficiency of its representations for purposes of compliance with any legal requirements applicable to any other party, or the correctness of any legal interpretation made by counsel to any other party with respect to any such matters.

(e) The financial information concerning the District heretofore delivered to the Bank is complete and correct and fairly presents the financial condition of the District for the period(s) referred to and has been prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the period(s) involved. There are no liabilities (of the type required to be reflected on balance sheets prepared in accordance with generally accepted accounting principles), direct or indirect, fixed or contingent, of the District as of the date of such financial information which are not reflected therein. There has been no material adverse change in the financial condition or operations of the District since the date of such information (and to the District's knowledge no such material adverse change is pending or threatened), and the District has not guaranteed the obligations of, or made any investment in or loans to, any person except as disclosed in such information. The District has good and marketable title to all of its properties and assets related to the 2010 Project, and all of such properties and assets are free and clear of encumbrances, except as reflected in such financial information. To the best of the District's knowledge, no document furnished nor any representation, warranty or other written statement made to the Bank in connection with the negotiation, preparation or execution of this Installment Purchase Contract contains any untrue or misleading statement of a material fact.

**ARTICLE VI.
PREPAYMENT OF INSTALLMENT PAYMENTS**

Section 6.01 Prepayment.

(a) The District may prepay the unpaid principal balance of the Installment Payments in whole or in part, on any date, by paying a prepayment price equal to the principal amount of the Installment Payments to be prepaid, plus accrued interest to the date of prepayment, plus a prepayment premium as follows:

Prepayment Date	Prepayment Premium
Any date from the Closing Date to July 1, 2023	3%
Any date from July 2, 2023 to July 1, 2026	2%
Any date from July 2, 2026 to July 1, 2029	1%
Any date from July 2, 2029 and thereafter	0%

(b) The District may or shall, as the case may be, prepay on any date from the Net Proceeds of insurance or condemnation awards, as provided herein, all or any part, in integral multiples of \$5,000, of the principal amount of the unpaid Installment Payments, pro-rata among the remaining Installments Payments, at a prepayment price equal to the sum of the principal amount prepaid plus accrued and unpaid interest thereon to the date of prepayment, without premium.

In the event that a portion of the Installment Payments shall have been prepaid by the District pursuant to subsections (a) or (b) above, the total amount of all future payments set forth in the schedules attached hereto as Exhibit B shall be reduced by the aggregate amount of Installment Payments so prepaid, as the case may be, as agreed to by the Bank. The District shall file a revised schedule of Installment Payments with the Bank.

Notwithstanding any such prepayment, the District shall not be relieved of its obligations hereunder, including its obligations under Article III hereof, until the entire principal amount of the unpaid Installment Payments together with the interest accrued thereon, if any, and together with the ordinary and extraordinary fees, costs and expenses of the Bank, shall have been fully paid and the Installment Payments are no longer due hereunder (or provision for payment thereof shall have been made pursuant to Section 6.03 hereof).

Section 6.02 Method of Prepayment.

Before making any prepayment pursuant to Section 6.01(a) or Section 6.01(b), the District shall, give written notice to the Bank specifying the date on which the prepayment will be made, which date shall be not less than thirty (30) days from the date such notice is given.

Section 6.03 Security Deposit.

Notwithstanding any other provision of this Installment Purchase Contract, the District may secure the payment of (i) all or a portion of the Installment Payments by a deposit with the Bank or, at the Bank's sole option, a bank or trust company acceptable to the Bank, as escrow holder under an escrow deposit and trust agreement, of either (i) cash in an amount which is sufficient to pay such unpaid Installment Payments, including the principal and interest components thereof, in accordance with the Installment Payment schedule set forth in Exhibit B attached hereto,

or (ii) non-callable Federal Securities or pre-refunded non-callable municipal obligations rated “AA” and “Aa” by S&P and Moody’s, respectively, together with cash if required, in such amount as will, without re-investment, in the opinion of an independent certified public accountant (which opinion shall be addressed to the Bank), together with interest to accrue thereon, be fully sufficient to pay such unpaid Installment Payments on their payment dates so that such Installment Payments shall be defeased; provided, that prior to any such deposit or defeasance, the District must provide an opinion of nationally recognized bond counsel addressed to the Bank to the effect that such deposit and defeasance will not cause the interest component of the Installment Payments to be included in gross income for federal income tax purposes. In the event of any shortfall, the District shall deposit from legally available funds such amounts as is necessary to make up such shortfall. In all cases, deposits of cash or Federal Securities made to secure the Installment Payments pursuant to this paragraph shall be kept in segregated escrow accounts or escrow subaccounts and such deposits shall not be commingled for any reason.

In the event of deposits pursuant to this Section 6.03 sufficient to fully defease all of the Installment Payments, and provided that all other amounts payable by the District hereunder have been paid in full, all obligations of the District under this Installment Purchase Contract shall cease and terminate, excepting only the obligation of the District to make, or cause to be made, all Installment Payments from the deposits made by District pursuant to this Section 6.03 and the obligation to pay amounts due the Bank, as assignee of the Corporation. Said deposits shall be deemed to be and each of the deposits shall constitute a separate special fund that may be used solely for the payment of the Installment Payments in accordance with the provisions of this Installment Purchase Contract, and pending such application shall be held in trust and pledged to and for the sole benefit of the Bank and any assignee or transferee of the Bank. The District hereby grants to the Bank, as assignee of the Corporation, a first priority security interest in any amounts so deposited.

ARTICLE VII. EVENTS OF DEFAULT AND REMEDIES

Section 7.01 Events of Default and Events of Mandatory Acceleration; Acceleration of Maturities.

