

THE METROPOLITAN WATER DISTRICT ADMINISTRATIVE CODE

Disclaimer

THIS ADMINISTRATIVE CODE REFLECTS THE ACTIONS OF METROPOLITAN'S BOARD OF DIRECTORS THROUGH ITS MEETING ON April 11, 2017 AND MAY NOT REFLECT THE MOST CURRENT ACTIONS OF METROPOLITAN'S BOARD. IN CASE OF ANY DISCREPANCY BETWEEN THIS ONLINE VERSION AND METROPOLITAN'S, OFFICIAL RECORDS, THE OFFICIAL RECORDS WILL PREVAIL.

The Metropolitan Water District Administrative Code was adopted by M.I. 31609 on January 11, 1977. Unless otherwise noted in the legislative history cited in the body of the Code, a section was adopted as part of the Code at that time and is based on the resolution, minute order or other matter cited in the Code. Where M.I. 31609 is cited in the Code, the section or group of sections in question was added at the time the Code was adopted. Where no citation proceeding the time of adoption of the Code is shown, the section was added after the original adoption of the Code.

[Note: The derivation of each section or group of sections from prior ordinances, resolutions, actions recorded in minute orders and other matters is shown in brackets at the end of such section or group of sections. The following abbreviations are used: Ord. - Ordinance, Res. - Resolution and M.I. - Minute Item.]

Containing changes as of April 11, 2017, Board of Directors Meeting

**THE ADMINISTRATIVE CODE OF
THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA**

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Division I

GENERAL

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Chapter 1

DEFINITIONS

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§ 1100. Definitions Governing Construction.

Whenever used in this Administrative Code, the terms defined in this chapter shall have the meaning indicated herein.

Section 100.1 - M.I. 31609 – January 11, 1977; amended by M.I. 32690 – April 10, 1979; amended by M.I. 34814 – August 17, 1983. Section 100.1 repealed and Section 1100 adopted by M.I. 36464 – January 13, 1987, effective April 1, 1987.

§ 1101. Board.

The Board of Directors of the District.

Section 100.1.1 - M.I. 31609 – January 11, 1977; amended by M.I. 32690 - April 10, 1979; renumbered by staff. Section 100.2 repealed and Section 1101 adopted by M.I. 36464 – January 13, 1987, effective April 1, 1987.

§ 1102. Code.

The term "code" shall mean the Metropolitan Water District Administrative Code, unless otherwise specifically defined.

Section 100.1.2 - M.I. 31609 - January 11, 1977; amended by M.I. 32690 - April 10, 1979; renumbered by staff.
Section 100.3 repealed and Section 1102 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 38304 - June 12, 1990.

§ 1103. Department Head.

The term "Department Head" as used in this Code shall mean and include the General Manager, General Counsel, General Auditor, and Ethics Officer.

Section 100.1.3 - M.I. 31609 - January 11, 1977; amended by M.I. 32690 - April 10, 1979; renumbered Section 100.4 by staff.
Section 100.4 repealed and Section 1103 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 43968 - April 11, 2000; amended by M. I. 46838 – October 10, 2006.

§ 1104. District or Metropolitan.

The Metropolitan Water District of Southern California.

Section 100.1.4 - M.I. 31609 - January 11, 1977; amended by M.I. 32690 - April 10, 1979; renumbered Section 100.5 by staff.
Section 100.5 repealed and Section 1104 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; added "or Metropolitan" to section title by M.I. 49187 - September 11, 2012.

§ 1105. General Manager.

The General Manager of the District.

Section 100.6 - M.I. 33642 - March 10, 1981. Section 100.6 repealed and Section 1105 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 1106. Holiday.

Whenever the word "Holiday" is used in this Code, it shall include January 1, the third Monday in January (observance of Martin Luther King's birthday), the third Monday in February, (Presidents' Day), March 31 (observance of Cesar Chavez's Birthday), the Friday before Easter, the last Monday in May (Memorial Day), July 4, the first Monday in September (Labor Day), November 11 (Veterans' Day), Thanksgiving Day, the day following Thanksgiving Day, December 24, December 25, December 31, and any day or portion of a day declared by the Board as a Holiday. If any Holiday other than December 24 and 31 falls on Sunday, the following Monday is a Holiday. If any Holiday falls on Saturday, the preceding Friday is a Holiday.

