



San Rafael, California

Policies and Procedures Manual

Approved July 9, 2009

Last Updated: November 1, 2021



RESOLUTION NO. 2009-1872

**A RESOLUTION APPROVING POLICIES AND PROCEDURES FOR
THE BOARD OF DIRECTORS OF THE DISTRICT**

THE LAS GALLINAS VALLEY SANITARY DISTRICT

WHEREAS, the Board of Directors has determined that a comprehensive list of Policies and Procedures for the Board of Directors is in the best interest of the District.

WHEREAS, the Board of Directors has compiled a comprehensive list of Policies and Procedures to serve as the rules and regulations of the Board of Directors.

NOW THEREFORE, the Board of Directors of the Las Gallinas Valley Sanitary District, on May 28, 2009, hereby adopts by majority vote the accompanying Policies and Procedures that shall serve as the rules and regulations of the Board of Directors.

All previously approved policies of the Board of Directors are hereby revoked and declared null and void.

If any policy or portion of a policy contained within the Policies and Procedures is in conflict with rules, regulations, or legislation having authority over the Las Gallinas Valley Sanitary District, said rules, regulations or legislation shall prevail.

The Policies and Procedures shall remain in effect until amended by at least a majority vote of the Board of Directors.

AYES, and in favor thereof, Members: Clark, Greenfield, Loder, Murray, Schriebman

NOES, Members: None

ABSENT, Members: None

/s Susan M. McGuire,
Secretary Pro Tem

Approve:

/s L.H. Loder
President of Board of Directors

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BOARD OF DIRECTORS

B-10 MINUTES OF BOARD MEETINGS

Purpose

This policy establishes the rules for preparation of minutes, what items may be included and procedures to approve or amend the minutes.

B-10-10 Preparation of Minutes. With the assistance of the General Manager, the Secretary of the Board of Directors shall provide “action” written minutes of all meetings of the Board from meeting notes and the meeting audio-tape, if needed. The audio-tape, if needed, will be kept for a period of one year from the date of the recorded meeting, after which they will be destroyed. The written minutes shall be considered the formal minutes of the District.

B-10-20 Contents. The written minutes shall contain all actions taken by the Board and all reports considered, the names of who voted and how, the names, if available, of members of the public who spoke, and any recommendations from staff, legal counsel, or consultants.

B-10-30 Required Details. The written minutes shall also include date, time, place, and type of meeting; roll call; notation of late-arriving or early-departing Board Members and any absences when votes are taken; notices of special meetings; and time of adjournment.

B-10-40 Individual Items. The types of agenda items that shall be included in the written minutes are written minutes of prior meetings; resolutions; ordinances; contracts; bid proceedings; warrants; budgets; reports by staff, legal counsel and consultants; important correspondence; appearances by delegations and special guests; and policy and procedure issues. Other items may be included in the written minutes at the discretion of the General Manager.

B-10-50 Approval Procedure. Written minutes shall be considered by the Board in a timely manner. Minutes will be presented for approval on the consent calendar. A majority vote of the Board is required to approve any corrections. If corrections are approved by a majority of the Board, the written minutes will be automatically approved as part of the consent calendar as corrected by the Board – without a further vote of the Board.

Resolution No. 2009-1872	Date Approved: July 9, 2009
President of the Board	Supersedes:

B-20 BOARD MEMBER INTERACTION WITH STAFF

Purpose

This policy establishes procedures for Board Member communication with the General Manager and District Staff.

B-20-10 Communication Path. The general path of communication shall be Board to General Manager then General Manager to staff. The General Manager may delegate the communication directly to a Board member or staff member for particular issues only.

B-20-20 Non-Interference With Staff. Individual Board Members shall not interfere with or direct District staff nor use District facilities in such a way that the action is unreasonable or interferes with the operation of the District. Board members may contact District Counsel on legal questions.

B-20-30 Simple Information Requests. Individual Board members may make simple information requests of staff, through the General Manager. A Simple Information Request is one that would take the General Manager, District Staff or Counsel less than two hours to complete in the view of the General Manager.

B-20-40 Substantial Information Requests. Individual Board members may place an item on any future agenda to request a Substantial Information Request or to add an item on a future agenda (B-30-30). The request shall be made as a motion under the Board Request section of the agenda. A majority affirmative vote is necessary to approve the action. A Substantial Information Request is one that would take the General Manager, District Staff or Counsel more than two hours to complete in the view of the General Manager.

Resolution No. 2009-1872	Date Approved: July 9, 2009
President of the Board	Supersedes:

B-30 BOARD MEETING AGENDA**Purpose**

This policy establishes the procedures to prepare Board agendas.

B-30-10 Preparation of Agenda. The General Manager, in cooperation with the Board President, shall prepare the agenda for all regular and special meetings of the Board in accordance with the Ralph M. Brown Act (California Government Code §54950 through §54926).

B-30-20 Form and Order. The agenda form and order shall be at the discretion of the General Manager. The General Manager shall submit the agenda for approval to the Board President and legal counsel prior to issuing it.

B-30-30 Additional Items. Board members shall request to add agenda items at a Board meeting (see B-20-40). Any matter to be included in the agenda shall be provided, in writing, to the Board Secretary at least five (5) business days preceding the meeting. Such requests will be routinely respected unless there is a compelling reason to deny or delay such a request.

B-30-40 Public Requests. A request from the public for an additional agenda item for a regularly scheduled meeting of the Board shall be made in writing to the General Manager at least five (5) business days prior to the date of the meeting and shall be “a matter directly related to the District business.”

B-30-50 Attachments. All agenda matters that have attachments—with the exception of the warrant list—shall be included in the Board packet when delivered. If an attachment is not included in the Board packet, the item shall be provided to the Board in a timely manner.

B-30-60 Matters Not on Agenda. The Board may take public testimony at regular and special meetings on matters not on the agenda, but the Board shall not discuss nor take action on the matters at the meeting.

B-30-70 Special Circumstances. Only matters listed on the agenda may be discussed and acted upon by the Board, except in one of the following circumstances: (1) An “emergency situation” is declared by majority vote of the Board, (2) A need to take immediate action on a matter that arises after the agenda is posted is declared by a two-thirds vote of the Board, or unanimous if less than two-thirds of the Board is present, and (3) An item on a posted agenda is continued from a regular meeting held not more than five (5) days prior.

B-30-80 Public Review of Agendas. Agendas for regularly scheduled meetings of the Board shall be posted conspicuously outside the District’s front gate and on the District website in accordance with the Ralph M. Brown Act (California Government Code §54950 through §54926) at least seventy-two (72) hours prior to the meeting. Agendas for special meetings shall be posted similarly at least twenty-four (24 hours) prior to the meeting.

Resolution No. 2009-1872	Date Approved: July 9, 2009
President of the Board	Supersedes:

B-40 BOARD COMMITTEES

Purpose

This policy establishes rules for ad hoc committees and workshops.

B-40-10 Standing Committees Abolished. The Board abolished all standing committees after determining that ad hoc committees and periodic Board workshops are more productive than standing committees.

B-40-20 Appointment of Ad Hoc Committees. The Board President shall appoint ad hoc committees as deemed necessary by the Board President and/or a majority vote of the Board.

B-40-20-1 Specific Purpose. Ad hoc committees shall be created for a specific purpose, its duties outlined at time of appointment, and if appropriate a timeline established. The committee will be deemed dissolved after its final report is made to the Board.

B-40-20-2 Appointment of Chairperson. The Board President shall designate the ad hoc committee chairperson who shall determine the date, time, and place of each committee meeting. The chairperson shall make periodic reports to the Board on the committee’s progress.

B-40-20-3 Scope of Responsibility. The ad hoc committee shall gather information, explore alternatives, examine implications, and offer recommendations to the full Board. The committee may meet with staff and/or District consultants, but shall not interfere with their duties as determined by the Board.

B-40-20-4 Limits on Authority. The ad hoc committee shall not speak or act on behalf of the Board, shall not conflict with authority delegated to staff by the Board, and shall not attempt to exercise authority over staff.

B-40-30 Periodic Workshops. The Board, by majority vote, shall call for Board workshops as deemed necessary and appropriate. The workshops shall be held separate from regular and special meetings of the Board at a time and place to be determined by majority vote of the Board. The General Manager shall recommend appropriate items to be discussed at the workshops. The agenda for workshops shall be determined by majority vote of the Board, in cooperation with the Board President and General Manager and posted as are regular meeting of the Board.

B-40-30-1 Action Plan. Workshops shall generally intend to identify key issues facing the District and provide the opportunity to develop an Action Plan that addresses those issues with specific actions, along with a timeline and responsibilities for carrying out the Action Plan to achieve District goals.

Resolution No. 2009-1872	Date Approved: July 9, 2009
President of the Board	Supersedes:

B-50 TRAINING/CONFERENCES/SEMINARS/TRAVEL/MEALS**Purpose**

This policy establishes the rules for attendance at training, conferences, seminars and other travel.

Since trips and travel expenses for training, conferences and seminars are being paid for with public funds, it shall be the responsibility of the official undertaking the trip to make every effort to attend the entire conference and/or as many sessions as possible to attain maximum benefit. Board members will limit expenses being borne by the District to be within the allowed limits.

B-50-10 Attendance Encouraged, but Limit on Number of Conferences. Board Members are encouraged to attend educational training, conferences and seminars, and serve as representatives of the District at professional meetings that clearly benefit the District and are directly related to improving the operation of the District. Board Members are limited to four (4) conferences or seminars per calendar year for which the District will pay expenses per the approved usual and reasonable travel related reimbursement chart below. The Board may vote to allow a Member to exceed this limitation of four (4) conferences or seminars prior to that Member's attendance at that event. For multi-day conferences, compensation shall be at a maximum of one meeting per day. If travel to a conference requires travel of four hours or more, portal to portal, the Board member may charge for that day.

One day conferences without overnight travel will not be considered in the annual attendance limit and will be reimbursed as a special meeting. Any conference or seminar that a Board Member attends that is two days or longer shall be included in the four (4) conference or seminar limit. Board Members are required to submit a Meeting Attendance Request or a Conference Registration Form in advance of the requested travel. In order to receive approval for reimbursement, the requests should be submitted at least five business days prior to the Board Meetings.

B-50-20 Usual and Reasonable Costs. The Board will comply with Government Code §53232.2. The District will pay all usual and reasonable costs associated with attendance at approved training, conferences, seminars, and other travel, including, but not limited to, registration, lodging, mileage, meals, ground transportation and travel. Actual and necessary expenses incurred in the performance of official duties shall be reimbursable. Itemized receipts are required to be submitted for reimbursement. Usual meal related expenses shall be limited in total amount per day to the current District per diem amounts, which are pursuant to the prevailing U.S. General Services Administration's (GSA) current breakdown of meal reimbursement expenses per Internal Revenue Service (IRS) guidance. Attachment 1 contains a breakdown of the Daily Total for partial days and the maximum Daily Total for California locations.

Hotel receipts are not adequate for documentation for food expenses. The expenses shall be presented to the Board for approval through the normal administrative process.

Resolution No. 2018 – 2138	Date Approved: August 23, 2018
President of the Board	Supersedes: 2017-2106

Transportation (ie – by passenger vehicle, scheduled shuttle or taxi) reimbursement for travel to San Francisco Airport or Oakland Airport will not exceed a maximum of \$46.00 one way. Cash tips unsubstantiated by receipts (i.e. - bellman, hotel maid) shall be reimbursed as incidental expenses subject to the prevailing US General Services Administration’s current breakdown of incidental expenses.

Transportation expenses to an offsite event that is scheduled as part of a conference or meeting shall be reimbursable. Itemized receipts are required to be submitted for reimbursement. Tips for transportation such as cabs and shuttles that are included in the receipt from the driver shall be reimbursable and not included in the incidental expense portion of the daily expense limit specified by the US General Services Administration.

B-50-30 Expenses for Non-Conference Related Meetings. A Board member may attend a meeting that is not part of a conference where District business is discussed. Reasonable expenses for transportation and meals shall be reimbursed, subject to the substantiation requirements and meal and incidental expense allowances described above, after receiving approval from the Board.

B-50-40 Report to Board. A Board member who attends a conference/seminar/meeting etc. for which the District has paid expenses shall make an oral or written report to the Board, detailing what was learned that benefits the District.

Resolution No. 2018 – 2138	Date Approved: August 23, 2018
President of the Board	Supersedes: 2017-2106

B-50 Training/Conferences/Seminars/Travel**Attachment 1****2022 MEAL REIMBURSEMENT BREAKDOWN**

Per the U.S. General Services Administration, the table below lists 2020 reimbursement amounts in the lower 48 continental United States (currently ranging from \$55 to \$76). In order to determine the correct meal reimbursement limits, first determine the location where you will be working while on official travel. You can look up location-specific information at www.gsa.gov/portal/content/104877. Find the daily total expense limit for your travel area and then refer to the table below for specific meal reimbursement limits.

Daily Total	\$64	\$69	\$74	\$79
Continental Breakfast/Breakfast	\$14	\$16	\$17	\$18
Lunch	\$16	\$17	\$18	\$20
Dinner	\$29	\$31	\$34	\$36
Incidentals	\$5	\$5	\$5	\$5

Please see the 2022 Per Diem Rates, effective October 1, 2021 for travel in California on the following page.**B-50 Training/Conferences/Seminars/Travel**
Attachment 1

FY 2022 Per Diem Rates - Effective October 1, 2021					
	Standard CONUS rate applies to all counties not specifically listed. Cities not listed may be located in a listed county.	COUNTY / LOCATION DEFINED	SEASON BEGIN	SEASON END	
CA	Antioch / Brentwood / Concord	Contra Costa			\$ 74
CA	Bakersfield / Ridgecrest	Kern			\$ 64
CA	Barstow / Ontario / Victorville	San Bernardino			\$ 64
CA	Death Valley	Inyo			\$ 69
CA	Eureka / Arcata / McKinleyville	Humboldt			\$ 69
CA	Fresno	Fresno			\$ 69
CA	Los Angeles	Los Angeles / Orange / Ventura / Edwards AFB less the city of Santa Monica			\$ 74
CA	Mammoth Lakes	Mono			\$ 79
CA	Mill Valley / San Rafael / Novato	Marin			\$ 74
CA	Modesto	Stanislaus			\$ 64
CA	Monterey	Monterey			\$ 74
CA	Napa	Napa			\$ 79
CA	Oakhurst	Madera			\$ 69
CA	Oakland	Alameda			\$ 74
CA	Palm Springs	Riverside			\$ 69
CA	Point Arena / Gualala	Mendocino			\$ 79
CA	Redding	Shasta			\$ 69
CA	Sacramento	Sacramento			\$ 69
CA	San Diego	San Diego			\$ 74
CA	San Francisco	San Francisco			\$ 79
CA	San Luis Obispo	San Luis Obispo			\$ 74
CA	San Mateo / Foster City / Belmont	San Mateo			\$ 74
CA	Santa Barbara	Santa Barbara			\$ 74
CA	Santa Cruz	Santa Cruz			\$ 69
CA	Santa Monica	City limits of Santa Monica			\$ 79
CA	Santa Rosa	Sonoma			\$ 74
CA	South Lake Tahoe	El Dorado			\$ 74
CA	Stockton	San Joaquin			\$ 69
CA	Sunnyvale / Palo Alto / San Jose	Santa Clara			\$ 74
CA	Tahoe City	Placer			\$ 74
CA	Truckee	Nevada			\$ 79
CA	Visalia / Lemoore	Tulare / Kings			\$ 69
CA	West Sacramento / Davis	Yolo			\$ 69
CA	Yosemite National Park	Mariposa			\$ 76
CO	Aspen	Pitkin	SEE GSA.GOV		
CO	Aspen	Pitkin			
CO	Aspen	Pitkin			
CO	Aspen	Pitkin			
CO	Aspen	Pitkin			
CO	Boulder / Broomfield	Boulder / Broomfield			
CO	Colorado Springs	El Paso			

For applicable rates outside of California, see the General Services website at www.gsa.gov/portal/content/104877.