If one or more of the following Events of Default shall happen:

(a) default shall be made in the due and punctual payment by the District of any Installment Payment when and as the same shall become due and payable;

(b) default shall be made by the District in the performance of any of the agreements or covenants contained herein required to be performed by it, including, but not limited to, any financial information, and such default shall have continued for a period of thirty (30) days after the District shall have been given notice in writing of such default by the Bank;

(c) any financial statement or certificate furnished to the Corporation or the Bank in connection with the execution of this Installment Purchase Contract, or any representation or warranty made by the District shall prove to be incorrect, false or misleading in any material respect when furnished or made;

(d) the District shall file a petition seeking arrangement or reorganization under federal bankruptcy laws or any other applicable law of the United States of America or any state

therein, or if a court of competent jurisdiction shall approve a petition filed with the consent of the District seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the District or of the whole or any substantial part of its property; or

(e) an event of default shall have occurred with respect to any Parity Obligations;

then and in each and every such case during the continuance of such Event of Default the Corporation or the Bank as its assignee may, by notice in writing to the District declare all of the principal amount of the unpaid Installment Payments and the accrued interest thereon to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything contained herein to the contrary notwithstanding.

This provision, however, is subject to the condition that, except with respect to an Event of Default under subsection (d) above, if at any time after such principal amount of the unpaid Installment Payments and the accrued interest thereon shall have been so declared immediately due and payable and before the acceleration date or the date of any judgment or decree for the payment of the money due shall have been obtained or entered:

(1) the District shall deposit with the Bank a sum sufficient to pay (x) all delinquent Installment Payments then-due and owing and causing an Event of Default under subsection (a) above and the accrued interest thereon, with any interest due on such overdue installments, and (y) the reasonable expenses of the Bank incurred as the result of such Event of Default, and

(2) any and all other defaults known to the Bank (other than in the payment of such overdue principal amount of the unpaid Installment Payments and the accrued interest thereon due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Bank or provision deemed by the Bank to be adequate shall have been made therefor,

then and in every such case the Bank, by written notice to the District, may rescind and annul such declaration of immediate payment of all of the principal amount of the unpaid Installment Payments and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

Section 7.02 Application of Funds Upon Default.

All moneys and investments in the funds and accounts held hereunder (other than the Rebate Fund, if any) upon the date of the declaration of an Event of Default as provided in Section 7.01 and all Gross Revenues thereafter received shall be applied as follows:

(a) Unless the principal of all Installment Payments shall have become or shall have been declared due and payable:

First: To the payment to the persons entitled thereto of the interest portion of all Installments Payments, with interest on overdue installments, if lawful, in the order of the

maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably according to the amounts due on such installment, to the persons entitled thereto without any discrimination or privilege; and

Second: To the payment to the persons entitled thereto of the unpaid principal of any of the Installment Payments which shall have become due, with interest at their rate from the respective dates upon which they became due, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full Installment Payments due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, to the persons entitled thereto without any discrimination or privilege.

(b) If all of the Installment Payments shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the Installment Payments, with interest on overdue interest and principal, as aforesaid, without preference or priority over interest or of interest over principal or of any installment of interest over any other installment of interest, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege.

Section 7.03 Other Remedies of the Corporation.

The Corporation or the Bank, as assignee thereof, as applicable, may--

(a) by mandamus or other action or proceeding or suit at law or in equity enforce its rights against the District, and compel the District to perform and carry out its duties under applicable law and the agreements and covenants contained herein required to be performed by it ;

(b) by suit in equity enjoin any acts or things which are unlawful or violate the rights of the Bank;

(c) by suit in equity upon the happening of an Event of Default require the District and its board members, officers and employees to account as the trustee of an express trust; or

(d) by suit in equity, to seek the appointment of a receiver or other third party to operate the Enterprise and collect the Gross Revenues.

Section 7.04 Non-Waiver.

Nothing in this Article VII or in any other provision hereof shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the Installment Payments to the Bank at the respective due dates or upon prepayment from the Gross Revenues, or, except as expressly provided herein, shall affect or impair the right of the Corporation or the Bank, as assignee of the Corporation, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein.

A waiver of any default or breach of duty or contract by the Bank shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Bank by applicable law or by this Article VII may be enforced and exercised from time to time and as often as shall be deemed expedient.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned or determined adversely, the parties shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Section 7.05 Remedies Not Exclusive.

No remedy herein conferred upon or reserved is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by any other law.

Section 7.06 Bank Exercise of Remedies.

The rights and remedies provided to the Corporation under this Article VII have been assigned by the Corporation to the Bank pursuant to the Assignment Agreement and shall be exercised by solely by the Bank in its discretion.

**ARTICLE VIII.
MISCELLANEOUS**

Section 8.01 Liability of District Limited.

Notwithstanding anything contained herein, the District shall not be required to advance any moneys derived from any source of income other than the Net Revenues legally available therefor in the Revenue Fund, and the other funds provided herein for the payment of the Installment Payments or for the performance of any agreements or covenants contained herein required to be performed by it. The District may, however, but shall not be required to, advance moneys for any such purpose so long as such moneys are derived from a source legally available for such purpose and may be legally used by the District for such purpose.

The obligation of the District to make the Installment Payments and the other amounts due hereunder is a special obligation of the District payable solely from Net Revenues and does not constitute a debt or pledge of the faith and credit of the District or of the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

Section 8.02 Benefits of Installment Purchase Contract Limited to Parties.

Except as provided in Section 8.03, nothing contained herein, express or implied, is intended to give to any person other than the District or the Bank any right, remedy or claim under or

pursuant hereto, and any agreement or covenant required herein to be performed by or on behalf of the District or the Bank shall be for the sole and exclusive benefit of the other party.

Section 8.03 Successor Is Deemed Included In All References to Predecessor.