Section 100.1.5 - M.I. 31609 - January 11, 1977; amended by M.I. 32690 - April 10, 1979; amended by M.I. 33384 - August 19, 1980; renumbered 100.1.6 by M.I. 33642 - March 10, 1981; renumbered 100.7 by staff. Section 100.7 repealed and Section 1106 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 37218 - July 12, 1988; amended by M. I. 45943 – October 12, 2004; amended by M. I. 46036 – December 14, 2004.

§ 1107. Member Public Agency.

Any city, municipal water district, or county water authority, the corporate area of which, in whole or in part, is included in the District as a separate unit.

Section 100.1.6 - M.I. 31609 – January 11, 1977; amended by M.I. 32690 - April 10, 1979; renumbered 100.1.7 by M.I. 33642 – March 10, 1981; renumbered 100.8 by staff. Section 100.8 repealed and Section 1107 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 1108. Officers, Departments, Committees, and Employees.

Officers, departments, committees, and employees referred to in this Code shall mean officers, departments, committees, and employees of the District, unless the context clearly indicates otherwise.

Section 100.1.7 - M.I. 31609 - January 11, 1977; amended by M.I. 32690 - April 10, 1979; renumbered 100.1.8 by M.I. 33642 - March 10, 1981; renumbered 100.9 by staff. Section 100.9 repealed and Section 1108 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 1109. State.

The State of California.

Section 100.1.8 - M.I. 31609 - January 11, 1977; amended by M.I. 32690 - April 10, 1979; renumbered 100.1.9 by M.I. 33642 - March 10, 1981; renumbered 100.10 by staff. Section 100.10 repealed and Section 1109 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

Chapter 2

SEAL, LOGOTYPE, AND PRINCIPAL PLACE OF BUSINESS

Sec.

1200. Seal

1201. Logotype

1202. Principal Place of Business

§ 1200. Seal.

The following seal is adopted as the corporate seal of the District:



Ords. 12, 13, 33, 113 and 131, effective 1-1-75; repealed by Ord. 146; Section 110.1 added, as amended, by M.I. 32690 - April 10, 1979; amended by M.I. 33829 - July 14, 1981. Section 110.1 repealed and Section 1200 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 1201. Logotype.

The General Manager is authorized to adopt and determine the manner of use of a District logotype.

Section 110.2 - M.I. 36282 - September 9, 1986. Section 110.2 repealed and Section 1201 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 1202. Principal Place of Business.

The principal place of business and office of the District shall be in the building at 700 North Alameda Street, in the City of Los Angeles, State of California, which building shall be known and designated as "Headquarters Building, The Metropolitan Water District of Southern California."

Ords. 3, 17, 96 and 113; repealed by Ord. 146; Section 110.2 added, as amended, by M.I. 32690 - April 10, 1979; renumbered Section 110.3 by M.I. 36282 - September 9, 1986. Section 110.3 repealed and Section 1202 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 40976 - August 19, 1994; amended by M.I. 43275 - November 10, 1998.

Chapter 3

Board Governance Principles

Sec.

1300. Board Governance Principles

1301. Board Product

§ 1300. Board Governance Principles.

The Board will govern with an emphasis on outward vision, encouragement of diversity in viewpoints, strategic leadership more than administrative detail, and clear distinction of Board and general manager goals.

M.I. 43995 – May 17, 2000.

§ 1301. Board Product.

Specific products of the Board are those that ensure appropriate organizational performance in serving the mission of Metropolitan.

(a) The Board will be the initiator of policy, not merely a reactor to staff initiatives. The Board may use the expertise of individual members to enhance the ability of the Board as a body, rather than to substitute the individual judgments for the Board's values.

(b) The Board will direct, control and inspire the organization through the careful establishment of broad written policies and the continuous development of ends policies. The Board's major policy focus will be on intended long-term impacts of the organization, not on the administrative or programmatic means of attaining those effects.