B-60 BOARD MEMBER COMPENSATION**Purpose**

This policy establishes compensation for Board Members to attend meetings.

B-60-10 Limit on Meetings. Board Members shall be compensated for up to the legal limit of six meetings per month and one meeting per day. Compensation shall apply to both Regular and Special Board meetings, Board committee meetings, meetings for organizations related to District business. The meetings must be a direct benefit to the District. Please refer to the list of meeting below that are considered to be additional compensable meetings. To qualify for compensation for meetings of organizations related to District business, Board approval is required. Board members requesting attendance at meetings, including meetings of organizations related to District business, training, conference and/or seminars, shall submit their request to the entire Board at least five business days prior to the meeting. If an unexpected opportunity occurs for a meeting that will benefit the District, the Board Member may request an RQPA (Request for Prior Authorization) from the Board at the next Board meeting by written request.

B-60-11 Compensable Meeting Activities. Meetings that are considered compensable include the following:

- Webinars, online trainings, and tours of facilities that are at least 1 ½ hours in length and pertain to District Business.
- Multiple party conference calls convened by LGVSD subcommittees that are at least 2 hours in length that pertain to District Business
- Non-public LGVSD subcommittee meetings such as AD Hoc meetings that are over an hour in length.
- One-on-one meetings between LGVSD committee members with any other outside agency or committee via face-to-face interaction or telephone, which are at least 1 hour long, pertain to District Business and are not for logistical purposes only
- Tours of District facilities with public officials external to the District that are at least an hour long.
- Other meetings falling outside of the above listed meeting descriptions shall be brought to the Board for determination of compensability prior to any Board member's attendance at such meetings.

B-60-20 Compensation Rate. Board Member's meeting stipend shall be set at the maximum allowable under Senate Bill 1559 effective January 1, 2001. Furthermore, the aforementioned

Resolution No. 2020-2202	Date Approved: October 15, 2020
President of the Board	Supersedes: Resolution 2019-2178

new meeting stipend should be considered for increased annually the maximum allowable under Senate Bill 1559 on the first day of January in each succeeding year thereafter.

B-60-30 Compensation for Training, Seminars, Conference, etc. See B-50-10/20.

B-60-40 Tally Sheets. To receive compensation, Directors should provide a monthly meeting tally sheet (available from the District Secretary) within five days after the end of the month.

B-60-50 Reimbursement for Expenses. Board Members shall be compensated for all reasonable and legitimate expenses incurred in attending meetings or taking trips on behalf of the District that have been authorized by the Board. Expense reports shall be submitted within 30 days of attendance at the meeting. Any disputes shall be settled by majority vote of the Board.

B-60-51 Reimbursement for Miscellaneous Expenses. Board Members may submit receipts for up to \$1600 per calendar year for miscellaneous actual and necessary expenses to conduct District Business unrelated to meeting, conference or training attendance. This allowance is anticipated to include information technology related items, office related equipment and furniture, consumable office supplies, and other expenses necessary for Board Members to conduct District Business. This allowance does not include food or travel related costs, which are addressed in section B-60-50. Per Section B-50-20 and Government Code Section 53232.2, all costs shall be usual and reasonable.

B-60-60 Prevailing District Mileage Rate. Reimbursement for travel by private car shall be at the prevailing IRS mileage rate.

Resolution No. 2020-2202	Date Approved: October 15, 2020
President of the Board	Supersedes: Resolution 2019-2178

B-70 ELECTRONIC/FAX COMMUNICATION

Purpose

This policy establishes the proper procedures for communication with Board Members.

B-70-10 Primary Communication. Routine communication between the District Office and Board Members at home shall be by fax, e-mail or other effective means. The Board has determined that these methods of primary communication are less costly and faster than mail.

B-70-20 Fax Machines. The District shall provide fax machines and necessary fax supplies to Board Members without fax machines. The District shall retain ownership of the fax machines, which shall be returned when a Board Member leaves office.

Resolution No. 2009-1872	Date Approved: July 9, 2009
President of the Board	Supersedes:

B-80 AUTHORITY OVER PERSONNEL

Purpose

This policy delegates to the General Manager general authority over personnel matters and authority to administer the District.

B-80-10 Administration. The Board delegates to the General Manager, as Executive Officer of the District and for the Board, the authority to administer the District with exclusive management and control of the operations and works of the District, subject to approval of the Board, and to provide day-to-day leadership of the District. The General Manager also has general charge, responsibility, and control over all property of the District.

B-80-20 Personnel Matters. The Board delegates to the General Manager general authority over personnel matters involving District staff, including, evaluating, disciplining, and discharging employees, without conflicting with union agreements.

B-80-30 Non-Interference. Individual Board members shall not interfere with the General Manager in District personnel matters.

B-80-40 Appointments. With the exception of emergency appointments, appointments require the approval of the District Board.

B-80-50 Discipline. The General Manager may suspend, demote, reduce in pay, or discharge any regular employee for just cause, and will inform the Board after taking such actions ASAP.

B-80-60 Wage Increases. The General Manager shall report to the Board when delaying, or not granting a regular or special wage step increase.

B-80-70 Employee Evaluations. Individual employee performance evaluations are privileged and confidential.

B-80-80 Other Duties. The General Manager shall have authority to carry out other duties specified in the District’s official job description for the position.

Resolution No. 2009-1872	Date Approved: July 9, 2009
President of the Board	Supersedes:

B-90 APPOINTMENT IN EVENT OF VACANCY**Purpose**

This policy determines when a Board vacancy occurs and sets forth procedures to fill the vacancy.

B-90-10 How a Vacancy Occurs. A vacancy on the Board is deemed to exist when a Board Member resigns, is impeached, dies or fails to discharge the duties of office for three consecutive months.

B-90-20 Applications. After a vacancy exists, the Board shall request applications from the public and announce a schedule for the application period after consultation with the Marin County Registrar of Voters. A date when applicants will be interviewed by the Board in open public session will be established.

B-90-30 Resumes. Applicants shall complete a District form and attach a resume and submit it to the Secretary of the Board within the specified application period.

B-90-40 Interviews. The order of the interviews by the Board shall be determined by draw.

B-90-50 Majority Vote. The appointment to fill the vacancy shall be by majority vote.

B-90-60 Election. If the vacancy is not filled by appointment, the Board shall call for an election within 60 days of the vacancy occurring.

B-90-70 Board of Supervisors. If the Board fails to fill the vacancy by appointment and fails to call an election within 60 days of the vacancy occurring, the District shall turn the matter over to the Marin County Board of Supervisors for a decision on an appointment or the calling of an election to fill the vacancy.

Resolution No. 2009-1872	Date Approved: July 9, 2009
President of the Board	Supersedes:

B-100 BOARD MEMBER BENEFITS

Purpose

This policy establishes the rules for benefits for Board Members.

B-100-10 Insurance Choices. Each Board Member shall receive District Health Care and/or District Self-Insured Dental Care and/or District Long Term Care group insurance coverage at the sole choosing of the Board Member. The “cafeteria” insurance arrangement allows each Board Member to select one, two, or all three of the plans to fit individual needs.

B-100-20 Limits on Cost. The District shall pay up to \$200 per month to provide the cafeteria premium insurance coverage for each Board Member, with each Board Member responsible to pay any costs of the coverage above \$200 per month in insurance premiums. In-lieu of the cafeteria insurance coverage, Board members may receive up to \$200/month.

B-100-30 Eligibility. The group insurance coverage shall be available only to “active” Board Members.

B-100-40 Comparable Benefits. The Board has deemed that the benefits provided to Board Members are less than the benefits provided to District employees. The Board also has determined that the benefits are comparable to benefits received by other sanitary district directors in Marin County and are in accord with the comparative responsibilities and commitment that must be made by Board Members.

Resolution No. 2009-1872	Date Approved: July 9, 2009
President of the Board	Supersedes:

B-110 ELECTION OF OFFICERS**Purpose**

This policy establishes the rules for election of Board officers and sets forth the duties of the officers.

B-110-10 Annual Organizational Meeting. The Board shall hold an annual organizational meeting at its first regular meeting in January each year during which the officers of the Board shall be established or reconfirmed

B-110-20 Selection of President and Vice-President. In the first year – (e.g. January 2004)—the year 2003 Vice-President shall become President. At the same time a rotation will be established by years of service with the next longest serving Board Member becoming Vice-President and then President, and continuing down the line of service serving next and so-forth. In the case of Directors that were both elected at the same time, the Director with the greater number of votes will serve as Vice-President and then President first. If the number of votes is no longer available, the rotation of those members will be established by drawing straws.

B-110-30 Term of office. The term of office for President shall be one year. The term of office for Vice-President shall be one year.

B-110-40 Board Secretary, District Treasurer, and District Engineer. The Board shall designate a Secretary to the Board, District Treasurer, and a District Engineer.

B-110-50 Office of President. The President shall serve as chairperson at all Board meetings and shall have the same rights as the other Board Members in voting; introducing motions, resolutions and ordinances; and participating in discussions.

B-110-60 Chairperson. In the absence of the President, the Vice President shall serve as chairperson. If both the President and Vice President are absent, the remaining Board Members shall select one of themselves to act as chairperson.

B-110-70 Executing Documents. The President shall execute Board documents on behalf of the Board unless such authority has been delegated to the District Manager under specific circumstances.

B-110-80 Assuring Integrity. As presiding officer at Board meetings, the President shall assure the integrity of the Board process, including the effectiveness of meetings and the Board's adherence to Board policy. The President shall recognize speakers and makers of motions, call for public participation, rule on the passage or failure of motions, ensure that all Board Members have an equal opportunity to speak during discussions, appoint ad hoc committee members and chairpersons, and set the time and place for any special meetings.

B-110-90 Public Ceremonies. The President or other designee shall represent the District in public ceremonies.

B-120 DUTIES OF BOARD AND BOARD MEMBERS**Purpose**

This policy establishes the responsibilities, duties and limitations of the Board and individual Board members.

B-120-10 Policy Role. The primary responsibility of the Board shall be the formulation and evaluation of policy. Routine operation of the District shall be delegated to the General Manager (B-80-10/20) and to other members of the District staff, as appropriate. The Board and individual Board Members shall have no authority over day-to-day operations of the District.

B-120-20 Limits on Commitments. Individual Board Members or a group of Board Members representing less than a quorum of the Board at a legal meeting of the Board shall not imply or express any commitment of the Board or the District.

B-120-30 Obtaining Information. Board Members may obtain information from other Board Members in accordance with the Ralph M. Brown Act (California Government Code §54950 through §54926), General Manager, District staff (see Policy B-20), or agents of the District. In seeking clarification for policy-related concerns, especially those involving personnel, legal action, land acquisition and development, finances, and programming, said concerns should be referred directly to the General Manager or legal counsel.

B-120-40 Personal Conduct. Board Members shall conduct themselves with dignity, respect the opinions of other Board Members, listen attentively and respond appropriately in a professional manner, give first priority to the needs and best interests of the District, and emphasize the positive. Differing viewpoints are healthy in the decision-making process. Individuals have the right to disagree with ideas and opinions, but without being disagreeable. 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. Once the Board of Directors takes action, Directors should commit to supporting the collective Board action and not to create barriers to the implementation of said action. Board members should use the Strategic Plan as a general basis for focus planning and future. When a Director believes he/she may have a conflict of interest, the legal counsel shall be requested to make a determination if one exists. (see Policy #B-130)

B-120-50 Focus on Issues. Board Members shall focus on issues and not personalities, respect differing points of view, disagree without being disagreeable, and once the Board has acted, support the action of the Board.

B-120-60 Complaints. The needs of the District's constituents should be the priority of the Board of Directors. Board Members shall refer customer complaints directly to the General Manager, report safety concerns immediately to the General Manager, and seek clarification

and information from the General Manager on such issues as policy, personnel, legal action, land acquisition and development, finances, and other matters related to the operation of the District.

B-120-70 Interactions with District Personnel. If approached by District personnel concerning specific District policy, Directors should direct inquiries to the General Manager. The chain of command should be followed.

B-120-80 Meeting Attendance. Members of the Board of Directors shall attend all regular and special meetings of the Board unless there is good cause for absence.

B-120-90 Sexual Harassment Prevention Policy and Complaint Procedure. Members of the Board of Directors acknowledge and understand that the District's Harassment Prevention Policy and Complaint Procedure (Policy B-180) prohibits individual Board members from harassing applicants, officers, officials, employees, volunteers, unpaid interns, or contractors. Individual Board members found to have engaged in sexual harassment will receive appropriate sanction. Harassment Prevention Policy and Complaint Procedure B-180 is incorporated by reference herein.

Resolution No. 2015 – 2027	Date Approved: February 26, 2015
President of the Board	Supersedes: July 9, 2009

Resolution No. 2015 – 2027	Date Approved: February 26, 2015
President of the Board	Supersedes: July 9, 2009

B-130 CONFLICT OF INTEREST**Purpose**

This policy establishes the rules for disclosure of financial interest and sets forth provisions to avoid conflict of interest.