Whenever the District or the Bank is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the District or the Bank, and all agreements and covenants required hereby to be performed by or on behalf of the District or the Bank shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 8.04 Waiver of Personal Liability.

No board member, officer or employee of the District or the Corporation shall be individually or personally liable for the payment of the Installment Payments, but nothing contained herein shall relieve any board member, officer or employee of the District or the Corporation from the performance of any official duty provided by any applicable provisions of law or hereby.

Section 8.05 Article and Section Headings, Gender and References.

The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof, and words of any gender shall be deemed and construed to include all genders. All references herein to "Articles," "Sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith," "hereunder" and other words of similar import refer to this Installment Purchase Contract as a whole and not to any particular article, section, subdivision or clause hereof.

Section 8.06 Partial Invalidity.

If any one or more of the agreements or covenants or portions thereof contained herein required to be performed by or on the part of the District or the Corporation shall be contrary to the law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof. The District and the Corporation hereby declare that they would have executed this Installment Purchase Contract, and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 8.07 Assignment.

This Installment Purchase Contract and any rights hereunder, and any participation of the Installment Payments by the Bank, may be assigned by the Bank with notice to the District, subject to the provisions of Section 5.21(c) hereof.

Section 8.08 California Law.

This Installment Purchase Contract shall be construed and governed in accordance with the laws of the State of California.

Section 8.09 Notices.

All written notices to be given hereunder shall be given by certified mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time namely:

If to the District: Del Paso Manor Water District
1817 Maryal Drive, Suite 300
Sacramento, CA 95864
Attention: General Manager

If to the Corporation: CSDA Finance Corporation
1112 I Street, Suite 200
Sacramento, CA 95814
Attention: Administrator

If to the Bank: First Foundation Bank
2233 Douglas Boulevard, Suite 300
Roseville, CA 95661
Attention: Trevor Mael, Director of Public Finance

The parties hereto may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Unless otherwise requested by the parties, any notice required to be given hereunder in writing may be given by any form of Electronic Notice capable of making a written record.

Section 8.10 Judicial Reference.

TO THE EXTENT PERMITTED BY APPLICABLE LAWS, EACH OF THE PARTIES HERETO HEREBY WAIVES ITS RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS INSTALLMENT PURCHASE CONTRACT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. IF AND TO THE EXTENT THAT THE FOREGOING WAIVER OF THE RIGHT TO A JURY TRIAL IS UNENFORCEABLE FOR ANY REASON IN SUCH FORUM, EACH OF THE PARTIES HERETO HEREBY CONSENTS TO THE ADJUDICATION OF ALL CLAIMS PURSUANT TO JUDICIAL REFERENCE AS PROVIDED IN CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638, AND THE JUDICIAL REFEREE SHALL BE EMPOWERED TO HEAR AND DETERMINE ALL ISSUES IN SUCH REFERENCE, WHETHER FACT OR LAW. EACH OF THE PARTIES HERETO REPRESENTS THAT EACH HAS REVIEWED THIS WAIVER AND CONSENT AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY

TRIAL RIGHTS AND CONSENTS TO JUDICIAL REFERENCE FOLLOWING CONSULTATION WITH LEGAL COUNSEL ON SUCH MATTERS. IN THE EVENT OF LITIGATION, A COPY OF THIS INSTALLMENT PURCHASE CONTRACT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT OR TO JUDICIAL REFERENCE UNDER CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638 AS PROVIDED HEREIN.

Section 8.11 Effective Date.

This Installment Purchase Contract shall become effective upon its execution and delivery, and shall terminate when all Installment Payments shall have been fully paid (or provision for the payment thereof shall have been made to the written satisfaction of the Bank pursuant to Article VI hereof).

Section 8.12 Execution in Counterparts.

This Installment Purchase Contract may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

Section 8.13 Amendments.

This Installment Purchase Contract may be amended in writing as may be mutually agreed by the District and the Bank. Any amendment made in violation of this Section 8.12 shall be a nullity and void.

Section 8.14 Third-Party Beneficiary.

The Bank shall be a third-party beneficiary of this Installment Purchase Contract.

IN WITNESS WHEREOF, the parties hereto have executed and attested the Installment Purchase Contract by their officers thereunto duly authorized as of the day and year first written above.

DEL PASO MANOR WATER DISTRICT

By: _____
President

CSDA FINANCE CORPORATION

By: _____
Authorized Representative

EXHIBIT A

DESCRIPTION OF 2010 PROJECT

The 2010 Project comprises the following described components.

<u>Component</u>	<u>Estimated Cost</u>
Phase 1	
Wells	\$2,495,000
Pipelines	498,000
SCADA System	250,000
Miscellaneous	<u>1,711,000</u>
Total	\$4,954,000

EXHIBIT B

INSTALLMENT PAYMENT SCHEDULE

1. The principal amount of payments to be made by the District hereunder is \$4,694,000.00.

2. The installment payments of principal and interest are payable in the amounts and on the Installment Payment Dates as follows:

<i>Installment Payment Date</i>	<i>Amount Attributable to Principal</i>	<i>Amount Attributable to Interest</i>	<i>Total</i>
<i>Third Business Day Prior To:</i>			
1/1/2021	--	\$88,990.42	\$88,990.42
7/1/2021	\$170,000	76,277.50	246,277.50
1/1/2022	--	73,515.00	73,515.00
7/1/2022	177,000	73,515.00	250,515.00
1/1/2023	--	70,638.75	70,638.75
7/1/2023	183,000	70,638.75	253,638.75
1/1/2024	--	67,665.00	67,665.00
7/1/2024	189,000	67,665.00	256,665.00
1/1/2025	--	64,593.75	64,593.75
7/1/2025	194,000	64,593.75	258,593.75
1/1/2026	--	61,441.25	61,441.25
7/1/2026	200,000	61,441.25	261,441.25
1/1/2027	--	58,191.25	58,191.25
7/1/2027	207,000	58,191.25	265,191.25
1/1/2028	--	54,827.50	54,827.50
7/1/2028	213,000	54,827.50	267,827.50
1/1/2029	--	51,366.25	51,366.25
7/1/2029	220,000	51,366.25	271,366.25
1/1/2030	--	47,791.25	47,791.25
7/1/2030	227,000	47,791.25	274,791.25
1/1/2031	--	44,102.50	44,102.50
7/1/2031	234,000	44,102.50	278,102.50
1/1/2032	--	40,300.00	40,300.00
7/1/2032	242,000	40,300.00	282,300.00
1/1/2033	--	36,367.50	36,367.50
7/1/2033	250,000	36,367.50	286,367.50
1/1/2034	--	32,305.00	32,305.00
7/1/2034	257,000	32,305.00	289,305.00
1/1/2035	--	28,128.75	28,128.75
7/1/2035	266,000	28,128.75	294,128.75
1/1/2036	--	23,806.25	23,806.25
7/1/2036	275,000	23,806.25	298,806.25
1/1/2037	--	19,337.50	19,337.50

7/1/2037	284,000	19,337.50	303,337.50
1/1/2038	--	14,722.50	14,722.50
7/1/2038	292,000	14,722.50	306,722.50
1/1/2039	--	9,977.50	9,977.50
7/1/2039	302,000	9,977.50	311,977.50
1/1/2040	--	5,070.00	5,070.00
7/1/2040	312,000	5,070.00	317,070.00
TOTAL	<u>\$4,694,000</u>	<u>\$1,773,562.92</u>	<u>\$ 6,467,562.92</u>

EXHIBIT C

FORM OF NO DEFAULT CERTIFICATE

This No Default Certificate (this “*Certificate*”) is furnished to First Foundation Bank (including its successors and assigns, the “*Purchaser*”) pursuant to that certain Installment Purchase Contact dated as of June 1, 2020 (the “*Agreement*”), between the Del Paso Manor Water District (the “*District*”) and CSDA Finance Corporation. Unless otherwise defined herein, the terms used in this Certificate shall have the meanings assigned thereto in the Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am the duly elected _____ of the District;
2. I have reviewed the terms of the Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the Borrower during the accounting period covered by the attached financial statements;
3. The examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or the occurrence of any event which constitutes a Default or Event of Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate, except as set forth below;
4. To the best of my knowledge the financial statements required by Section 5.14 of the Agreement and being furnished to you concurrently with this certificate fairly represent the consolidated financial condition of the District in accordance with GAAP (subject to year end adjustments) as of the dates and for the periods covered thereby; and

Described below are the exceptions, if any, to paragraph 3 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the District has taken, is taking, or proposes to take with respect to each such condition or event:

The foregoing certifications and the financial statements delivered with this Certificate in support hereof, are made and delivered this _____ day of _____, 20__.

DEL PASO MANOR WATER DISTRICT

By: _____
Name: _____
Title: _____

ASSIGNMENT AGREEMENT

between the

CSDA FINANCE CORPORATION

and

FIRST FOUNDATION BANK

Dated as of June 1, 2020

ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT, dated as of June 1, 2020 (this “Assignment Agreement”), is made between the CSDA FINANCE CORPORATION, a nonprofit, public benefit corporation organized and existing under the laws of the State of California (the “Corporation”) and FIRST FOUNDATION BANK (the “Bank”);

WITNESSETH:

WHEREAS, the Corporation desires to assign to the Bank without recourse certain of its rights under the Installment Purchase Contract, dated as of June 1, 2020 (the “Installment Purchase Contract”), between the Corporation and the Del Paso Manor Water District (the “District”), including all of its rights to receive certain installment payments (the “Installment Payments”) scheduled to be paid by the District under and pursuant to the Installment Purchase Contract;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Definitions. All capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Installment Purchase Contract.

Section 2. Assignment. The Corporation does hereby assigns and transfers to the Bank without recourse all of the Corporation’s rights, title and interest in and to the Installment Purchase Contract (except for the Corporation’s rights to indemnification and payment or reimbursement of its reasonable costs and expenses).

Section 3. Acceptance of Assignment. The Bank hereby accepts the assignment and transfer of such of the Corporation’s rights, title and interest in and to the Installment Purchase Contract as are assigned and transferred to it pursuant to the terms of this Assignment Agreement.

Section 4. Deposit and Application of Funds. In consideration of the assignment made hereunder by the Corporation to the Bank, the Bank hereby agrees to provide the amount of \$_____ on the Closing Date for the account of the District for the purpose of providing funds to refinance certain installment payments made by the District to the Corporation pursuant to an Installment Purchase Contract, dated as of June 1, 2018, between the District and the Corporation.

Section 5. Representations and Warranties of the Corporation. The Corporation hereby represents and warrants to the Bank that, as of the date hereof:

(a) No modifications, amendments or changes have been made to the Installment Purchase Contract.

(b) The Installment Purchase Contract is valid, binding and enforceable in accordance with its terms.

(c) It has not previously assigned any right, title or interest the Corporation has in the Installment Purchase Contract to any other party and no other party has any superior right, title or interest than such right, title and interest being assigned to the Bank pursuant to this Assignment Agreement.

(d) It does not have any defenses, set-off rights, claims or other demands of any kind that can be asserted to reduce, eliminate or contravene the rights being assigned to the Bank pursuant to this Assignment Agreement.

(e) It has the right to assign the Installment Purchase Contract to the Bank as set forth herein.