(c) The Board will produce written governing policies addressing:

- (1) Protection of the existing water and power supplies;
- (2) Development of new water supplies;
- (3) Protection and enhancement of water quality;
- (4) Commitment to water management programs, including increased emphasis on conservation, recycling and groundwater storage and other storage programs;
- (5) Establishment of fair and equitable water and tax rates;
- (6) Financial policies – including adoption of long-range financial policies, reserve policy and the annual operating budget;
- (7) Development and/or maintenance of infrastructure;

(8) Development of compensation, benefits and other terms and conditions of employment;

(9) Guidelines relative to Board governance;

(10) Development of guidelines relative to communicating with the public, legislature, and stakeholders.

(d) The Board will assure the performance of the General Manager and General Counsel and General Auditor as measured against organizational expectations and executive limitations.

M.I. 43995 – May 17, 2000.

Division II

PROCEDURES PERTAINING TO BOARD, COMMITTEES AND DIRECTORS

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Chapter 1

BOARD OF DIRECTORS

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Article 1

MEETINGS

Sec.	
2100.	Regular Meetings
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2103.	Place of Meetings
[2104 - repealed]	
2105.	Closed Meeting Procedure
2106.	Adjourned Meetings
2107.	Legal Department Representation
2108.	Minutes
2109.	Board Agenda

§ 2100. Regular Meetings.

Regular meetings of the Board shall be held on the second Tuesday of each month; provided that if said Tuesday falls upon a holiday designated in Section 1106 hereof, such regular meeting shall be held on the next business day unless another date is set by the Board, and the staff shall arrange its affairs accordingly.

Organization and Procedures of the Board - July 19, 1976; amended by M.I. 32690 - April 10, 1979 and M.I. 33414 - September 8, 1980; see also Ords. 85 and 113; repealed by Ord. 146; Sections 201.2 and 201.2.1 renumbered Section 201.3.1 January 8, 1985; amended by M.I. 35590 - April 9, 1985. Section 201.3.1 repealed and Section 2100 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 36563 - April 14, 1987; amended by M.I. 37492 - January 10, 1989; amended by M.I. 39500 - March 10, 1992; amended by M.I. 43587 - June 8, 1999; amended by M.I. 43853 - January 11, 2000; amended by M. I. 45943 - October 12, 2004; amended by M.I. 49596 - November 19, 2013.

§ 2101. Special Meetings.

In accordance with Government Code Section 54956 special meetings of the Board may be called by the Chair of the Board, or by a majority of the directors. The Board Executive Secretary shall be responsible for arranging deliveries of special meeting notices and for receiving written waivers of notice. Directors shall be notified of special meetings.

The call and notice shall be posted at least 24 hours prior to the special meeting in the public reception area of the District's Headquarters Building.

Ord. 113; repealed by Ord. 146; added, as amended, by M.I. 32690 - April 10, 1979; Section 201.2.2 renumbered Section 201.3.2 January 8, 1985; amended by M.I. 36412 - December 9, 1986. Section 201.3.2 repealed and Section 2101 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 37492 - January 10, 1989; amended by M.I.43587 - June 8, 1999.

§ 2102. Emergency Meetings.

The Board Executive Secretary shall be responsible for providing the notice of emergency meetings and the public postings required by Government Code Section 54956.5.

Section 201.2.3 - M.I. 34112 - February 9, 1982; renumbered Section 201.3.3 January 8, 1985; amended by M.I. 36412 - December 9, 1986. Section 201.3.3 repealed and Section 2102 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 37492 - January 10, 1989.

§ 2103. Place of Meetings.

All regular meetings of the Board shall be held in the room known and designated as the "Board Room" located in the District's Headquarters Building; provided, that if, by reason of fire, flood, earthquake, or other emergency, it shall be unsafe to meet in said Board Room, the meetings may be held for the duration of such emergency at such place as is designated by the Chair, either within or without the boundaries of the District, in which event notice of such place

of meeting shall be given by the Board Executive Secretary in the same manner required under Government Code Section 54956 for special meetings.