B-130-10 Statements. Board Members shall file statements of economic interest as required by the Fair Political Practices Commission's regulation, 2 Cal. Code of Regs. 18730.

B-130-20 State Regulations. The terms of 2 Cal. Code of Regs. 18730 and any amendments to it adopted by the Fair Political Practices Commission are hereby incorporated by reference, and, along with the attached Appendix A, in which members of the Board and employees of the District are designated, and in which disclosure categories are set forth, constitutes the conflict of interest code of the District.

B-130-30 Compliance Requirements. Board Members and District employees shall comply with all terms and conditions of the conflict of interest code.

B-130-40 Abstaining From Voting. Board Members shall abstain from discussion and voting, and leave the Board table on any agenda item at a Board meeting involving a personal or financial conflict of interest per statute. Unless a conflict of interest exists, Board Members should not abstain from the Board's decision-making responsibilities.

Resolution No. 2009-1872	Date Approved: July 9, 2009
President of the Board	Supersedes:

B-140 BOARD MEETINGS

Purpose

This policy sets forth the rules for the conduct of Board meetings.

B-140-10 Regular Meetings. Regular meetings of the Board shall be held on the First and Third Thursday of each month, begin at 4:30 p.m., and held at the District Office. By at least a 3/5ths majority vote, the Board may approve a change of the date and/or time of a Regular Meeting. If less than all five members of the Board of Directors are present to vote on the proposed change of the Regular Meeting date and/or time, then the vote approving the change must be by at least three (3) members of the Board. A notice of the change of the date and/or time of the Regular Meeting shall be posted at least two (2) weeks prior to the changed Regular Meeting in a location that is freely accessible to members of the public and in the same manner as for the publishing of the Agenda for a Regular Meeting.

B-140-20 Special Meetings. A special meeting of the Board may be called as needed by the Board President or by a majority of the Board. A written notice of the special meeting, specifying the time and place of the meeting and the business to be transacted or discussed, shall be delivered at least 24 hours prior to the meeting to Board Members. Newspapers of general circulation in the District, radio stations and television stations, organizations, citizens and property owners who have requested notice of special meetings in accordance with the Ralph M. Brown Act (California Government Code §54950 through §54926) shall be notified by a mailing unless the special meeting is called less than one week in advance, in which case notice, including business to be transacted, will be given by telephone during business hours as soon after the meeting is scheduled as practicable. No other business shall be considered or discussed at these meetings. The Board may meet in closed session during a special meeting.

B-140-30 Emergency Meeting. In the case of an emergency situation requiring prompt action due to the disruption or threatened disruption of public facilities, the Board may hold an emergency meeting without complying with either the 24-hour notice requirement or the 24-hour posting requirement. "Emergency situation" means any of the following:

- (a) Work stoppage or other activity that severely impairs public health, safety, or both, as determined by a majority of the members of the Board, and
- (b) Crippling disaster that severely impairs public health, safety, or both, as determined by a majority of the members of the Board.

However, each local newspaper of general circulation and radio or television station which has requested notice of special meetings shall be notified one (1) hour prior to the emergency meeting by telephone and all telephone numbers provided by each newspaper or station for notification of special meetings shall be exhausted. In the event that telephone services are not functioning, the notice requirements shall be deemed waived, and the District shall notify those newspapers, radio, or television stations of the holding of the emergency meeting, the purpose, and any action taken at the meeting as soon after the meeting as possible.

The Board shall not meet in closed session during an emergency meeting. All special meeting requirements are applicable to emergency meetings, except the 24-hour notice requirement.

The minutes of emergency meetings, a list of persons the District notified or attempted to notify, a copy of the roll call vote, and any actions shall be posted for a minimum of 10 days in a public place as soon after the meeting as possible

B-140-40 Closed Sessions. Closed sessions of the Board of Director shall be held in cases where the business of the Board of Directors meets the criteria set forth the Ralph M. Brown Act (California Government Code §54950 through §54926) and only when those criteria are met (such as litigation or potential litigation or litigation settlements, labor agreements, real estate negotiations, or employment status of public employees matters). No business other than those announced on the public agenda may be discussed in the closed session.

B-140-50 Public Testimony. The Board may take public testimony at regular and special meetings of the Board on matters that are not on the agenda, but the Board shall not discuss or take action on such matters at that meeting except in the following circumstances:

- 1) An emergency situation is declared by the majority vote of the Board.
- 2) A need to take immediate action on a matter that arises after the agenda is posted is declared by a two-thirds vote of the Boards, or unanimous if less than two-thirds of the Board is present.
- 3) An item on a posted agenda is continued from a Regular Board meeting held not more than five (5) days prior.

The General Manager shall ensure that appropriate information is available for the audience at meetings of the Board of Directors, and that physical facilities for said meetings are functional and appropriate.

B-140-60 Rules of Order. Board meetings shall be conducted by the Board President in a manner consistent with Board policies, the Ralph M. Brown Act (California Government Code §54950 through §54926) and Robert's Rules of Order as directed by District Counsel.

B-140-70 Agenda. Board meetings shall begin at the time stated on the agenda and shall be guided by the agenda. The President shall have the authority to change the order of the agenda.

B-140-80 Board Member Roles. The Board within its legal limits has unrestricted authority. The conduct of Board meetings shall allow Board Members to: (1) consider problems to be solved, weigh evidence, and make wise decisions, and (2) receive, consider, and take action on reports of District operations.

B-140-90 Quorum Required. Individual Board Members or a group of Board Members representing less than a quorum of the Board at a legal meeting of the Board shall not take any action or make any representation that results in: (1) the budgeting or expending of District

funds, (2) the establishing of any procedures or making policy, or (3) the taking of any action on behalf of the Board without first obtaining the Board's approval at a legal meeting of the Board.

B-140-100 Majority Vote. Action can only be taken by a majority vote of the Board. Three (3) Board Members constitute a quorum required to conduct business. When only a quorum is present, all three votes must be unanimous to take action.

B-140-110 Abstentions. A Board member abstaining in a vote is considered as absent for that vote. Thus, an abstention when only a quorum is present prevents the Board from taking action. Similarly, two abstentions with all Board Members present on matters requiring a two-thirds vote automatically defeats the motion.

B-140-120 Rules for Speakers. The public shall be allowed to address the Board regarding agenda items and any other matter within the jurisdiction of the District. The Board President shall determine the appropriate place or places in the agenda for such public testimony and shall have the authority to set equal time limits on speakers. Speakers are requested to follow the Rules for the Conduct of Business at Meetings of the Board of Directors of the Las Gallinas Valley Sanitary District and are requested to fill out a Request to Speak Form, copies of which are attached here to as Exhibit B140-120A.

B-140-130 Maintaining Order. No person shall be allowed to disrupt the meeting. The Board President shall have the authority to bar disruptive persons from giving public testimony or to order their removal from the Board Room. Any necessary and reasonable actions may be taken by the President to maintain order and allow the meeting to continue.

B-140-140 Attendance. Board Members shall attend all meetings of the Board unless there is a good cause for absence. Board Members shall thoroughly prepare themselves to discuss agenda items. All materials pertaining to the Board shall be channeled through the District Manager for distribution to all Board members.

B-140-150 Action Items. Board actions shall include, but are not limited to, adoption or rejection of regulations or policies, resolutions, ordinances, contracts or expenditures, any proposal that commits District funds or facilities, matters that require or may require the District or its employees to take action and /or provide services.

B-140-160 Action by Consensus. The Board by consensus and without formal action may give directions or instructions to the General Manager. The President shall determine if a Board consensus has been reached. Should any two Board Members challenge the President's determination of consensus, a voice vote shall be taken. A formal motion may be made to place a disputed directive on a future Board agenda or to take some other action, such as referring the matter to the General Manager for review and recommendation.

Resolution No. 2009-1872	Date Approved: July 9, 2009
President of the Board	Supersedes:

B-140-170 Limits on Consensus. Informal action by consensus constitutes Board action and shall only be taken on agenda items.

B-140-180 Open-Meeting Law. Under provisions of California’s Ralph M. Brown Act (California Government Code §54950 through §54926) open-meeting law, all meetings of the Board are open to the public except for closed sessions, which are held to consider personnel matters, pending litigation, labor negotiations, land acquisitions or other matters provided for by law. A majority of the board shall not discuss nor reach consensus on any matter under the jurisdiction of the District except at a legal meeting of the Board. The Board fully supports the letter and spirit of the open-meeting law and the public’s right to view the public’s business in open session.

B-140-190 Recording Vote. Except where action is by unanimous vote of all members present and voting, the ayes and noes shall be taken on all actions.

Resolution No. 2009-1872	Date Approved: July 9, 2009
President of the Board	Supersedes:



The Mission of the Las Gallinas Valley Sanitary District is to protect public health and the environment by providing effective wastewater collection, treatment, and recycling services.

DISTRICT BOARD
Megan Clark
Ron Ford
Craig K. Murray
Judy Schriebman
Crystal J. Yezman

DISTRICT ADMINISTRATION
Chris DeGabriele
Interim General Manager
Michael Cortez,
District Engineer
Mel Liebmann,
Plant Manager
Greg Pease,
Collection System/Safety Manager
Dale McDonald,
Administrative Services Manager

Request to Speak Form

Welcome to the Las Gallinas Valley Sanitary District Board Meeting. Please complete this form and hand it to the General Manager. During Zoom Meetings, please send to the Board Secretary – tlrch@lgvsd.org 3 hours prior to the Board meeting.

Name (PRINT): _____

City of Residence: _____

FOR TOPICS NOT ON THE AGENDA:

I wish to speak during the Public Comment period.

FOR ITEMS ON THE AGENDA:

I wish to speak on the subject of Agenda Item # _____

Optional - My comments will be (CIRCLE ONE): *General* *For* *Against*

I do not want to speak; however, I would like to leave comments for the Board of Directors:

Etiquette: Please be seated and wait to be called to speak. Begin by stating your name, city of residence, and whether you are speaking for yourself or on behalf of an organization. If you have handout materials, give them to the General Manager. You have three minutes to speak unless informed otherwise. After speaking, return to your seat in the Board Room.

B-150 MEMBERSHIPS

Purpose

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

B-150-10 Appropriate Memberships. To take advantage of in-service training opportunities, the Board may hold membership in and 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

B-150-20 Appointment of Representatives. The President shall appoint Board Members as representatives and alternates, as appropriate, to serve as contacts between the District and the associations. The representatives and alternates shall report to the Board in a timely manner on their activities involving these associations.

B-150-30 General Manager Memberships. The President may designate the General Manager as the appropriate representative or alternate in connection with memberships in any association. The General Manager may designate those associations or industry specific leadership with which his/her association is necessary or desired.

Resolution No. 2009-1872	Date Approved: July 9, 2009
President of the Board	Supersedes:

B-160 LEGAL COUNSEL**Purpose**

This policy establishes the process to select and hire a Legal Counsel for the District, and sets forth the duties of the Legal Counsel.

B-160-10 Method. The Board by resolution shall employ by contract or other appropriate means an attorney to serve as Legal Counsel for the District.

B-160-20 Selection Process. The process to select a Legal Counsel shall include, but not be limited to, the following: (1) issuance by the Board of a Request for Proposals, (2) appointment by the President of an ad hoc Board committee, which may include the President, to review the proposals in cooperation with the General Manager, (3) selection by the committee of leading candidates to be interviewed by the Board in closed personnel session, (4) background check of the leading candidate or candidates, and (5) selection of a Legal Counsel by the Board in open session. A fee schedule and other conditions of employment, including provisions for evaluation and termination, shall be negotiated between the Board and the legal counsel in closed personnel session and approved by the Board in open session.

B-160-30 Annual Review. The Board or a designated committee of the Board shall conduct an annual performance review of the Legal Counsel. The method will be determined by the Board or delegated by the Board to a committee.

B-160-40 Adviser. The Legal Counsel shall advise the Board and General Manager concerning their respective legal responsibilities for full compliance with all laws pertaining to the governing, administering, and operating of the District. The Legal Counsel shall review and comment on all appropriate matters that come before the Board and that may also involve the General Manager

B-160-50 Duties. Specific duties of the Legal Counsel shall include, but not be limited to, preparing and reviewing contracts, leases, deeds, agreements, and other legal documents; handling legal aspects of land and right-of-way actions; preparing and processing petitions and other documents involved in annexations; handling legislative matters of interest to or affecting the District; making all necessary preparations for Board elections and reviewing election procedures and returns; bringing to the Board's attention matters of interest or concern; advising the Board on labor-law requirements; performing other tasks as ordered by the Board.

B-160-60 Attendance. The Legal Counsel will attend all meetings of the Board, as required. All action items requiring the attention of Legal Counsel shall be agendaized early in meetings to allow for Counsel's release from the meeting.

B-160-70 Relationship to General Manager. The Legal Counsel shall advise the General Manager on appropriate legal matters and shall perform other duties as requested by the General Manager.

Resolution No. 2015-2027	Date Approved: July 9, 2009
President of the Board	Supersedes:

B-170 GENERAL MANAGER PERFORMANCE EVALUATION**Purpose**

This policy establishes the methodology and schedule for evaluating the performance of the general manager.

B-170-10 The General Manager of the District is retained and serves at the will of the Board of Directors and has general authority over personnel matters and authority to administer the District. The Board of Directors shall review the performance of the General Manager after the initial six months of service after appointment and then annually thereafter, using a process that provides for discussion and encourages feedback in the development of goals and the performance evaluation.

B-170-20 The performance evaluations should occur in closed session annually during the first Board of Directors meeting of the month in which the evaluation is due, or on another date mutually acceptable to the Board of Directors and the General Manager. The Board secretary shall maintain a notification system that tracks the date when the evaluation is due to ensure the Board agenda is properly noticed and to provide adequate advance notice to the Board and the General Manager.

B-170-30 Annually, the Board of Directors will agree upon an evaluation methodology to be employed. Many types and forms of evaluation are available to the Board, some more intricate than others. In some cases, an organizational consultant will be used to assist the Board through the process. Board of Directors shall be encouraged to prepare input on the form prior to the Board of Directors meeting.

B-170-40 At a minimum, during a scheduled closed session(s), the Board should meet as a group with the General Manager to verbally discuss the components of the performance evaluation and received feedback from the General Manager relative to his/her assessment. The Board of Directors and General Manager should jointly develop mutually agreed upon written goals and objectives for the subsequent evaluation period. These goals and objectives should include expectation that coincide with the District Strategic Plan deliverables for a given year. If requested by the Board and/or the General Manager, the District's Legal Counsel, or organizational consultant may attend the evaluation session.