(f) The undersigned officer of the Corporation has the requisite power and authority to enter into this Assignment Agreement.

Section 6. No Additional Rights or Duties. This Assignment Agreement shall not impose any duties, obligations or responsibilities upon the Corporation or the District beyond those expressly provided in the Installment Purchase Contract or as otherwise set forth herein.

Section 7. Further Assurances. The Corporation will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Assignment Agreement, and for the better assuring and confirming to the Bank the rights and obligations intended to be conveyed pursuant hereto.

Section 8. Counterparts. This Assignment Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

Section 9. Law Governing. This Assignment Agreement is made in the State of California under the Constitution and laws of the State of California and is to be so construed.

Section 10. Notices. All notices under this Assignment Agreement shall be in accordance with the Installment Purchase Contract.

Section 11. Binding Effect; Successors. This Assignment Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. Whenever in this Assignment Agreement any party is named or referred to, such reference shall be deemed to include such party's successors and assigns and all covenants and

agreements contained in this Assignment Agreement by or on behalf of any party hereto shall bind and inure to the benefit of such party's successors and assigns whether so expressed or not.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Assignment Agreement as of the date first above written.

CSDA FINANCE CORPORATION

By: _____
Name:
Title:

FIRST FOUNDATION BANK

By: _____
Name:
Title:

ITEM #9

Review and adopt Minutes

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
DEL PASO MANOR WATER DISTRICT**

**APRIL 7, 2020
6:30 PM**

Teleconference Meeting due to Coronavirus Pandemic

The Board of Directors of the Del Paso Manor Water District convened a Special Board Meeting using the "GoToMeeting" teleconference system on April 7, 2020 at 6:30 p.m.

Call to Order:

President Lenahan called the meeting to order at 6:31 p.m.

Pledge of Allegiance:

N/A due to teleconference.

Roll Call:

Directors Present: Marissa Burt, John Lenahan, Robert Matteoli, Gregory Schneider, & Andrew Ping
Directors Absent: None
Staff Present: Ken Ingle - Field Supervisor
Legal Counsel Present: Barbara Brenner, Churchwell White LLP
Public Present: Approximately 5 members of the public were on the line.

Announcements:

None

Public Comment:

Roger Nelson inquired about the scope and cost of the independent investigation and when the findings will be released.

Items for Discussion and/or Action:

1. Succession Planning Committee Recommendation for Water Operator

The interviews have been completed. The Committee did not receive latest information from recruiter (RGS) in time to make a hiring recommendation at this meeting. Special Meeting (closed session) may be required.

Public Comment: Carol Rose inquired as to why the process is taking so long.

Tabled - No Action taken

2. Bond Refinance Options Update

Jeff Land of Brandis Tallman LLC reported that he requested quotes from 12 lenders and received 3 bids. There is extreme dysfunction and volatility in the market due to Covid-19.

- 1) First Foundation 4.10%
- 2) Municipal Finance Corp. 3.15%
- 3) Western Alliance Bank 3.32%

If we complete the current refinance @ 4.25%, the net savings is \$530,765 over life of loan. If we proceed with a new refi @ 3.15%, we will save an additional \$24,567 per year for a total savings of approx. \$1,033,494 over life of loan. We must close by June 1, 2020.

Due to the volatility of markets, the Board directed Mr. Land to negotiate on our behalf with 3.25% as the upper limit. We will need to sign a Term Sheet to lock-in rate and approve a resolution at the Regular May 7, 2020 meeting in order to move forward with the refinance.

No Public Comment

3. Covid-19 Update

a. Risk Minimization and Outbreak Response Plan

President Lenahan created an Ad-Hoc Committee with himself and Director Burt as members to draft a plan.

b. Limited Duration Remote Worker Policy

This topic will be included in tasks of the new Ad-Hoc Committee

c. Limited Duration Telework Application

This topic will be included in tasks of the new Ad-Hoc Committee

d. Economic Impact of Coronavirus on Local Government Services and Employees

Board agreed to sign and mail letter by Ami Berra advocating for assistance to public agencies during Covid-19 pandemic.

Public Comment: Michael Clohossey commended President Lenahan and Director Burt for their work on this very important item.

4. Interim General Manager Recommendation

President Lenahan brought a proposal to the Board to hire a Management Consultant to assist the District until a new General Manager is hired. Jeff Nelson with the Management Consultant firm Interwest was on the call to answer questions. Director Schneider expressed concern about the limited hours (8-12 hours/week), and the difficulty of working with staff while adhering to social distancing regulations. Director Matteoli expressed concern about transparency due to the proposal not being included in the Board packet. Jeff Nelson, who is an engineer, offered to assist with technical issues, operational issues, emergencies, Covid-19, etc. The Board directed President Lenahan to bring this

item back to a future meeting with full visibility for further discussion and possible action.

Public Comment: Carol Rose questioned the cost and asked if Jeff Nelson is a Retired Annuitant, to which Jeff replied that he is not. Michael Clohossey commented that he did not recall a prior Board discussion about the need for this service.

5. County of Sacramento – Voter Registration & Election

The November 2020 Election Resolution letter needs to be filled out, signed, and mailed back to the county.

Director Burt moved to execute the letter and Director Ping seconded.

Motion Passed

Ayes	Lenahan, Burt, Schneider, Ping, Matteoli
Noes	0
Abstain	0

6. Tesco Controls Annual Service Contract Package Renewal

This contract for Well #8 and #9 MCC Maintenance and Support has an annual cost of \$3,800 and covers the time period May 1, 2020 to April 30, 2021. The General Manger of SSWD, Dan York, commented that this appears to be a reasonable cost for a District of our size. No vote was taken, but all Board members expressed support for this agreement.