Ords. 85, 96 and 113; repealed by Ord. 146; Section 201.2.4 added, as amended, by M.I. 32690 - April 10, 1979; further amended by M.I. 33453 - October 14, 1980; renumbered by M.I. 34112 - February 9, 1982; Section 201.2.5 renumbered Section 201.3.5 January 8, 1985. Section 201.3.5 repealed and Section 2104 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; renumbered to Section 2103 and amended by M.I. 37492 - January 10, 1989 (previous Section 2103 repealed).

[§ 2104 - repealed by M.I. 37722 - June 13, 1989]

§ 2105. Closed Meeting Procedure.

(a) The Chair shall be responsible for ensuring that procedural requirements, other than requirements for notice, are fulfilled when a closed meeting is held. The Board Executive Secretary shall be responsible for fulfilling any notice requirements relating to closed meetings. The General Counsel shall be responsible for the preparation of any documents required by Government Code Section 54956.9 with regard to litigation. The General Counsel, General Manager and when appropriate the Auditor shall designate staff members and others who shall remain in the closed session to assist the Board in its deliberations. The General Counsel shall also designate staff members to record the minutes of the closed meeting.

(b) No person attending a closed session may disclose any matter discussed in the session where to do so would be contrary to the purpose for which the session was held. Any director who has not attended a closed session and wishes to be advised of the content of the session may inquire of any director who attended the closed session. The person contacted may advise the inquiring director of the content of the session. The advised director shall not disclose the matter for which the session was held.

(c) If a director, a Department Head, or a person other than a District staff member is reported to have violated Section 2105(b), the matter shall be referred to the Executive Committee for investigation and consideration of any appropriate action warranted including, but not limited to, legal action, censure, removal from one or more committee assignments, and recommendation to the member's appointing agency that steps be taken to remove that individual from the Board. Before taking any action and as part of the consideration, the Executive Committee shall provide the person under investigation with an opportunity to meet with it or a subcommittee appointed by it, and present reasons and evidence why action should not be taken.

(d) If a member of the staff is reported to have violated Section 2105(b), the matter shall be referred to the appropriate Department Head for investigation; the Department Head shall report to the Executive Committee any action taken including, but not limited to, legal action and initiation of discipline.

Ords. 85 and 113; repealed by Ord. 146; Sections 201.2.5.3 through 201.2.5.5 added, as amended, by M.I. 32690 - April 10, 1979; amended by M.I. 33493 - November 18, 1980; renumbered Sections 201.2.6.6.4 through 201.2.6.6.5 by M.I. 34112 - February 9, 1982; renumbered Sections 201.3.9 through 201.3.9.2 and

amended by M.I. 35469 - January 8, 1985 Sections 201.3.9 through 201.3.9.2 repealed and Sections 2108(a) through 2108(b) adopted by M.I. 36464 - January 13, 1987; renumbered to Section 2105, paragraphs (a) and (b) deleted and new language adopted by M.I. 37492 - January 10, 1989 (previous Sections 2106 through 2107 repealed). Sections 201.2.5.6.1 through 201.2.5.6.3 - M.I. 33600 - February 10, 1981; renumbered Sections 201.2.6.6.1 through 201.2.6.6.3 and amended by M.I. 34112 - February 9, 1982; amended by M.I. 35061 - March 13, 1984; renumbered Sections 201.3.9.3 through 201.3.9.5 - January 8, 1985. Sections 201.3.9.3 through 201.3.9.5 repealed and Sections 2108(c) through 2108(e) adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; renumbered to Section 2105(b) through (d) by M.I. 37492 - January 10, 1989; Section 2105 paragraph (a) amended by M.I. 41684 - December 14, 1995.

§ 2106. Adjourned Meetings.

If all members are absent from any regular or adjourned regular meeting, the Board Executive Secretary may declare the meeting adjourned and shall cause a written notice of the adjournment to be given pursuant to Government Code Section 54955 which shall be posted in the public reception area of the District's Headquarters Building.