Following the meeting with the General Manager, the Board shall meet and determine an overall evaluation of the General Manager's performance for the past review period and provide written notification to the General Manager of the assessment and any recommended compensation adjustment, as appropriate. A copy of this written assessment should be provided to the General Manager and a copy kept in the General Manager's personnel file. The performance evaluation shall be kept confidential. Any decision on a change in compensation award shall be made at a public meeting following the closed session evaluation meeting.

Resolution No. 2015-2027	Date Approved: July 9, 2009
President of the Board	Supersedes:

B-180 HARASSMENT PREVENTION POLICY AND COMPLAINT PROCEDURE

Purpose

The purpose of this Policy is to establish a strong commitment to prohibit and prevent harassment and retaliation by and against the District's elected officials; to define those terms; and to set forth a procedure for investigating and resolving internal complaints. The District encourages all covered individuals to report—as soon as possible—any conduct that is believed to violate this Policy. Acts of harassment by anyone affiliated with the District, including its elected officials, are strictly prohibited and are subject to sanctions and disciplinary measures.

Policy

The District has zero tolerance for any conduct that violates this Policy. Conduct need not arise to the level of a violation of law to violate this Policy. Instead a single act can violate this Policy and provide grounds for discipline or other appropriate sanctions.

Harassment against an applicant or employee by a supervisor, management, employee, elected official, co-worker, member of the public or contractor on the basis of race, religion, sex (including gender, gender identify, gender expression, transgender, pregnancy, and breastfeeding), national origin, ancestry, disability, medical condition, genetic characteristics or information, marital status, age, sexual orientation (including homosexuality, bisexuality, or heterosexuality), or any other protected classification will not be tolerated.

This Policy applies to all terms and conditions of service as an elected District official and governs elected officials' conduct with each other, District employees, volunteers, interns, members of the public, and contractors.

Appropriate sanctions will be instituted for prohibited behavior as defined below.

Any retaliation against a person for filing a good faith complaint or participating in the complaint resolution process in good faith is prohibited. Individuals found to be retaliating in violation of this Policy will be subject to appropriate sanctions or disciplinary action up to and including termination.

B-180-10 Definitions.

B-180-10-1 Protected Classification. This policy prohibits harassment because of an individual's protected classification. "Protected Classification" includes race, religion, color, sex (including gender, gender identify, gender expression, transgender, pregnancy, and breastfeeding, sexual orientation (including heterosexuality, homosexuality, and bisexuality), national origin, ancestry, citizenship status, marital status, pregnancy, age, medical condition, genetic characteristics or information, military and veteran status, and physical or mental disability.

B-180-10-2 Policy Coverage. This Policy prohibits elected officials from harassing against applicants, officers, officials, employees, contractors, or members of the public

because of: 1) an individual's protected classification; 2) the perception that an individual has a protected classification; or 3) the individual associates with a person who has or is perceived to have a protected classification.

B-180-10-3. Harassment. Harassment may include, but is not limited to, the following types of behavior that is taken because of a person's protected classification. Note that harassment is not limited to conduct that the District's employees take. Under certain circumstances, harassment can also include conduct taken by those who are not employees, such as elected officials, persons providing services under contracts, or even members of the public:

Speech, such as epithets, derogatory comments or slurs, and propositioning on the basis of a protected classification. This might include inappropriate comments on appearance, including dress or physical features, or dress consistent with gender identification, or race-oriented stories and jokes.

Physical Acts, such as assault, impeding or blocking movement, offensive touching, or any physical interference with normal work or movement. This includes pinching, grabbing, patting, propositioning, leering, or making explicit or implied job threats or promises in return for submission to physical acts.

Visual acts, such as derogatory posters, cartoons, emails, pictures, or drawings related to a protected classification.

Unwanted sexual advances, requests for sexual favors and other acts of a sexual nature, where submission is made a term or condition of employment, where submission to or rejection of the conduct is used as the basis for employment decisions, or where the conduct is intended to or actually does unreasonably interfere with an individual's work performance or create an intimidating, hostile, or offensive working environment.

B-180-20 Guidelines for Identifying Harassment. To help clarify what constitutes harassment in violation of this Policy, use the following guidelines:

B-180-20-1 Harassment includes any conduction which would be "unwelcome" to an individual of the recipient's same protected classification and which is taken because of the recipient's protected classification.

B-180-20-2 It is no defense that the recipient appears to have voluntarily "consented" to the conduct at issue. A recipient may not protest for many legitimate reasons, including the need to avoid being insubordinate or to avoid being ostracized.

B-180-20-3 Simply because no one has complained about a joke, gesture, picture, physical contact, or comment does not mean that the conduct is welcome. Harassment can evolve over time. The fact that no one is complaining now does not preclude anyone from complaining if the conduct is repeated in the future.

B-180-20-4 Even visual, verbal, or physical conduct between two elected officials who appear to welcome the conduct can constitute harassment of a third applicant, officer, official, employee, intern, volunteer, or contractor who observes the conduct or learns about the conduct later. Conduct can constitute harassment even if it is not explicitly or specifically directed at an individual.

B-180-20-5 Conduct can constitute harassment in violation of this Policy even if the individual engaging in the conduct has no intention to harass. Even well-intentioned conduct can violate this Policy if the conduct is directed at, or implicated a protected classification, and if an individual of the recipient's same protected classification would find it offensive (e.g., gifts, over attention, endearing nicknames).

B-180-30 Complaint Process. An employee, job applicant, volunteer, intern, elected official, or contractor who believes he/she is the victim of harassment may file a formal or informal complaint without fear of reprisal or embarrassment.

B-180-30-1 An informal complaint is made verbally to District Counsel or the General Manager, or with any supervisory employee.

B-180-30-2 A formal complaint is made in writing. It is preferred that a written complaint be submitted to the District Counsel or the General Manager, but it may also be submitted to any supervisory employee

B-180-30-3 Any supervisor who receives a harassment complaint should notify the General Manager immediately. If the harassment complaint is made by or against the General Manager, the supervisor should notify District Counsel.

B-180-30-4 Within 24 hours of the submitting the complaint to the General Manager, the General Manager shall inform, in a means designed to retain confidentiality, District Counsel.

B-180-30-5 Upon receiving notification of a harassment complaint, the General Manager or District Counsel shall authorize and supervise the investigation of the complaint and/or investigate the complaint. The investigation will include interviews with: 1) the complainant; 2) the accused harasser; and 3) other persons who have relevant knowledge concerning the allegations in the complaint. Those informed of the investigation shall conduct themselves in a manner that will not compromise the integrity

of the investigation. including but not limited to refraining from actions that may intimidate potential witnesses.

B-180-30-6 The person initiating the complaint and the person accused of the alleged harassment has the right to be accompanied by an advocate(s) when discussing alleged incidents. Said persons shall be advised of this right prior to the commencement of such discussions.

B-180-30-7 The party responsible for the supervision of the investigation should review the factual information gathered through the investigation to determine whether the alleged conduct constitutes a violation of this Policy and report a summary of the determination as to whether a Policy violation occurred to appropriate persons, including the complainant, the alleged harasser, and the supervisor. If discipline is imposed, the level of discipline will not be communicated to the complainant.

B-180-40 Disciplinary Procedures and Sanctions. Upon conclusion of the investigation of an alleged harassment, appropriate action shall be taken against the harasser where a violation of this Policy is found, including legal actions where appropriate.

B-180-40-1 Appropriate action shall be taken to remedy the victim's loss, if any, resulting from the harassment.

B-180-40-2 Action taken to remedy a harassment situation shall be done in a manner so as to prevent further violations.

B-180-40-3 Elected officials and employees complaining of harassment shall be protected thereafter from any form of reprisal and/or retaliation. Any adverse conduct taken because an applicant, employee, elected official or contractor has reported harassment, or has participated in the complaint and investigation process described herein, is prohibited. "Adverse conduct" includes but is not limited to: taking sides because an individual has reported harassment, spreading rumors about a complaint, shunning and avoiding an individual who reports harassment, or real or implied threats of intimidation to prevent an individual from reporting harassment. The following individuals are protected from retaliation: those who make good faith reports of harassment, and those who associate with an individual who is involved in reporting harassment or who participates in the complaint or investigation process.

B 180-50- Option to Report to Outside Administrative Agencies. An individual has the option to report harassment to the U.S. Equal Employment Opportunity Commission (EEOC) or the California Department of Fair Employment and Housing (DFEH). These administrative agencies offer legal remedies and a complaint process. The nearest offices are listed in the government section of the telephone book or employees can check the posters that are located on employer bulletin boards for office locations and telephone numbers.

FINANCE

F-10 GENERAL

Purpose

This policy establishes the overall purpose for the District adopted financial policies.

F-10-10 Review Annually. Las Gallinas Valley Sanitary District's financial policies shall be reviewed annually by the Board and shall be published in the adopted budget.

F-10-20 Comply with Applicable Laws. The District shall comply with all applicable state and federal laws and regulations concerning financial management and reporting, budgeting, investing and debt administration.

F-10-30 Administrative Procedures. The District shall comply with all applicable state and federal laws and regulations concerning financial management and reporting, budgeting, investing and debt administration.

F-20 FINANCIAL REPORTING

Purpose

This policy establishes procedures for preparing interim financial statements for Board review.

F-20-10 Quarterly Financial Reporting to Board of Directors. District staff shall prepare and provide to the Board of Directors a quarterly summary report that compares actual revenues and expenditures to budgeted amounts, including relevant information on debt proceeds and debt service payments. The report shall explain significant variances and provide analysis and interpretation of financial information.

F-20-20 Monthly Financial Reporting to Management. District staff shall prepare a monthly report for review and use by District management that compares actual revenues and expenditures to budgeted amounts, as well as additional reports as requested to assist in managing the day-to-day operations of the District.

Resolution No. 2017-2084	Date Approved: February 23, 2017
President of the Board	Supersedes: Not applicable.

F-30 ACCOUNTING AND AUDITING**Purpose**

This policy establishes procedures for preparing annual audited financial statements and other required reports for Board review.

F-30-10 Oversight by Board. A primary responsibility of the Board is oversight of the District's finances and assets to ensure that they are being used and invested for the benefit of the public and are protected.

F-30-20 Day-to-Day Responsibility. The Board delegates day-to-day responsibility for auditing controls on District finances and assets to the General Manager.

F-30-30 Financial Statements. District staff shall prepare financial statements annually, in accordance with generally accepted accounting principles for local governments in the United States. The District's financial statements shall be audited annually by an independent, qualified third party in accordance with generally accepted auditing standards, and shall complete the audit within six months of the end of the fiscal year. The audit results and any associated District management response shall be presented to the Board of Directors.

F-30-40 Other Annual Reports. The District shall prepare other annual financial reports as required by state law. These reports include but are not limited to:

- Annual Report of Reimbursement for Staff and Board members per CGC §53065.5
- Annual Report of Capital Facilities Charge activity per CGC §66013

F-30-50 Report to Board. At least once each year the General Manager and Administrative Services Manager will be responsible for reporting to the Board on the effectiveness and appropriateness of internal and external auditing controls. The Board desires to have a thorough understanding of safety mechanisms. To achieve this, the annual auditing report, in addition to meeting minimum legal requirements, will:

- Explain the audit process and answer questions from the Board.
- Review the thoroughness of the District audit.
- Review District internal and external controls.
- Report on any problems that may occur.
- Make suggestions for improvements in audits and controls.

F-30-60 Appointment of Auditor. The Board of Directors shall, by motion, appoint an Auditor to perform the annual audit of the agency's financial records, issue an audit opinion, and serve as consultant on accounting activities when requested. As a general practice, the auditing firm and/or specific auditor shall be replaced every five years.

F-30-70 Accounting Policies and Procedures. The General Manager and Administrative Services Manager shall develop internal accounting policies and procedures necessary to implement these Financial Policies and to ensure that internal controls, processes and

procedures are in compliance with the California State Controller's Office Internal Control Guidelines pursuant to CGC section 12422.5 and are adequate to protect the finances of the District.

Resolution No. 2017-2084	Date Approved: February 23, 2017
President of the Board	Supersedes: Not applicable.

F-40 BUDGET**Purpose**

This policy establishes procedures for preparing budgets and schedules; reviewing budgets; adopting budgets, including committee review, Board review, and public hearings; revising budgets; and budget reports to Board.

F-40-10 Budget Preparation. An annual budget proposal shall be prepared by the General Manager and Administrative Services Manager. The proposed annual budget as amended by the Board during its review shall be adopted at a regular meeting in June.

F-40-20 Basis of Budgeting. All budgetary procedures will conform to state regulations and generally accepted accounting principles. As such, the District shall use a modified accrual basis of accounting for reporting on budgeted versus actual expenditures, with the following exceptions:

- Grant revenues are budgeted on a modified cash basis rather than an accrual basis;
- Fixed assets are depreciated for some financial reporting, but are fully expensed in the year acquired for budgetary purposes;

F-40-30 Balanced Budget. The District shall maintain a balanced budget, defined as total resources (operating revenue, non-operating revenue, intrafund transfers and beginning fund equity) shall equal total requirements (operating expenses, capital expenses, debt service, intrafund transfers and ending fund equity) including contingencies. Furthermore, the District considers the budget to be balanced whenever annual operating and non-operating revenues meet or exceed annual operational expenditures. The District is committed to maintaining a balanced budget under normal circumstances and will disclose deviations from a balanced operating budget when it occurs.

F-40-40 Budget Control. The Board of Directors retains the exclusive authority to increase annual budget authority for Operational Expenditures. If total operating expenditures are expected to exceed the General Manager's signing authority as of the most recently prepared quarterly financial statement the matter shall be brought to the Board's attention so that a budget amendment may be duly approved by the Board.

The Board of Directors also retains the exclusive authority to increase the annual budget authority for Capital Expenditures. In no case may total capital expenditures exceed that which is appropriated by the Board without a budget amendment duly approved by the Board.

Only the Board may authorize transfer of budget authority between Operational Expenditures and Capital Expenditures. Only the Board may increase the number of authorized staff positions.

The General Manager has the authority to approve budget transfers between operating departments. The General Manager has the authority to approve budget transfers between capital projects. The General Manager has the authority to hire employees to maintain the authorized staff positions.

The Administrative Services Manager / District Treasurer shall be responsible for establishing a budgetary control system to ensure compliance with this policy.

F-40-50 Capital asset acquisition, maintenance, replacement and retirement

F-40.50-10 Budget for maintenance The District shall budget for the adequate maintenance of capital equipment and facilities to protect the public investment and ensure achievement of their maximum useful life.