7. District Billing System

President Lenahan reported that Terrapin Technology Group is terminating their support for our current obsolete DOS billing system. He recommends we source and purchase a new billing system as soon as possible. The Finance Standing Committee will agendize this for their first meeting, which has not been scheduled at this time.

8. Minutes

- a) Director Burt moved to approve the March 3, 2020 Regular Board Meeting Minutes with edits. Director Matteoli seconded.

Motion Passed

Ayes	Lenahan, Burt, Schneider, Matteoli, Ping
Noes	0
Abstain	

b) Director Burt moved to approve the March 3, 2020 Special Board Meeting Minutes with edits. Director Matteoli seconded.

Motion Passed

Ayes	Burt, Lenahan, Matteoli, Schneider, Ping
Noes	0
Abstain	0

c) Director Burt moved to approve the March 20, 2020 Special Board Meeting Minutes. Director Ping seconded.

Motion Passed

Ayes	Burt, Lenahan, Matteoli, Schneider, Ping
Noes	0
Abstain	0

9. Warrants for March 2020

Director Burt moved to accept the March 2020 Warrants List as provided. Director Schneider seconded.

Motion Passed

Ayes	Burt, Lenahan, Matteoli, Schneider, Ping
Noes	0
Abstain	0

Director's Meetings and Committees (Per AB 1234):

10. ACWA/JPIA Meeting

Director Burt reported that the topic of this meeting was 'Employees Working from Home'. Many of the ideas were incorporated into the District's Covid-19 policy.

11. Succession Planning Ad-Hoc Committee

The Committee reported that several applications for the GM position have been received, but the deadline to apply has not been reached.

12. Finance Standing Committee

The committee has not met due to Covid-19

13. DPMWD/SSWD 2x2 Ad-Hoc Committee

Director Burt discussed the three inspections/reports that have been carried out on the DPMWD's wells and some of the issues that have been discovered. SSWD's General Mgr. Dan York assured the participants that their intention is not to take over DPMWD but to assist us during this difficult time. Mr. York will do a presentation at the next meeting about distribution systems.

14. Other Reports – AB 1234

None

General Counsel's Report

None

15. Non-Discussion / Action Items

None

Field Report

16. Status of March Field Matters

See provided Field Report for February 23 thru March 31, 2020
Field Supervisor Ken Ingle commented that some of the items on the inspections have been corrected. Director Matteoli questioned how often we run well #7. Ken responded that it is only used to meet fire flow and is not providing water to the system. Ken mentioned that the new controls project for well #7 is on hold. Controls have been assembled but not installed.

Dan York reported that well #8 is currently 'locked-out' due to non-food grade oil being added to the pump bearing reservoir by Odell Pump. Dan is reaching out to a consultant for assistance to resolve this matter.

Directors and/or Staff Comments, Statements, and Requests. The Board and District staff may ask questions for clarification and make brief announcements or comments. Board members may also request staff to report back on a matter, or direct staff to place a matter on a subsequent agenda.

Director Schneider suggested a discussion of wells be added to the agenda of the next Regular Meeting.

President Lenahan commented that he wants to return to being Board President and that his current workload due to lack of GM is unsustainable.

Director Matteoli commented that Director Schneider should be replaced as Board Secretary due to it being a violation of water code. He suggested that Staff member Ken Ingle attend Board Meetings. Director Matteoli also stated he plans to submit a spreadsheet to Legal Counsel detailing legal costs.

Director Burt commented that constant phone and email contact with Legal Counsel by Director Matteoli is driving up legal costs.

Adjournment:

President Lenahan adjourned the meeting at 9:52 p.m.

Next scheduled meeting: May 5, 2020 Regular Board Meeting

John Lenahan, President

Gregory Schneider, Secretary

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS DEL PASO MANOR WATER DISTRICT

APRIL 10, 2020

6:30 PM

Teleconference Meeting due to Coronavirus Pandemic

The Board of Directors of the Del Paso Manor Water District convened a Special Board Meeting using the "GoToMeeting" teleconference system on April 10, 2020 at 6:30 p.m.

Call to Order:

President Lenahan called the meeting to order at 6:31 p.m.

Pledge of Allegiance:

N/A due to teleconference

Roll Call:

Directors Present: Marissa Burt, John Lenahan, Robert Matteoli, Gregory Schneider, & Andrew Ping
Directors Absent: None
Staff Present: None
Legal Counsel Present: Kerry Fuller, Churchwell White LLP
Public Present: Several members of the public were on the conference call.

Announcements:

Director Matteoli gave written comments on four topics to Legal Counsel to be filed with the Board minutes from this meeting. He did not share the comments with the Board or Public.

Public Comment:

Roy Wilson inquired about 1) Status of District books, budget vs. actuals, and next fiscal year's budget. 2) Referred to 2009 Master Plan (page 62). Well #7 was scheduled for demolition and District cannot use Planned System Maintenance for this well. 3) He recommends tabling discussion of new bond refinance and proceeding with the currently scheduled refinance.

Items for Discussion and/or Action:

1. Review, discuss, and possible action regarding Interwest proposal to provide management consulting services.

President Lenahan pointed out the list of services in the proposal and reiterated the importance of having assistance until a new GM is hired.

Director Matteoli voiced his desire to have the day-to-day work out of the hands of the Directors. He stated that a Management Consultant could supervise staff and assist

with Covid-19 planning. Director Matteoli questioned Legal Counsel about conflict-of-interest with consultant doing work for DPMWD and Carmichael Water District due to our Mutual Aid Agreement. Jeff Nelson commented that he would recuse himself from any issues that could be a conflict.

President Lenahan commented that Mr. Nelson would fill the role of a Management Consultant and not an Interim General Manager. He could be of assistance with Covid-19 issues.