Ord. 113; repealed by Ord. 146; Section 201.2.6 added, as amended, by M.I. 32690 - April 10, 1979; renumbered Section 201.2.7 and amended by M.I. 34112 - February 9, 1982; renumbered Section 201.3.10 - January 8, 1985. Section 201.3.10 repealed and Section 2109 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended and renumbered 2106 by M.I. 37492 - January 10, 1989.

§ 2107. Legal Department Representation.

In order to maintain continuity of legal advice, a second representative of the Legal Department shall attend with the General Counsel all meetings of the Board to the extent possible.

Section 203.1 based on M.I. 20914 - October 11, 1960. Section 203.1 repealed and Section 2110 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended and renumbered Section 2107 by M.I. 37492 - January 10, 1989.

§ 2108. Minutes.

Minutes of the Board meeting shall be prepared and mailed to each director as soon as convenient after each meeting. Such minutes shall not include the text of ordinances and resolutions adopted, which shall be recorded in separate volumes by the Board Executive Secretary. Minutes of the Board and monthly reports filed therewith are to be sent to the city clerks and water departments of the member public agencies who have requests on file with the Board Executive Secretary for such material.

Section 203.2 based on M.I. 147 - May 13, 1929, M.I. 435 - December 27, 1929, and M.I. 15950 - September 28, 1954. Section 203.2 repealed and Section 2111 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended and renumbered Section 2108 by M.I. 37492 - January 10, 1989.

§ 2109. Board Agenda.

(a) The deadline for submission to the Board Executive Secretary of items for the Board agenda shall be in conformity with rules promulgated by the General Manager from time to time.

(b) The Executive Committee shall review the Board agenda prior to the Board meeting, and may remove or defer items on the agenda. Any matter not on the Board agenda may be presented to the Board upon motion duly made and carried at the Board meeting:

(1) Upon a determination by a majority vote of the Board that an emergency situation exists, as defined in Government Code Section 54956.5; or

(2) Upon a determination by a two-thirds vote of the Board, or if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted; or

(3) If the item was posted for a prior meeting of the Board occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.

(c) The Board agenda shall make provision for public appearances before matters on which action is taken.

(d) The Board Executive Secretary shall be responsible for any required posting of agendas which shall be in the public lobby of the District's Headquarters Building.

(e) Videotapes of informational presentations prepared by District staff which are distributed in advance of a Board meeting to Board members shall be identified on the Board agenda, and copies of the videotapes shall be available to the public.

Paragraph (a) [formerly Section 203.3.1] based on M.I. 21755 - November 14, 1961 as amended by Consent Calendar Procedure - July 8, 1975; amended by M.I. 34302 - July 13, 1982; paragraph (b) [formerly Section 203.3.2] based on M.I. 21756 - November 14, 1961; and paragraph (c) [formerly Section 203.3.3] based on M.I. 21832 - December 12, 1961; paragraphs (d) and (e) [formerly Section 203.3.4 and 203.3.5] added by M.I. 36412 - December 9, 1986. Section 203.3 repealed and Section 2112 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (e) amended by M.I. 36491 - February 10, 1987; amended and renumbered Section 2109 by M.I. 37492 - January 10, 1989; paragraphs (b)(1) through (b)(3) added, and paragraph (c) deleted, paragraphs (d) and (e) renumbered to (c) and (d) by M.I. 37722 - June 13, 1989; paragraph (e) added by M.I. 39036 - June 11, 1991; paragraph (b) amended by M.I. 43587 - June 8, 1999.

Article 2

CONSENT CALENDAR

Sec.

2120. Purpose and Scope

2121. Consent Calendar

2122. Committee Procedure

2123. Board Meeting Procedure

§ 2120. Purpose and Scope.

It is the purpose of the Consent Calendar procedure to expedite Board consideration of non-controversial matters so as to enable the Board to devote added time to other matters. The procedure ensures that if any item on the calendar is disputed, individual consideration will be given to it.

Organization and Procedures of the Board - July 19, 1976. Section 202.1 repealed and Section 2120 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 2121. Consent Calendar.

(a) Consent Calendar items shall be set forth in a separate section of the Board's agenda.