F-40.50-20 Use of operational fund balance for capital. Operational fund balances in excess of established reserves and liquidity requirements shall be used for the development, rehabilitation or replacement of capital assets.

F-40.50-30 Capitalization threshold. An asset shall be considered a capital asset when the initial cost of the asset is \$5,000 or more and has a useful life of more than one year. The initial cost shall include any costs necessary to put the asset into its intended use. Interest in real property shall always be considered a capital asset, regardless of its initial cost.

F-40.50-40 Five-year Capital Improvement Plan. The District shall prepare and adopt a five-year Capital Improvement Plan as part of the rate setting process that identifies and sets priorities for all major capital assets to be acquired, constructed or replaced by the District. The Capital Improvement Plan shall be included in the Adopted Budget. The status of the Capital Improvement Plan shall be updated annually as part of the budget.

F-40.50-50 Funding requirement The Capital Improvement Plan shall identify adequate funding to support the acquisition, construction and replacement of assets identified in the plan, and shall identify projects that the District believes beneficial to the system but funding has not yet been identified. The Capital Improvement Plan shall include and indicate when and for what projects the District intends to finance through the issuance of debt. Additionally, the District shall strive to develop a comprehensive strategy and funding plan for the renewal and replacement of existing capital assets.

F-40-60 Quarterly Budget Review. Quarterly reviews compare financial plans and budgets, current forecasts, and actual results. The General Manager shall prepare and present these at regular Board meetings.

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President of the Board	Supersedes: July 9, 2009

F-50 RESERVES

Purpose

This policy establishes reserves, explains the purpose and reasons for the size of each reserve, and provides for the oversight of reserves.

The District requires reserves for operations and capital needs. Reserves provide financing safeguards for the District’s operations. Such funds are available for extraordinary expenses and to fund cash flow. In addition, reserve fund investments generate earnings to supplement other revenues.

F-50-10 Reserve Fund Policies

PURPOSE	OPERATING RESERVE Insure that a minimum balance of 7 months of average budgeted expenses is available.	RATE STABILIZATION Fund unexpected expense increases using the reserve. Replenish any reserves used over a 3 to 4 year period.	EMERGENCY REPAIR RESERVE Fund emergency repairs. Replenish the reserve over a 2 to 3 year period.	CAPITAL RESERVE Provide capital for major capital projects including upgrades and expansions.	TOTAL COMBINED RESERVES
CURRENT STATUS					
FY 2015/16	\$2,322,631	\$300,000	\$ 956,378	\$2,049,380	\$5,628,389
Target Balance	\$2,590,000, 3 months; 7 months needed	\$300,000	\$1,000,000	\$4,000,000	\$7,890,000
Risks and Consideration	When the balance is below the target, other reserves are used to meet cash flow needs. Provide for this reserve by increasing revenues to fund.	The reserve is used to absorb unexpected cost increases and spread them over more than one year.	Balance may be used to fund working capital needs and not be available for a catastrophic event.	Without a reserve, projects are funded with current year revenue in excess of O&M needs; or the District has to rely on bond financing. At the time the reserve balance was established the District had operating and capital reserves of \$10M.	
LONG-TERM GOALS					
Target Balance	\$5,930,000; 7 months of operating and debt service cash flow based on 2016/17 budget; amount will need to increase over time based on projected costs.	Board and staff to determine if the target balance of \$300,000 is adequate.	\$1,000,000; cost to repair a major pump station or other infrastructure.	\$4,000,000 average annual pay as you go CIP expenses for a two year period to recognize the fact that capital projects can span two fiscal years.	
The district will build up the reserves based on: (a) the annual Construction CPI and (b) annual allocations of property tax and ERAF funds, as available.					
Risks and Considerations	Due to the timing of revenue receipts an increased margin would be more comfortable.	A sudden increase in costs would have to be absorbed by operating reserves since the rate setting process occurs every 4 to 5 years.	The reserve would be able to absorb one major repair or several smaller ones; a catastrophic event would require federal or state funding.	Should be sufficient for cash funding or regular projects but may not be enough for larger infrastructure replacements where debt may be incurred.	

F-60 REVENUE**Purpose**

This policy establishes how the District will set fees and ensure their collection to fund operations.

F-60-10 Setting of Fee and Charge Amounts. Fees and charges shall be set to recover the current operational needs of the District, including the financing of capital improvements in accordance with the Capital Improvement Program.

F-60-20 Collection of Fees and Charges. The District shall strive to collect all fees and charges imposed, and shall actively pursue and settle delinquent accounts.

F-60-30 Review of Fees. The District shall review fees and charges annually to ensure they are set at appropriate amounts.

F-60-40 Revenue Forecasting. The District shall estimate revenues conservatively, through an objective, analytical process. The District shall regularly report on forecasted vs. actual revenues, and provide explanation for significant variances.

F-60-50 Use of one-time and unpredictable revenues. One-time revenues shall be used to support one-time expenditures or increase fund balance. Unpredictable revenues shall not be used to support ongoing operational expenses for a period longer than the revenue can reasonably be expected to support them.

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F-70 INVESTMENTS

Purpose

This policy establishes who controls investments, the acceptability of various types of investments, criteria for judging investments, and provisions for Board oversight.

F-70-10 Premise. The Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern (California Government Code (CGC) §53600.6 and §53630.1); and,

Government Code Sections 5921 and 53601, et seq., allow the legislative body of a local agency to invest surplus monies not required for the immediate necessities of the local agency; and,

The treasurer or fiscal officer of a local agency is required to annually prepare and submit a statement of investment policy and such policy, and any changes thereto, is to be considered by the local agency's legislative body at a public meeting (CGC §53646(a)).

For these reasons, and to ensure prudent and responsible management of the public's funds, it is the policy of the District to invest funds in a manner that will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all statutes governing the investment of District funds.

F-70-20 Scope. This investment policy applies to all financial assets of the District. These funds are accounted for in the Annual Audited Financial Statements.

F-70-30 Prudence. The standard of prudence to be used by investment officials shall be the prudent investor standard (CGC §53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security credit risk or market price changes, provided deviations for expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

F-70-40 Objectives. As specified in CGC §53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives of the investment activities, in priority order, shall be:

Safety: Safety of principal is the foremost objective of the investment program. Investments of Las Gallinas Valley Sanitary District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

Liquidity: The investment portfolio will remain sufficiently liquid to enable Las Gallinas Valley Sanitary District to meet all operating requirements, which might be reasonably anticipated.

Return on Investments: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

F-70-50 Delegation of Authority. Authority to manage the investment program is derived from California Government Code Sections 53600, et seq. Management responsibility for the investment program is hereby delegated to the General Manager and District Treasurer. Written procedures for the operation of the investment program consistent with this investment policy shall be established. Procedures should include references to safekeeping, PSA repurchase agreements, wire transfer agreements, collateral/depository agreements, and banking services contracts, as appropriate. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the General Manager and District Treasurer. The General Manager shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. Under the provisions of California Government Code §53600.3, the General Manager and District Treasurer are trustees and/or fiduciaries, subject to the prudent investor standard.

F-70-60 Ethics and Conflicts of Interest. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

F-70-70 Authorized Financial Institutions and Dealers. The General Manager and District Treasurer will maintain a list of financial institutions, selected on the basis of credit worthiness, financial strength, experience and minimal capitalization authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment and financial advisory services in the State of California. No public deposit shall be made except in a qualified public depository as established by state laws.

For brokers/dealers of government securities and other investments, the District shall select only broker/dealers who are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organizations.

Before engaging in investment transactions with a broker/dealer, the District Treasurer, or other appropriate District officer, shall have received from said firm a signed Certification Form. This form shall attest that the individual responsible for the District's account with the firm has reviewed the District's Investment Policy and that the firm understands the policy and intends to

present investment recommendations and transactions to the District that are appropriate under the terms and conditions of the Investment Policy.

F-70-80 Authorized and Suitable Investments. The District is empowered by California Government Code §53601, et seq., to invest in the following:

- A. Bonds issued by the District.
- B. U.S. Treasury Bills, Notes & Bonds.
- C. Registered state warrants or treasury notes or bonds issued by the State of California.
- D. Bonds, notes, warrants or other evidence of debt issued by a local agency within the State of California, including pooled investment accounts sponsored by the State of California, County Treasurers, other local agencies or Joint Powers Agencies.
- E. Obligations issued by agencies or instrumentalities of the U.S. Government.
- F. Bankers acceptances with a term not to exceed 270 days. Not more than 40% of surplus funds can be invested in bankers acceptances and no more than 30% of surplus funds can be invested in the bankers acceptances of any single commercial bank.
- G. Prime commercial paper of U.S. corporations with assets greater than \$500 million, with a term not to exceed 180 days and the highest ranking issued by Moody's Investors Service (Moody's) or Standard & Poor's Corporation (S&P). Commercial paper cannot exceed 15% of total surplus funds, provided that, if the average maturity of all commercial paper does not exceed 31 days, up to 30% of surplus funds can be invested in commercial paper.
- H. Negotiable certificates of deposit issued by federally or state chartered banks or associations. Not more than 30% of surplus funds can be invested in certificates of deposit.
- I. Repurchase/reverse repurchase agreements of any securities authorized by this Section. Securities purchased under these agreements shall be no less than 102% of market value. (See special limits in CGC §53601.i.)
- J. Medium term notes (not to exceed 5 years) of U.S. corporations rated A or better by Moodys or S&P. Not more than 30% of surplus funds can be invested in medium term notes.
- K. Shares of beneficial interest issued by diversified management companies (money market mutual funds) investing in the securities and obligations authorized by this Section. Such funds must carry the highest rating of at least two of the three largest national rating agencies. Not more than 15% of surplus funds can be invested in money market mutual funds.

- L. Funds held under the terms of a trust indenture or other contract or agreement may be invested according to the provisions of those indentures or agreements.
- M. Collateralized bank deposits with a perfected security interest in accordance with the Uniform Commercial Code (UCC) or applicable federal security regulations.
- N. Any mortgage pass-through security, collateralized mortgage obligation, mortgaged backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate or consumer receivable backed bond of a maximum maturity of five years. Securities in this category must be rated AA or better by a nationally recognized rating service. Not more than 30% of surplus funds may be invested in this category of securities.
- O. Any other investment security authorized under the provisions of CGC §5922 and §53601. (Also, see CGC §53601 for a detailed summary of the limitations and special conditions that apply to each of the above listed investment securities. CGC §53601 is included by reference in this investment policy.)

F-70-90 Collateralization. All certificates of deposits must be collateralized by U.S. Treasury Obligations. Collateral must be held by a third party trustee and valued on a monthly basis. The percentage of collateralization on repurchase and reverse repurchase agreements will adhere to the amount required under CGC §53601(i)(2).

F-70-100 Safekeeping and Custody. All security transactions entered into by the District shall be conducted on delivery-versus-payment (DVP) basis. All securities purchased or acquired shall be delivered to the District by book entry, physical delivery or by third party custodial agreement as required by CGC §53601.

F-70-110 Diversification. It is the policy of the District to diversify its investment portfolio by security type and institution. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. Diversification strategies shall be determined and revised periodically. In establishing specific diversification strategies, the following general policies and constraints shall apply:

- P. Portfolio maturities shall be matched versus liabilities to avoid undue concentration in a specific maturity sector.
- Q. Maturities selected shall provide for stability of income and liquidity.
- R. Disbursement and payroll dates shall be covered through maturities investments, marketable U.S. Treasury Bills or other cash equivalent instruments, such as money market mutual funds.

F-70-120 Reporting. In accordance with CGC §53646(b)(1), the District Treasurer, or other appropriate District officer, shall submit to each member of the Board a quarterly investment report. The report shall include a complete description of the portfolio, the type of investments,

the issuers, maturity dates, par values and the current market values of each component of the portfolio, including funds managed for the District by third party contracted managers. The report will also include the source of the portfolio valuation. As specified in CGC §53646 (e), if all funds are placed in LAIF, FDIC-insured accounts and/or in a county investment pool, the foregoing report elements may be replaced by copies of the latest statements from such institutions. The report must also include a certification that: (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy; and, (2) The District will meet its expenditure obligations for the next six months as required by CGC §53646(b)(2) and (3), respectively. The Treasurer, or other appropriate District officer, shall maintain a complete and timely record of all investment transactions.

F-70-130 Investment Policy Review. Staff may annually present this Investment Policy to the Board for review. Any modifications shall be considered at a public meeting and approved by the Board.

F-70-140 Prohibited Investments. Under the provisions of CGC §53601.6 and §53631.5 the District shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, interest-only strips derived from mortgage pools, or any investment that may result in a zero interest accrual if held to maturity.

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F-80 DEBT ISSUANCE, POST ISSUANCE COMPLIANCE AND MANAGEMENT

Purpose

This policy establishes procedures for the use of debt for financing the District's capital improvements.

F-80-10 Use of Long-term Debt. The District shall have a preference to finance capital improvements using pay-as-you-go financing and shall issue long-term debt only to finance capital improvements that cannot be readily financed from current revenues. Some exceptions to this may be made on a case-by-case basis for no-interest and extremely-low-interest loan programs for capital projects.

Debt financing shall be used only for major, non-recurring items or improvements with a minimum of five years of useful life; assets with a shorter useful life shall be financed using pay-as-you-go financing. The intended use of debt shall be described in and integrated into the District's Capital Improvement Plan and any long range financial forecasts.

F-80-20 Types of Debt. The District, either on its own or through a public benefit corporation, may issue general obligation bonds, certificates of participation, revenue bonds, borrow from a bank, borrow from the State of California through the use of state revolving fund loans, borrow from the Federal Government, or issue any other long or short-term instrument approved by and deemed appropriate by the Board of Directors to meet the capital financing needs of the District. Debt may be fixed rate or variable rate.

F-80-30 Length of Debt Obligations. The District shall repay all debt issued within a period not to exceed the expected useful life of the improvements financed by the debt.

F-80-40 Debt Service Limitations. The District shall not issue debt where the debt service amounts exceed its ability to pay current obligations from current revenues. This shall be calculated as follows: current operating revenues, less current operating expenditures, shall be at least 125% of anticipated total annual debt service for all outstanding long-term debt.

F-80-50 Use of Credit Enhancements. When issuing long-term debt, credit enhancements (letters of credit, bond insurance, etc.) may be used, but only when net debt service on the debt is reduced by more than the cost of the enhancement, or the enhancement is a requirement for the loan or debt issuance.

F-80-60 Bond rating. The District shall seek to maintain and, if possible, improve its current bond rating in order to minimize borrowing costs and preserve access to credit.