Director Schneider spoke in support of hiring Jeff Nelson for project assistance not staff supervision. Director Ping sees this consultant as a professional bridge to a new GM. Director Burt expressed her opinion that the high priority projects are maintenance and repair of the wells and Covid-19 policies.

Director Ping moved to engage Interwest to provide Management Consulting Services and Director Schneider seconded.

Public Comment: Mike Clohossey and Roy Wilson weighed in on this item.

Motion Passed

Ayes	Lenahan, Burt, Schneider, Ping, Matteoli
Noes	0
Abstain	0

2. Succession Planning Committee Recommendation for Water Operator
 - a. Review, discuss, and possible action to provide authority to sign offer letter

The Committee is prepared to make a hiring recommendation to the Board in closed session.

The Board gave direction to President Lenahan to sign the job offer letter if the Board agrees on the hiring recommendation.

Closed Session (Closed Session Items are not open to the public)

1. PUBLIC EMPLOYEE EMPLOYMENT – OPERATIONS & MAINTENANCE TECHNICIAN II pursuant to GOVERNMENT CODE § 54957(b)(1)

Return to Open Session:

President Lenahan reported out from Closed Session that by a vote of 4 to 1 the Board directed the Succession Planning Committee to offer a candidate the position of Operations & Maintenance Technician II.

Adjournment:

President Lenahan adjourned the meeting at 9:36 p.m.

Next scheduled meeting: May 5, 2020 Regular Board Meeting

John Lenahan, President

Gregory Schneider, Secretary

DRAFT

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS DEL PASO MANOR WATER DISTRICT

APRIL 23, 2020

6:30 PM

Teleconference Meeting due to Coronavirus Pandemic

The Board of Directors of the Del Paso Manor Water District convened a Special Board Meeting using the "GoToMeeting" teleconference system on April 23, 2020 at 6:30 p.m.

Call to Order:

President Lenahan called the meeting to order at 6:30 p.m.

Pledge of Allegiance:

N/A due to teleconference

Roll Call:

Directors Present: Marissa Burt, John Lenahan, Gregory Schneider, & Andrew Ping
Directors Absent: Robert Matteoli
Staff Present: None
Legal Counsel Present: None
Public Present: Several members of the public were on the conference call.

Announcements:

Director Matteoli announced that he would not be participating in this workshop because he considers it to be staff work. He proposed to table these topics until a new General Manager is on board. President Lenahan stated that he does not consider a Board review of a final draft document to be staff work. Director Matteoli signed off and will be marked as absent.

Public Comment:

None

Items for Discussion and/or Action:

1. Master Plan RFP Workshop

Director Schneider stated that in his opinion this Master Plan Update is not a staffing plan, rate study, or operations plan.

Director Burt stated that this new plan should be a 'living document' with continuous update by District staff. She suggested that 1) President Lenahan create an Ad-Hoc Committee with herself and Director Schneider as members to create the new RFP, or 2) have her work with Management Consultant Jeff Nelson to execute the RFP.

President Lenahan directed Director Burt to create the new document draft, have Mr. Nelson review it, and bring to the May 5, 2020 Regular Board Meeting for the Board to review and possibly approve. President Lenahan declined to create an Ad-Hoc Committee.

Public Comment:

Carol Rose proposed waiting for a new GM to create the Master Plan Update RFP

2. Policy and Procedure Manual Workshop

Director Burt gave background: The draft manual was created by an Ad-Hoc committee with members Director Burt and former Director Harrington. The template was purchased from CSDA. The template contained an Employee Manual section that was not used in the creation of this draft. Director Burt stated that all formatting issues will be corrected before the draft is finalized and do not need to be pointed out at this time.

With Director Burt facilitating, the Board went through the 90-page document page-by-page and each Director proposed changes/corrections. The completed document will receive one final review by Legal Counsel and be brought back to the Board for possible approval at a future Regular Meeting.

Public Comment:

Carol Rose suggested that the copying cost of Public Records Requests be changed to reflect the current cost of \$.15 per copy. The Board agreed with that change. President Lenahan stated that a request for the recording of a Board Meeting teleconference would cost \$20.00 and be provided on a memory stick.

Adjournment:

President Lenahan adjourned the meeting at 8:38 p.m.