(b) Matters for the Consent Calendar shall be recommended by the Department Heads and shall be submitted to the Board Executive Secretary not less than seven working days prior to the meeting of the Board and, except as provided below, pertinent materials sufficient to enable a member to formulate an opinion on each Consent Calendar item shall be included with the agenda mailed to directors. Such materials need not be included with the agenda as to matters which are to be considered in committee in closed session, but such materials shall be available at the meeting of the Board for distribution to directors who request them.

(c) Matters may not be placed on the Consent Calendar if a roll call vote is required; if a vote other than a simple majority is required; or if the amount involved is \$2,000,000 or more.

Organization and Procedures of the Board - July 19, 1976; Section 202.3 amended and by M.I. 33453 - October 14, 1980. Paragraph (c) [formerly 202.3.3] previously 202.3.4 amended and renumbered by M.I. 33453 - October 14, 1980; amended by M.I. 34889 - October 11, 1983; amended by M.I. 35592 - April 9, 1985. Section 202.2 repealed and Section 2121 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 36811 - September 22, 1987; paragraph (c) amended by M.I. 39036 - June 11, 1991.

§ 2122. Committee Procedure.

(a) Matters recommended by a Department Head for inclusion on the Consent Calendar shall be so identified on the committee agendas.

(b) A Consent Calendar matter shall be removed if the standing committee to which it has been submitted does not recommend approval with a quorum of the committee present or if it recommends approval only after making changes to the recommendation of the Department Head.

Organization and Procedures of the Board - July 19, 1976. Paragraph (b) [formerly Section 202.3.2] amended by M.I. 35592 - April 9, 1985. Section 202.3 repealed and Section 2122 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 36811 - September 22, 1987.

§ 2123. Board Meeting Procedure.

(a) Copies of the Board Agenda shall be made available at the entrance to the Board Room on the day of the Board meeting.

(b) As the first order of business after any ceremonial matters or opening reports, the Chair shall ask if any director or member of the public requests removal of a Consent Calendar matter. Upon such request, such matter shall be automatically removed from the Consent Calendar and shall be considered in the manner of a regular item; provided, however, that any such matter considered in committee in closed session shall be considered in closed session by the Board.

(c) A motion by any member shall then be in order to approve the remaining matters on the Consent Calendar and the vote thereon shall be on all the matters collectively.

(d) If the vote is favorable, then before the result of the vote is announced, the Chair shall ask whether there are any abstentions or negative votes to be cast on any item and shall cause the Secretary to record such abstention or negative vote. Each matter on the Consent Calendar shall be recorded in the minutes separately and the vote for the Consent Calendar shall be shown as the vote for each matter together with any abstentions or negative votes.

Organization and Procedures of the Board - July 19, 1976. Paragraph (b) [formerly Section 202.4.2] amended by M.I. 33453 - October 14, 1980. Section 202.4 repealed and Section 2123 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 36811 - September 22, 1987; paragraph (b) amended by M. I. 43587 - June 8, 1999.

Article 3

MISCELLANEOUS BOARD RULES

Sec.

2140. Duties of the Board Executive Secretary

2141. Communications to Board

2142. Monthly Staff Reports

2143. Bid Tabulations

2144. Appearances before Board and Committees

2145. Use of Board and Committee Facilities

2146. Availability for Public Inspection of Certain Board and Committee Material

2147. Time Limits Upon Presentations

[Former § 2140 - repealed by M.I. 49187 - September 11, 2012]

§2140. Duties of the Board Executive Secretary.

The duties of the Board Executive Secretary are to:

(a) Provide administrative and ministerial services for the Board and directors under the direction of the General Manager;

(b) Act as the liaison between the Board and management under the direction of the General Manager;

(c) Accept service of process on behalf of the District; and,

(d) Report to the General Manager.

M.I. 43587 - June 8, 1999; amended by M. I. 45943 – October 12, 2004; Section renumbered to 2140, amended paragraphs (a), (b), and (d) by M.I. 49187 - September 11, 2012.

§2141. Communications to Board.