F-80-70 Financial disclosure. The District shall fully disclose financial and pertinent credit information as it relates to the District's outstanding securities.

F-80-80 Post Issuance Compliance with Federal Law. State and local governmental entities that borrow money on a tax-exempt basis are now required to report to the Internal Revenue Service whether they have established written procedures to comply with applicable requirements of federal tax law for all issues of bonds, certificates of participation, bond anticipation notes, tax anticipation notes, revenue anticipation notes, financing leases, energy performance contract financings, and any other instruments evidencing the borrowing of money (collectively the “Obligations”). The procedures set forth herein will assist the Las Gallinas Valley Sanitary District (collectively, the “Issuer”), in meeting the post-issuance requirements of federal tax law necessary to preserve the tax-exempt status of interest on tax-exempt Obligations issued by the Issuer.

These procedures address Obligations issued for physical facilities, property and equipment for the Issuer (the “Capital Obligations”) and Obligations issued to finance cash-flow operating requirements of the Issuer (the “Cash-Flow Obligations”).

F-80-80-1 General Procedures.

F-80-80-1a Responsible Official. The General Manager of the Issuer (herein referred to as the “Responsible Official”) will identify such officers and employee(s) who will be responsible for each of the procedures listed below, and will notify such officers and employee(s) of the responsibilities, and provide those persons with a copy of these procedures. Upon employee transitions, the Responsible Official will advise the new personnel of their responsibilities under these procedures and will ensure they understand the importance of these procedures. If employee positions are restructured or eliminated, the Chief Financial Officer of the Issuer will reassign responsibilities as necessary.

F-80-80-1b Issuance of Obligations.

F-80-80-1b.1 Bond Counsel. The Issuer will retain a firm of nationally-recognized bond counsel (“Bond Counsel”) to deliver a legal opinion in connection with the issuance of all Obligations. The Responsible Official will consult with Bond Counsel and other legal counsel and advisors, as needed, following the issuance of Obligations to ensure that applicable post-issuance requirements are met, so that interest on each issue of Obligations will be excluded from gross income for federal income tax purposes.

F-80-80-1b.2 Documentation of Tax Requirements. The federal tax requirements relating to each issue of Obligations will be set forth in a Tax Certificate (the “Tax Certificate”) executed in connection with each issue of Obligations, which will be included in the closing transcript for each issue of Obligations. The Tax Certificate will contain certifications, representations, expectations and factual statements relating to the restriction on use of the assets and facilities financed or refinanced with Obligations by persons or entities other than the Issuer, changes in use of the assets and facilities financed or refinanced with the proceeds of Obligations, restrictions applicable to the investment of the proceeds of any Obligations and other moneys relating to the Obligations, and arbitrage rebate requirements. The Responsible Official will review the Tax Certificate prior to the date of issue of each issue of Obligations.

F-80-80-1b.3 Information Reporting. In connection with each issue of tax-exempt Obligations, the Issuer is required to file, or shall cause to be filed by Bond Counsel, an IRS Form 8038-G (or, if applicable, IRS Form 8038-GC). Any such IRS Form filed with the IRS, together with a proof of filing, will be included as part of the closing transcript for each issue of Obligations, or kept in the records maintained by Bond Counsel related to the appropriate issue of Obligations. The Responsible Official shall ascertain that such form has been filed in connection with each issue of Obligations.

F-80-80-1b.4 Record Retention.

General. Copies of all relevant documents and records sufficient to support that the tax requirements relating to all Obligations have been satisfied, including the following documents and records, should be maintained by the Issuer:

- (a) Closing transcript;
- (b) All records of investments, arbitrage reports, returns filed with the IRS and underlying documents;
- (c) Construction contracts, purchase orders, invoices and expenditure and payment records;
- (d) Documents relating to costs reimbursed with the proceeds of Capital Obligations;
- (e) All contracts and arrangements involving Private Use of the property financed with Capital Obligations;
- (f) All reports relating to the allocation of the proceeds of Obligations and Private Use of property financed with Capital Obligations;
- (g) Itemization of property financed with the proceeds of Capital Obligations; and
- (h) In connection with Cash-Flow Obligations, information regarding the Issuer's revenue, expenditures and available balances sufficient to support the Issuer's prospective and actual maximum cumulative cash.

F-80-80-1b.5 Duration of Record Retention. All of the foregoing documents and records should be retained for the term of the Obligations, plus three (3) years, or if the Obligations are refunded with the proceeds of a subsequent Obligation, the date three (3) years after the last of such refunding Obligations are refunded.

F-80-80-1c Capital Obligations.

F-80-80-1c.1 Timely Expenditure of Proceeds of Capital Obligations. At the time of issuance of Capital Obligations issued to fund original expenditures, the Issuer must reasonably expect to spend at least 85% of all proceeds within three (3) years of the date of issuance of the Obligations. In addition, for Capital Obligations, the Issuer must have incurred or expect to incur within six months after issuance original expenditures of not less than 5% of the amount of such proceeds, and must expect to complete the project financed with Capital Obligations (the "**Project**") and expend the proceeds of such Capital Obligations to pay Project costs with due diligence. Satisfaction of these requirements allows the proceeds of Capital Obligations issued for the Project to be invested at an unrestricted yield for three (3) years. Failure to satisfy these requirements

could subject the Issuer to rebate of investment income, and other penalties. The Responsible Official will monitor the appropriate capital project accounts to ensure that the proceeds of Capital Obligations are spent within the time period(s) required under federal tax law.

Capital Obligations issued to refinance outstanding Capital Obligations are subject to separate expenditure requirements, which shall be outlined in the Tax Certificate relating to such Obligations. In connection with the issuance of any Capital Obligations issued to refinance outstanding Capital Obligations, the Responsible Official will confirm that any rebate obligation due with respect to the original issue and any subsequent refinancing thereof has been met.

F-80-80-1c.2 Use of Proceeds of Capital Obligations. In general, proceeds (including investment income on original sale proceeds) of Capital Obligations, other than proceeds used to pay costs of issuance, should be spent on capital expenditures. For this purpose, capital expenditures generally mean costs to acquire, construct, or improve property (land, buildings and equipment). Capital Expenditures include design and planning costs related to the Project, and include architectural, engineering, surveying, soil testing, environmental, and other similar costs incurred in the process of acquiring, constructing, improving or adapting the property. Capital Expenditures do not include operating expenses of the Project.

F-80-80-1c.3 Use of Facilities Financed with Capital Obligations. For the life of all Capital Obligations, the Project must be owned and operated by the Issuer. At all times while Capital Obligations issued for a Project are outstanding, no more than 10% of the proceeds of such Capital Obligations may be used, directly or indirectly, in a trade or business carried on by a person other than a state or local governmental unit ("**Private Use**"). Generally, Private Use consists of any contract or other arrangement, including leases, management contracts (for example, contracts relating to the management or operation of a parking facility, food service operation or municipal utility system), operating agreements and guarantee contracts which provides for use of the facilities financed with Capital Obligations by a person who is not a state or local government on a basis different than the general public. The Project may be used by any person or entity, including any person or entity carrying on any trade or business, if such use constitutes "General Public Use". General Public Use is any arrangement providing for use that is available to the general public at either no charge or on the basis of rates that are generally applicable and uniformly applied.

F-80-80-1c.4 Management or Operating Agreements for Facilities Financed with Capital Obligations. Any management, operating or service contracts whereby a non-exempt entity is using facilities financed or refinanced with the proceeds of Capital Obligations must relate to portions of the Project that fit within the above-mentioned 10% allowable Private Use, or the contracts must meet the IRS safe harbor for management contracts (Revenue Procedure 97-13, as amended, or Revenue Procedure 2017-13, as applicable). Any renewals of or changes to such contracts should be reviewed by Bond Counsel. The Responsible Official shall contact Bond Counsel if there may be a lease,

sale, disposition or other change in use of facilities financed or refinanced with the proceeds of Capital Obligations.

F-80-80-1d Cash-Flow Obligations.

F-80-80-1d.1. Proper Sizing of Cash-Flow Obligations.

- (a) The Issuer must reasonably anticipate that it will incur an actual maximum cumulative cash-flow deficit on a date on or before the close of the six-month period commencing on the issue date of the Cash-Flow Obligations equal to at least 100% of the issue price of the Cash-Flow Obligations (taking into account the Issuer's "reasonable working capital reserve" amount).¹
- (b) The Responsible Official will determine the appropriate amount of Cash-Flow Obligations to issue.
- (c) The Responsible Official shall determine whether or not the Issuer has met its requisite maximum cumulative cash-flow deficit within six months following the date of issuance of the Cash-Flow Obligations, and shall, to the extent necessary, obtain assistance from the Arbitrage Rebate Consultant, referred to below.

F-80-80-1e Investment Restrictions; Arbitrage Yield Calculation; Rebate.

F-80-80-1e.a Investment Restrictions. Investment restrictions relating to the proceeds of Obligations and other moneys relating to the Obligations are set forth in the Tax Certificate. The Responsible Official will monitor the investment of the proceeds of Obligations to ensure compliance with yield restriction rules.

F-80-80-1e.2 Arbitrage Yield Calculation. Investment earnings on the proceeds of Obligations should be tracked and monitored to comply with applicable yield restrictions and/or rebate requirements. The Issuer is responsible for calculating (or causing the calculation of) rebate liability for each issue of Obligations, and for making any required rebate payments. Any funds of the Issuer set aside or otherwise pledged or earmarked to pay debt service on the Obligations should be analyzed to assure compliance with the tax law rules on arbitrage, invested sinking funds and pledged funds (including gifts or donations linked to facilities financed with Capital Obligations). The Responsible Official will consult with Bond Counsel to confirm that all relevant arbitrage yield requirements are met.

¹ Alternatively, under the statutory safe harbor exception to rebate, at the time of issuance of Cash-Flow Obligations the Issuer may reasonably anticipate that it will incur an actual maximum cumulative cash-flow deficit on a date on or before the close of the six-month period commencing on the issue date of the Cash-Flow Obligations equal to at least 90% of the issue price of the Cash-Flow Obligations.

F-80-80-1e.3 Rebate. On or before the date of any required rebate payment (see below), the Issuer will retain a nationally recognized arbitrage rebate consultant (the “**Arbitrage Rebate Consultant**”) to perform rebate calculations that may be required to be made from time to time with respect to any issue of Obligations. The Responsible Official shall provide the Arbitrage Rebate Consultant with requested documents and information on a prompt basis, reviewing applicable rebate reports and other calculations and generally interacting with the Arbitrage Rebate Consultant to ensure the timely preparation of rebate reports and payment of any rebate.

The reports and calculations provided by the Arbitrage Rebate Consultant will assure compliance with rebate requirements, which require the Issuer to make rebate payments, if any, no later than the fifth (5th) anniversary date and each fifth (5th) anniversary date thereafter through the final maturity or redemption date of a Capital Obligation. A final rebate payment, if due, must be made within sixty (60) days of the final maturity or redemption date of all Obligations.

Rebate spending exceptions for Capital Obligations are available for periods of 6 months, 18 months and 2 years. The Responsible Official will confer and consult with the Arbitrage Rebate Consultant to determine whether any rebate spending exception may be met.

In the case of Cash-Flow Obligations, within 60 days of the maturity date of such Cash-Flow Obligations, if there is concern as to whether the Issuer has met its requisite maximum cumulative cash-flow deficit, a rebate analyst should be promptly engaged to determine whether either the six-month spending exception or the statutory safe harbor exception to the rebate rules was met (in which case no rebate would be owed) or whether the investment income derived from the proceeds of the Cash-Flow Obligations is subject, in whole or in part, to rebate.

Copies of all arbitrage rebate reports, related return filings with the IRS (*i.e.*, IRS Form 8038-T), copies of cancelled checks with respect to any rebate payments, and information statements must be retained as described above. The Responsible Official will follow the procedures set forth in the Tax Certificate that relate to compliance with the rebate requirements with respect to any Obligations.

F-80-80-2 Additional Procedures.

F-80-80-2a. Periodic Monitoring. The Responsible Official will conduct periodic reviews of compliance with the foregoing procedures to determine whether any violations have occurred so that such violations can be remedied through the “remedial action” regulations (Treas. Reg. Section 1.141-12) or the Voluntary Closing Agreement Program (VCAP) described in IRS Notice 2008-31 (or successor guidance). If any changes to the terms or provisions of any Obligations are contemplated, the Responsible Official will consult with Bond Counsel, because such modifications could jeopardize the tax-exempt status of interest on the Obligations after they are modified.

F-80-80-2b. Use of Facilities. The Responsible Official will maintain records identifying any Private Use of the facilities or portion of facilities that are financed or refinanced with proceeds of Capital Obligations. Such records may be kept in any combination of paper or electronic form. In the event the use of the proceeds of Capital Obligations of the facilities financed or refinanced with the proceeds of Capital Obligations differs from the representations or factual statements in the Tax Certificate, the Responsible Official will promptly contact and consult with Bond Counsel to ensure that there is no adverse effect on the tax-exempt status of the Capital Obligations and, where appropriate, will remedy any violations through the “remedial action” regulations (Treas. Reg. Section 1.141-12), the Voluntary Closing Agreement Program (VCAP) described in IRS Notice 2008-31 (or successor guidance), or as otherwise prescribed by Bond Counsel.

F-80-90 Internal controls. To ensure debt proceeds are used as intended, the District shall implement internal control procedures that include at least the following:

- Debt proceeds shall be deposited in an account separate from other District accounts, with only revenues and expenditures directly associated with the debt proceeds included in the account.
- At least two approvals from different reviewers will be required on all expenditures of debt proceeds, to review and ensure the expenditure is appropriate to be paid from debt proceeds.
- District accounting staff shall prepare periodic reports on the use of debt proceeds for management review.

Resolution No. 2017-2092	Date Approved: April 27, 2017
President of the Board	Supersedes: February 23, 2017

F-90 PURCHASING, INCLUDING RETAINING CONSULTANTS**Purpose**

This policy establishes procedures for preparing and approving purchase orders; and preparing, reviewing, and approving contracts. It also covers legal requirements, petty cash, limits on General Manager purchases, the required "paper trail," conformance with received orders, and consultant arrangements.

F-90-10 Vendors for Small Items. To purchase small items -- such as office supplies, auto parts, and other miscellaneous items costing less than \$1,000 – the General Manager will set policies for selecting vendors. District accounts are awarded to firms at management discretion that support local businesses, enable the purchase of green and/or recycled products, as well as provide for competitive prices, discounts, service levels, and convenience.