Next scheduled meeting: May 5, 2020 Regular Board Meeting

John Lenahan, President

Gregory Schneider, Secretary

ITEM #10

Review and approve Warrants

**Del Paso Manor Water District
Vendors Paid - April 2020**

VENDORS NAME	DESCRIPTION	AMOUNT	CHECK #
ACWA JPIA	Health	\$356.97	9548
ACWA JPIA	Worker's Comp, Q3	\$741.26	9524
ADP	Payroll	\$10,704.28	eft
ADP Taxes	Payroll Taxes	\$3,770.20	eft
AT&T	Phone	\$69.55	9552
AT&T	Internet; Phone/Fax	\$203.57	9546
AT&T	Phone	\$70.24	9544
AT&T Mobility	Cell Phones; iPads	\$272.97	9533
BSK	Labs	\$683.00	9527
California Rural Water Association (CRWA)	Membership Renewal 5/2020 - 5/2021	\$816.00	9541
CalPers	Health	\$7,686.93	eft
CalPers	Employee Cont. - Pepra	\$1,193.71	eft
CalPers	Employee Cont. - Pepra	\$624.40	eft
CalPers	Employee Cont. - Classic	\$992.67	eft
Churchwell White, LLP	Services Rendered Through February 2020	\$12,196.70	9534
DEX.YP	yellow pages	\$15.50	9532
Emigh Hardware	Material/Supplies	\$5.38	9545
Inland Business Systems	Photocopy machine	\$203.77	9547
John F. Mahaney Co.	Field & Well Parts	\$469.27	9556
John F. Mahaney Co.	Field & Well Supplies	\$166.63	9556
MailRite	March/April Billing	\$1,467.66	9525
NortonLifeLock Inc.	March 2020 LifeLock	\$3,472.00	9543
Office Depot	Office Supplies	\$37.42	9553
PG&E	Gas	\$8.88	9535
Regional Government Services (RGS)	March Staff Recruitment	\$2,224.80	9554
Regional Government Services (RGS)	March Executive Recruitment	\$1,192.50	9554
Robert Merritt	Services Through March 2020	\$3,375.00	9549
Sacramento Air Quality Management District (SMAQMD)	Annual Permit Renewal	\$2,209.00	9539
Sacramento County Utilities	Utilities	\$175.22	9536
Sierra Chemical Company	Chemicals	\$339.30	9528
Sierra Chemical Company	Chemicals	\$335.56	9550
Smud	Power	\$1,418.50	9537
Smud	Power	\$4,386.03	9538
Stericycle Communication Solutions	answering service	\$420.95	9540
Streamline	Website	\$200.00	9529
Terrapin Technology Group	Software / Computers	\$289.10	9551
Tesco Controls, Inc.	Annual Service Agreement (5/2020 - 4/2021)	\$3,800.00	9542
Uinta Holdings, LLC	May Rent	\$2,165.00	9555
USA BlueBook	Well Parts	\$209.95	9531
Voya	February & March Emp. Contribution	\$800.00	9526
Wex Bank	Gas	\$69.42	9530

\$69,839.29

Del Paso Manor Water District
BOD Compensation Expense Summary
April 2020

APRIL 2020 MEETINGS	BURT	LENAHAN	MATTEOLI	PING	SCHNEIDER
Board Meetings					
4/7/2020 DPMWD - Regular Board Meeting	1	1	1	1	1
4/10/2020 DPMWD - Special Board Meeting	1	1	1	1	1
4/23/2020 DPMWD - Special Board Meeting	1	1	1	1	1
DPMWD - Special Board Meeting					
ADHOC Committee Meetings					
4/8/2020 Succession Planning Committee: Ping/Schneider				1	1
4/24/2020 & 4/27/2020 COVID -19	2	2			
Other Meetings					
American Water Works Association (AWWA)		5			
Association of California Water Agencies (ACWA)					
Attorney Meeting		4			
California Rural Water Authority (CRWA)					
California Special District's Association (CSDA)					
DPMWD - AB1234 Ethics Training					
4/17/2020 DPMWD - Finance Committee Meeting	1	1			
DPMWD - Manager Meeting		2			
Regional Water Authority (RWA)					
Sacramento Groundwater Authority (SGA)					
Sacramento Suburban Water District (SSWD)					
4/6/2020 Sacramento Suburban Water District (SSWD) 2x2 Meeting	1	1			
Sexual Harassment Prevention Training (AB1825)					
4/20/2020 Water Forum		1			
April Monthly Meeting Totals					
TOTAL MEETINGS	7	19	3	4	4
TOTAL COMPENSATED MEETINGS	7	10	2	3	4
TOTAL COMPENSATION	\$700	\$1,000	\$200	\$300	\$400

ITEM #18

Status of April Field Matters

Field Report – April 2020

Submitted by Ken Ingle

Summary: Service calls have increased due to nicer weather.

Leaks:

- 1 Customer side leak
- 0 Corp to Curb leaks (district responsibility)
- 0 Main line leaks

Water Quality Complaints:

None.

Field Misc.:

- 24 service calls (other than leak related)
- 13 USAs (Underground Service Alerts) were received and our facilities marked.
- The following reports were submitted to the SWRCB:
 - The Monthly coliform report for April will be submitted next week after all lab reports have been received.
- SSWD will check wells every other day (or weekly) per their schedule and will take the distribution system samples until further notice.
- Ken continues to handle field issues such as marking USAs and service calls.

Wells:

- Safety Inspection was conducted at Wells 8, 7 and 4 by Thor Benzing of JPIA in March. Matt Underwood and Ben Harris of SSWD also attended. A report was given by Dan York at the 2x2 committee meeting on April 6. Ken reported at the 2x2 meeting that several of the items have already been addressed. Comments by DPMWD staff have been provided to SSWD to be included in the report that is on the agenda for the May 4 2x2 meeting.
- Well 6 Main Electrical Breaker failed. Aqua Sierra Controls has replaced the breaker and the well is back online.
- Wells 2, 3, 4, 5 and 8: all valves have been chained and locked per SWRCB inspection. Well 7 does not have this type of valve.
- Well 7: Suggested changes are being discussed to address the Confined Space Entry issues at the site. This is in addition to the work already contracted with Aqua Sierra Controls (SCADA, security and PLC installation).
- Well 8 break-in. Fence was cut and the chemical shed was forced open, but nothing was taken. Ken was there within 5 minutes of the alarm, but site was already clear. Temporary repairs were made to secure the site. A sheriff report was filed.

Projects:

- DPM Elementary School
 - major construction is nearing completion.
- 3501 Winding Creek hydrant replacement (previously reported as 3600 Winding Creek)
 - Plan review has been completed.
 - Main shut down to be scheduled after “Stay at Home” order is lifted and normal work resumes.
- 3627 Winding Creek
 - Fee estimate and information they need to include on plans has been sent to contractor.
 - Plans have not been submitted at this time.
- 3540 Kings Way
 - Construction is nearly completed – ready for occupancy soon.
 - Request for a 3” meter from SSWD is being considered.
- 3600 Marconi Avenue
 - Both buildings are still empty.
 - Only the south building (and cooling tower) currently has a meter and backflow protection.
 - Installation of a new meter at the service connection (and backflow device by owner) is to be priced soon.