F-90-15 Petty Cash. A Petty Cash fund shall be maintained in the District office having a balance-on-hand maximum of \$300.00. Petty cash may be advanced to District staff upon their request 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 District Administrative Assistant or Administrative/Financial Specialist I/II, and any remaining advanced funds shall be returned. The maximum petty cash advance shall be \$50.00. No personal checks shall be cashed in the petty cash fund. The petty cash fund shall be included in the District's annual independent accounting audit.

F-90-20 Out-of-Pocket Expenses. Whenever employees of the District incur "out-of-pocket" expenses for item(s) or service(s) appropriately relating to District business as verified by valid receipts, said expenses shall be reimbursed upon request from the District's petty cash fund or by check if needed. In instances when a receipt is not obtainable, the requested reimbursement shall be approved by the Administrative Services Manager prior to remuneration.

F-90-30 Quotations. To purchase items costing more than \$1,000, written quotations will be solicited from vendors and received by fax, or mail. District Staff may approve purchase orders up to the amount of their purchasing authority per F-90-40. For all purchases between \$5,000 and \$15,000 three quotes will be obtained. In cases where the General Manager determines that certain products may provide a better service life, durability, meet a specific need or provide greater efficiency than other products he/she has the authority to order that product or engage the service without multiple quotes. The General Manager also has the authority to utilize specific maintenance and repair vendors as he/she deems appropriate or necessary.

F-90-40 Purchasing Authority. The purchasing authority listed below shall apply except as authorized by separate Board action for specific construction projects.

Position	Authority
Board of Directors	No Limit
General Manager	Contracts and Purchase Orders up to \$60,000 and budgeted informally bid construction contracts between \$60,001 and \$200,000.
Plant Manager	Purchases up to \$7,500
District Engineer	Purchases and budgeted informally bid construction contracts up to \$15,000
Collection System/Maintenance/Safety Manager	Purchases up to \$7,500
Administrative Services Manager	Purchases up to \$7,500
District Secretary	Purchases up to \$5,000
Administrative/Financial Specialist	Purchases up to \$5,000
Assistant/Associate Engineer	Purchases up to \$5,000
Environmental Services Director	Purchases up to \$5,000
Plant Operations and Maintenance Supervisor	Purchases up to \$5,000
Skilled Maintenance Worker I/II	Purchases up to \$1,000
Administrative Assistant	Purchases up to \$1,000

For purchases in excess of \$15,000, staff will inform the Board of Directors regarding the item as soon as administratively feasible.

F-90-50 Expense Authorization in the Absence of the General Manager. In the absence of the General Manager, two (2) managers may sign the purchase order for amounts in excess of \$15,000. The General Manager will approve the purchase order prior to payment.

F-90-60 Purchase Orders. Purchases over \$3,000 require a purchase order to be issued prior to ordering.

F-90-70 Disbursements. The District requires that all disbursements be properly approved and authorized. To ensure that internal control is maintained over cash disbursements the following procedures will be performed:

- Disbursements, whether by check or electronic transfer, shall be included on a Warrant List for Board approval.
- Disbursements made by check shall require two signatures.
 - Generally checks drawn from the Operating bank account will be signed by the General Manager and a Board Member.
 - In rare situations where either a Board Member or the General Manager is not available:
 - The Administrative Services Manager may sign in place of the General Manager; or
 - Two Board Members may sign in place of the General Manager; or
 - The General Manager and the Administrative Services Manager may sign in lieu of a Board Member signing.

- If such a situation occurs, the paid invoice and related support documents will be submitted with the Warrant list for approval by the Board at the next Board meeting.
- Checks drawn from the Petty Cash Checking account may be signed by two of the following: the General Manager, the Administrative Services Manager, or the Administrative/Financial Specialist.

F-90-80 Contract Execution. Regardless of expenditures and expense authorization levels, and unless otherwise authorized by the District Board, the Board (in the form of its President) and/or the General Manager shall remain the sole entities authorized to execute formal contracts on behalf of the District. Contracts shall include but not be limited to: Agreements with other governmental entities or non-governmental organizations (NGOs); professional services agreements; construction, maintenance services, equipment procurement, and material supply contracts; and amendments thereof.

F-90-90 Consultants. Consultants will be retained whenever in the judgment of the General Manager that there are not sufficient resources or expertise to accomplish a task.

- Prospective consultants shall be selected from experienced, competent and reliable firms or individuals to provide the necessary resource.
- For consulting expenditures below \$45,000, consultants may be selected sole-source on the basis of their qualifications and ability.
- For consulting procurements exceeding \$45,000, a competitive process may be followed with emphasis on professional capability, availability to complete the task as well as cost. Professional Services Contracts over \$45,000 shall be submitted to the Board for approval. However in the case where the Board deems it more prudent and in the best interest of continuity of services, a consultant contract may be awarded without a competitive process.
- Regular reports of consultant’s progress shall be reviewed by the General Manager and reported to the Board.

F-90-100 Internal Audit. The General Manager is responsible to ensure that purchases and trade agreements adhere to District policy and sound business practices. The General Manager will ensure that files and records of purchase orders and other financial documentation are maintained to provide adequate control and administration, which is subject to audit and Board review.

Resolution 2021-2208	Date Approved: March 25, 2021
Ordinance No. 178	Date Approved: June 20, 2019
President of the Board	Supersedes: June 28, 2018

F-100 CREDIT CARDS

Purpose

This policy establishes who gets credit cards, the controls over their use, repayment, and required documentation.

F-100-10 Cancelled Cards. On May 8, 2003 Board Members cancelled their credit cards. There is one Board member that is authorized as the main account holder, who shall receive notices regarding credit card transactions. This Board member is not to use the credit card for purchasing.

F-100-20 Distribution. Credit cards shall be provided to District Staff members as determined necessary for the position by the General Manager. The Board is to be notified of the issue of new cards in a timely matter.

In order to maintain security over District issued credit cards, staff shall maintain possession of their District issued credit cards and not loan them to other staff for use.

F-100-30 Limits on Purchases and Credit Card Limits. Credit card purchases shall be limited to:

- Budgeted District expenses and to certain vendor accounts.
- District business related seminar and conference expenses to include lodging, travel, meals, conference registration, and other appropriate expenses. The Administrative Services Manager is to be notified if the credit card is to be used outside the District. This is done in order to notify the bank for security.
- Meal expenses, as well as the meal expense of a guest if the breakfast/lunch/dinner meeting includes necessary discussion of District business with the guest.
- Spouse or guest expense under very limited circumstances and only when paying for the spouse or guest in another manner is difficult or cumbersome. Reimbursement to the District, accompanied by an expense receipt, shall be made in a timely manner.
- Other instances deemed appropriate by the General Manager.

S.

Credit Card Limits

General Manager	Up to	\$20,000
Plant Manager	Up to	\$10,000
District Engineer	Up to	\$10,000
Collection and Safety Manager	Up to	\$10,000
Administrative Services Manager	Up to	\$10,000
District Administrative Assistant	Up to	\$ 5,000
Administrative/Financial Specialist I/II	Up to	\$ 5,000
Assistant/Associate Engineer	Up to	\$ 5,000
Environmental Services Director	Up to	\$ 5,000
Plant Operations and Maintenance Supervisor	Up to	\$ 5,000

Resolution No. 2019-2179	Date Approved: December 5, 2019
President of the Board	

Selected Plant, Collections and Maintenance

Workers

Up to

\$ 1,200

F-100-40 Review. The Administrative Services Manager is to collect receipts from District Employees and reconcile them to credit card transactions on a timely basis. General Manager shall review District employee credit card purchases and determine the adequacy of receipts.

F-100-50 Revocation. A majority vote of the Board is required to revoke the use of a card by the General Manager. The General Manager may revoke the use of a credit card by an employee.

F-100-60 Prohibitions. Unauthorized use of a credit card or use of a credit card for personal purchases is strictly prohibited. The unauthorized use shall be reimbursed to the District by the employee before continuation of the use of the credit card will be allowed.

F-100-70 Use of Personal Credit Cards for District Business. Employees who are issued District credit cards are required to use them for District business unless administratively unfeasible.

Employees who do not have District issued credit cards may use personal cards to pay for travel expenses, emergency purchases and incidental items related to District business up to \$2,500.

Use of personal credit cards for District purchases other than outlined above requires prior approval by the General Manager or will not be paid by the District.

Resolution No. 2019-2179	Date Approved: December 5, 2019
President of the Board	

F-110 RECORDS RETENTION

Purpose

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.

F-110-10 Definitions. Vital and important records, regardless of recording media, are those having legal, financial, operational, or historical value to the District.

F-110-20 Implementation. The General Manager is authorized by the Board 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.

F-110-30 Guidelines. Pursuant to the provisions of California Government Code §60200 through §60204, California Water Code §21403, 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:

F-110-30-10 Duplicate records, papers and documents may be destroyed at any time without the necessity of Board authorization or copying to photographic or electronic media.

F-110-30-20 Originals of records, papers and documents more than two (2) 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.

F-110-30-30 Records, papers or documents that are not expressly required by law to be filed and preserved may be destroyed, pursuant to Government Code Section 60203 if all of the following conditions are met:

F-110-30-30-a The record, paper or document is photographed, micro-photographed, reproduced by electronically recorded video images on magnetic surfaces, recorded in the electronic data processing system, recorded on optical disk, reproduced on film or any other medium that is a trusted system and that does not permit additions, deletions, or changes to the original document in compliance with Government Code Section 12168.7 for recording of permanent records or nonpermanent records.

F-110-30-30-b The device used to reproduce such record, paper or document on film, optical disk, or any other medium, is one which accurately reproduces the original thereof in all details; and that does not permit additions, deletions, or changes to the original document images.

F-110-30-30-c The photographs, microphotographs, or other reproductions on film, optical disk, or any other medium are placed in conveniently accessible files and provisions are made for preserving, examining, and using the files.

F-110-30-40 Any accounting record except the journals and ledgers that are more than five (5) years old and that were prepared or received in any manner other than pursuant to State statute may be authorized for destruction, provided that:

F-110-30-40-a There is no continuing need for said record, i.e., long-term transactions, special projects, pending litigations, etc., and;

F-110-30-40-b There exists in a permanent file, an audit report or reports covering the inclusive period of said record, and that;

F-110-30-40-c 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;

F-110-30-40-d Said audit or audits contain the expression of an unqualified opinion.

F-110-30-50 Any accounting record created for a specific event or action may be destroyed upon authorization five (5) 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 (5) years from the end of the fiscal period to which it applies. The following may be destroyed at any time:

- Duplicated (original-subject to aforementioned requirements).
- Rough drafts, notes or working papers (except audit).
- Cards, listings, nonpermanent indices, other papers used for controlling work or transitory files.

F-110-30-60 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.

F-110-30-70 All payroll and personnel records shall be retained indefinitely. Originals may, upon authorization, be destroyed after seven (7) years retention, provided said records have been preserved in digital format in accordance with Policy F-110-30-30, above. Payroll and personnel records include the following:

- Accident reports, injury claims, and settlements
- Medical histories
- Injury frequency charts
- Applications, changes and terminations of employees
- Insurance records of employees
- Time cards
- Classification specifications (job descriptions)
- Performance evaluation forms
- Earning records and summaries
- Retirements

F-110-30-80 All assessing records may upon authorization be destroyed after seven years retention from lien date; however, their records may be destroyed three (3) years after the lien date when said records are micro photographed as provided for in Policy F-110-30-40, above.

F-110-30-90 Records of proceedings for the authorization of long-term debt, bonds, warrants, loans, etc., after issuance or execution may be destroyed if micro photographed as provided for in Policy F-110-30-40, 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 ten (10) years if micro photographed as provided for in Policy F-110-30-40, above. Paid bonds, warrant certificates, and interest coupons may be destroyed after six (6) months if detailed payment records are kept for ten (10) years.

F-110-30-100 Minutes of the meetings of the Board are usually retained indefinitely in their original form. However, they may upon authorization be destroyed if said minutes are preserved in electronic format as provided for in Policy F-110-30-40, above. Recording tapes (or other media) of Board meetings will be kept for a period of one year from the date of the recorded meeting, after which they will be destroyed.

F-110-30-110 Construction records, such as bids, correspondence, change orders, etc., shall not be kept in excess of seven (7) years unless they pertain to a project that includes a guarantee or grant and, in that event, they shall be kept for the life of the guarantee or grant plus seven (7) years. As-built plans for any public facility or works shall be retained as long as said facility is in existence.

F-110-30-120 Contracts should be retained for their life plus seven (7) years. Any unaccepted bid or proposal for the construction or installation of any building, structure or other public work which is more than two (2) years old may be destroyed.

F-110-30-130 Property records, such as documents of title, shall be kept until the property is transferred or otherwise no longer owned by the District.

F-110 RECORDS RETENTION

Appendix A

Definitions for Records Retention and Disposal Policy

1. **AUTHORIZATION.** Approval from the General Manager, as authorized by the Board.

2. **ACCOUNTING RECORDS.** Include but are not limited to the following:

A. Source Documents

- Invoices
- Warrants
- Requisitions/Purchase Orders (attached to invoices)
- Cash Receipts
- Claims (attached to warrants in place of invoices)
- Bank Statements
- Bank Deposits
- Checks
- Bills
- Various accounting authorizations taken from Board minutes, resolutions or contracts

B. Journals

- Cash Receipts
- Accounts Receivable or Payable Register
- Check or Warrant (payables)
- District Journal
- Payroll Journal

C. Ledgers

- Expenditure
- Revenue
- Accounts Payable or Receivable Ledger
- Construction
- General Ledger
- Assets/Depreciation

D. Trial Balance

E. Statements (Interim or Certified - Individual or All Fund)

- Balance Sheet
- Analysis of Changes in Available Fund Balance
- Cash Receipts and Disbursements
- Inventory of Fixed Assets (Purchasing)

F. Journal Entries

G. Payroll and personnel records include but are not limited to the following:

- Accident reports, injury claims and settlements
- Applications, changes or terminations of employees
- Earnings records and summaries
- Retirements
- Fidelity Bonds
- Garnishments
- Insurance records of employees
- Job Descriptions
- Medical Histories
- Time Cards

H. Other

- Inventory Records (Purchasing)
- Depreciation Schedule
- Capital Asset Records (Purchasing)
- Cost Accounting Record

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, compact disc, digital video disk, 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 official 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 that timetable the life and disposal of all records.
10. **RETENTION CODE.** Abbreviation of retention action that appears on the retention schedule.

11. VITAL RECORDS. Records that, 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, and
- (c) The fulfillment of obligations to bondholders, customers, and employees.

Vital records include but are not limited to the following:

- | | |
|---|--------------------------------------|
| (1) Agreements and Contracts | (21) Individual claims/settlements |
| (2) Annexations and detachments | (22) Inventory |
| (3) As-built drawings | (23) Journal vouchers |
| (4) Audits | (24) Ledgers |
| (5) Contract drawings | (25) Licenses & permits (to operate) |
| (6) Customer statements | (26) Loans & grants |
| (7) Deeds | (27) Maps |
| (8) Depreciation schedule | (28) Minutes of Board meetings |
| (9) Disposal of surplus & excess property | (29) Ordinances |
| (10) Disposal of scrap materials | (30) Payroll register |
| (11) District insurance records | (31) Policies, Rules & Regulations |
| (12) District water rights | (32) Purchase orders & requisitions |
| (13) Employee accident reports, injury claims & settlements | (33) Restricted materials permits |
| (14) Employee earning records | (34) Resolutions |
| (15) Employee fidelity bonds | (35) Rights of ways & easements |
| (16) Employee insurance records | (36) Spray permits |
| (17) Encroachment permits (by others) | (37) Statements of Economic Interest |
| (18) Encroachment permits (by OWID) | (38) State surplus acquisitions |
| (19) Facility improvement plans | (39) Warehouse requisitions |
| (20) Improvement districts | (40) Warrant/Voucher register |
| | (41) Warrants (with backup) |
| | (42) Water rights history |

F-110 RECORDS RETENTION
Appendix B

Records Retention & Storage Summary

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
3	Minutes, ordinances, and 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 5 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 5 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
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, feeder reports, 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.
Group	Title or Description	Original	Duplicate	RETENTION PERIODS		

No.				Office	Record Center	Retain or Destroy
13	Transitory files, including letters of transmittal (when not public record), suspense copies when reply has been received, routine requests for information and publication, tracer letters, feeder reports, 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.	5 yrs.
15	Policy files and reference sets of publications.		X	I		I
16	Duplicates or non-record documents required for administrative needs but destroyable on occurrence of an event or an action.		X	I		I

OP = Original or photographic copy.

ES = May be destroyed if stored in electronic media.

I = Indefinitely

Resolution No. 2017-2084	Date Approved: February 23, 2017
President of the Board	Supersedes: July 9, 2009

F-120 CUSTOMER PAYMENT

Purpose

This policy covers method of billing, customer notification, collections, delinquent payments, and penalties.

F-120-10 Special Arrangements. Upon request, the Board (greater than \$1,000) or General Manager (\$1,000 or less) may grant approval of special arrangements to be made for payment of the following fees when an extreme hardship exists:

- Regular annual sewer service charge

- Wastewater Capital Facilities Charge (Connection fee)

F-120-20 Payments. Monthly payments shall not exceed 12 payments. When payments are to be made at the close of escrow and real property is not sold, arrangements must be made for payments to continue on a regular basis.

F-130 DISPOSAL OF SURPLUS EQUIPMENT AND PROPERTY

Purpose

This policy covers easements, encroachments, and acceptance of property, disposal of surplus property, inventory, and recordkeeping.

F-130-10 Sale of Surplus Equipment. The Board (current value in excess of \$1,000) or General Manager (current value equal to or less than \$1,000) have the authority to declare equipment surplus, after which the following steps shall be taken:

A surplus item shall be advertised for sale, with notation of location/hours/days it can be seen, a deadline date for submission of sealed bids, a statement that the District reserves the right to reject any or all bids, and that the item is being sold “as is.”

- The Board or General Manager per the above value criteria shall accept or reject highest bid.
- Bidders shall be notified of the Board’s action.
- Junked Certificates shall be obtained for vehicles that cannot pass smog tests without significant repairs.

Periodically surplus metal that has no further operational value to the District but which may be recycled or sold for scrap may be disposed of as determined by the General Manager.

F-130-20 Sale of Real Estate. The Board has the authority to declare real property surplus and authorize the Staff to obtain an appraisal, after which the following steps shall be taken:

The real property shall be offered to public agencies at the appraised price. (State law requires that public agencies have the opportunity to purchase real property prior to advertisement to the general public.)

- Property not purchased by a public agency shall be advertised in a newspaper of general circulation with a request that sealed bids be submitted to the District.
- The Board shall accept or reject the highest bid.
- Bidders shall be notified of the Board’s action.

Resolution No. 2017-2084	Date Approved: February 23, 2017
President of the Board	Supersedes: July 9, 2009

F-140 DONATION POLICY

Purpose

This policy establishes a formal procedure for allocating funds to non-profit community groups requesting contributions from the District.

Donations must serve a public purpose. The gift of public funds, such as any expenditure which benefits an individual or small class of individuals only, with no benefit to all of the residents of the District is prohibited by the Constitution of the State of California, Article XVI, Section 6.

Eligibility

Funding contributions will be considered only for educational or non-profit groups with projects, programs and events that serve to benefit the public and meet the mission of the District to protect the public health and our environment, by providing effective wastewater collection, treatment, and recycling services.

Additional factors to be considered when determining whether to fund a contribution:

- When the educational or non-profit provides a service that complements or enhances one the District provides itself.
- When there is an identifiable secondary benefit to the District; or
- When the educational or non-profit provides a service the District could provide but chooses not to.

Eligible applicants must be hosted by a group that can show the donation benefits the residents of the District. Eligible groups include:

A. School Groups: Activities or educational programs offered by school groups that represent schools whose boundaries are partially or wholly within the District's limits.

B. Community and Non-profit Groups: Events and programs hosted by a non-profit, or by a group sponsored by a non-profit, recognized as a legal entity organized and operated for a collective, public or social benefit.

Ineligible activities: Political, religious, fundraising for undefined activities, and personal expenditures are not eligible for funding.

Reporting: Recipient of the donation must provide a written report to the District Board within 6 months of the event or program end-date. Late, partial, or non-submitted reports for past events will be considered by the District Board when considering future donation requests.

Resolution No. 2021-2228	Date Approved: October 21, 2021
President of the Board	Supersedes:

Procedure

The procedure for requesting and receiving a contribution is as follows:

- A. The District Board allocates funding for this program through the annual budget process which will set the annual maximum funding limit of the program.
- B. All applicants must submit a written request. Multiple requests may be submitted in a single fiscal year (July 1- June 30), so long as the total of such requests does not exceed the maximum funding cap. Non-profits, or groups partnered with a non-profit, must provide a Federal Tax ID number along with their current budget and latest financial statement.
- C. Requests that are consistent with the eligibility requirements will be brought to the District Board as the Board Schedule and Board Agenda permit. The Board shall make findings that establishes the benefit to the District and the community it serves.
- E. Requests are considered on a first-come-first-served basis.
- F. The District Board has established a contribution cap of \$12,500 to any single applicant in a fiscal year. However, upon review of the submitted application and supporting materials it is within the Board's discretion to allow a greater contribution amount per fiscal year, where the Board finds and determines that an applicant provides either 1) a service that complements or enhances any services provided by the District, or 2) the applicant provides a demonstrable secondary benefit to the District and the community it serves, or 3) the applicant provides a service the District could provide but chooses not to do so.

Management of the Program

The General Manager shall oversee the program and has the authority to delegate management of the program to the Administrative Services Manager. Development of program materials, forms, and waivers required by the program are to be coordinated by staff of the District. Reporting requirements of the program are to be established by the General Manager. All financial reporting requirements and waivers required by the program will comply with applicable federal, state, and local laws.

District staff will perform a review of eligibility requirements for each application and perform preliminary inquiries as needed so that the District Board has enough details on the request to make an informed decision regarding the application.

Resolution No. 2021-2228	Date Approved: October 21, 2021
President of the Board	Supersedes:

OPERATIONS

O-10 FIXED ASSET ACCOUNTING CONTROLS

Purpose

This policy establishes procedures for accounting controls, inventory of facilities and equipment, assignment of value, depreciation, and maintenance procedures.

O-10-10 Accurate Financial Reports. The purpose of this policy is to ensure proper accounting control resulting in the maintaining of accurate financial reports of fixed assets.

O-10-20 Report to Board. An accounting of all fixed assets shall be conducted on an annual basis.

O-10-30 List of Purchases. Applicable purchases for inclusion in said accounting shall be the following:

- Equipment, tools, and vehicles that individually have an original total cost of more than \$5000;
- All land and building acquisitions regardless of price; and,
- Additions or major improvements to the District's service infrastructure.

O-10-40 Recordkeeping. Permanent inventory records shall be maintained in either a paper file or electronic (computer data base) format. Said records shall be updated whenever a change in the status of a particular fixed asset occurs (e.g., original purchase, sale, destruction, loss, theft, etc.).

O-10-50 Inventory Requirements. Information to be maintained in said inventory records shall include at least the following:

- Asset number
- Description
- Manufacturer's serial number
- Storage location
- Original cost
- Acquisition date
- Life expectancy
- Classification code (e.g., office equipment, vehicle, etc.)

Resolution No. 2009-1872	Date Approved: July 9, 2009
President of the Board	Supersedes:

O-20 ENVIRONMENTAL PRACTICES

Purpose

This is a general environmental policy and covers such issues as determining legal environmental requirements, method of preparing environmental documentation, General Manager and Board responsibilities, public input, the District Strategic Plan, and response to public mandates (ESA, air quality, hazardous waste, ocean disposal, etc.).

O-20-10 Conformance. Las Gallinas Valley Sanitary District will conform with all the requirements of the California Environmental Quality Act. Green Business certification will be sought for the District when possible.

O-20-20 Responsible. The General Manager and legal Counsel will be responsible for determining when provisions of CEQA or other environmental regulations must be implemented.

O-20-30 Description of CEQA. The California Environmental Quality Act of 1970 (CEQA) as amended ensures that consideration is given to the environmental effects of projects that are subject to CEQA. An EIR, or environmental impact report, is a detailed statement prepared under CEQA describing and analyzing the significant environmental effects of a project and discussing ways either to mitigate or avoid the effects. It is an information document which, when fully prepared in accordance with CEQA and these guidelines, will inform public decision makers and the general public of the significant environmental effects of projects proposed to be carried out or approved. While CEQA requires that major consideration be given to preventing EIR damage, it is recognized that public agencies have obligations to balance other public objectives including economic and social factors in determining whether and how a project should be approved. The District retains its existing authority to balance environmental objectives with economic and social objectives and to weigh the various long-term and short-term costs and benefits of a project in making the decision to approve or disapprove it.

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O-30 EMERGENCIES

Purpose

This policy covers procedures in the event of emergency situations, responsibilities of Board and District staff, and public information.

O-30-10 Informing General Manager. Responding to emergency situations is a critical district responsibility. The General Manager shall be immediately informed of the existence of any operation, activity, or occurrence which can affect the public health and safety, or which can significantly impair the District's operations.

O-30-20 Emergency Determination. The General Manager, or his designee, shall make the decision as to whether an emergency exists. The President, in the General Manager's or designee's absence, will make this determination.

O-30-30 All Reasonable Actions. The General Manager is empowered to take all reasonable actions necessary to address the emergency. He/she may make commitments of expenditures or District funds as necessary beyond what is outlined in F-40. In times of emergency, the General Manager shall make all of the proper and necessary notifications for the District at the appropriate local, State and Federal level.

O-30-40 Informing President and Board Members. When the emergency situation is under reasonable control, the General Manager, at the earliest possible time, will inform the president and then the other Board Members of the emergency situation and the actions taken to address it.

O-30-50 Spokesperson. The General Manager will be in the first position for communications responding to inquiries about an emergency in responding to inquiries, press interviews, and other forms of customers' contact or outreach. The President of the Board of Directors will be in the second position for spokesperson for the District. In every case regarding an emergency the General Manager shall make immediate contact with the Board President to assure that any and all communications are factual and up-to-date. All Board members shall be notified as soon thereafter as possible by District staff.

Resolution No. 2009-1872	Date Approved: July 9, 2009
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O-40 CUSTOMER SUPPORT

Purpose

This policy covers procedures for customer input, questions, and approvals.

O-40-10 Public Input and Questions. The Board desires that the public have opportunities to provide input, ask questions, and participate in the local government process and that they be treated courteously and with respect during any interaction with Staff or the Board. (See Policy M-10 on Outreach for more detailed information.)

O-40-20 Complaints. Public complaints should be resolved at the lowest possible administrative level, and that the method for resolution of complaints be logical and systematic. A complaint is an allegation by a member of the public of a violation or misinterpretation of a District policy, or state or federal statute of which the individual has been adversely affected.

O-40-30 Steps to Resolve Complaints. The method of resolving complaints shall be:

- The individual with a complaint shall first discuss the matter with the Administrative Services Manager, or other responsible employee, with the objective of resolving the matter informally.
- If the individual registering the complaint is not satisfied with the disposition of the complaint by the Administrative Services Manager, or other responsible employee, the complaint may be filed with the General Manager, or other responsible managing employee. The General Manager, or other responsible managing employee may conduct conferences and take testimony or written documentation in the resolution of the complaint. The individual filing the complaint may request a written decision from the General Manager [or other responsible managing employee].
- If the individual filing the complaint is not satisfied with the disposition of the matter by the General Manager, or other responsible managing employee, a written complaint may be filed with the entire Board. The Board may consider the matter at the next regular meeting, or call a special meeting. The Board shall expeditiously resolve the matter. The individual filing the complaint may request a written decision from the Board.

This policy in no way prohibits or is intended to deter a member of the community or Staff member from appearing before the Board to present verbally a testimony, complaint, or statement in regard to actions of the Board, District programs and services, or impending considerations of the Board.

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MISCELLANEOUS

M-10 PUBLIC INVOLVEMENT AND OUTREACH

Purpose

This policy covers public involvement, public information, stakeholders, public input, and district spokesperson(s).

M-10-10 Customers. The District’s public (customers) is the founder, ratepayer, owner and sole purpose for the existence of the District. Through the electoral process, customers selected a Board of peers to oversee the District and provide governance and oversight. In order to provide oversight of the Board and vote appropriately, the public needs to be kept informed of key issues surrounding the District.

Although on a day-to-day basis the public is pleased to delegate authority to the Board of Directors and Staff, on particular issues of importance--major capital projects, rate increases, significant regulatory and environmental issues--the public requires additional information and opportunities to provide input through public meetings, hearings, etc. It is the policy of Las Gallinas Valley Sanitary District to provide appropriate communication and opportunities for public input.

Responsibility for public involvement and outreach is delegated to the General Manager with oversight by the Board or ad hoc committees, as deemed appropriate in each case.

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