(a) A communication from a Department Head to the Board may be withdrawn by the Department Head at any time prior to its approval by a committee. After approval by a committee, a communication may be withdrawn by the Department Head only with the concurrence of the chair of any committee which has approved the recommendation contained in the communication.

(b) The Board Executive Secretary shall send copies of all items for the Board and other important communications received to the General Manager and the General Counsel unless they already have such copies.

M.I. 16909 - January 24, 1956; M.I. 19888 - August 20, 1959; paragraph (a) [formerly 203.4.1] added and paragraph (b) [formerly 203.4.2] renumbered by M.I. 35027 - February 14, 1984; paragraph (c) [formerly 203.4.3] was former Section 433.5.8.2, added by M.I. 35166 - June 12, 1984 and renumbered 203.4.3 - January 8, 1985; Section 203.4 repealed and Section 2140 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; Section renumbered to 2142 and paragraph (c) repealed by M.I.43587 - June 8, 1999; Section renumbered to 2141 by M.I. 49187 - September 11, 2012.

§ 2142. Monthly Staff Reports.

The monthly departmental reports of the General Manager and General Counsel shall be mailed in advance of the Board meeting to each director by the department organizing the report but they are not to be distributed at such meeting. These reports are to be orally summarized at the Board meeting mentioning only significant changes from previous reports.

Section 203.5 based on M.I. 12516 - October 14, 1949; M.I. 14449 - July 29, 1952; M.I. 14519 - August 19, 1952; M.I. 19058 - October 14, 1958; M.I. 19151 - November 18, 1958; M.I. 19178 - November 25, 1958; M.I. 30159 - February 5, 1974. Section 203.5 repealed and Section 2141 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; Section renumbered to 2143 by M.I. 43587 - June 8, 1999; Section renumbered to 2142 by M.I. 49187 - September 11, 2012.

§ 2143. Bid Tabulations.

Each director is to be furnished with a tabulation of all bids received for each proposed award of contract presented to the Board for approval. Therefore, the reading of that portion of the General Manager's letter listing the bids shall be dispensed with.

Section 203.6 based on M.I. 15251 - September 15, 1953 and M.I. 15348 - November 10, 1953. Section 203.6 repealed and Section 2142 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; Section renumbered to 2144 and amended by M.I. 43587 - June 8, 1999; Section renumbered to 2143 by M.I. 49187 - September 11, 2012.

§ 2144. Appearances before Board and Committees.

(a) Persons desiring to appear before the Board at a regular meeting shall so signify when asked by the Chair to do so at the time the agenda item required by Section 2109(c) is called. They shall state the purpose of their appearance. If the purpose relates to an item to be considered by a committee, the Chair of the Board shall refer them to the appropriate committee, unless the Chair determines that referral is not appropriate or the person expresses a desire to address the Board directly. The person may address the Board on matters within the Board's subject matter jurisdiction subject to reasonable time limits on the issue and individual speakers as established by the Chair.

(b) Upon referral of an appearance to a committee by the Board, the Committee Chair shall place the matter on the committee's agenda if the request for an appearance is made to a committee in the first instance, the Committee Chair shall place the matter on the committee's agenda unless the committee determines that the matter should be referred to the Board for placement on the Board's agenda or to a different committee.

Section 203.7 - M.I. 32113 - January 10, 1978; amended and renumbered Sections 203.7.1 and 203.7.2 by M.I. 36412 - December 9, 1986. Section 203.7 repealed and Section 2143 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 37492 - January 10, 1989; Section renumbered to 2145 by M.I. 43587 - June 8, 1999; paragraphs (a) and (b) amended by M.I. 47286 - November 20, 2007; Section renumbered to 2144 by M.I. 49187 - September 11, 2012.

§ 2145. Use of Board and Committee Facilities.

All requests for use of the Board and committee rooms shall be submitted to the General Manager, and the use of such rooms by outside agencies and groups shall be limited to appropriate purposes pursuant to the terms and conditions, including payment, established by the General Manager.

Section 203.8 - M.I. 33453 - October 14, 1980; amended by M.I. 33484 - November 18, 1980. Section 203.8 repealed and Section 2144 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; Section renumbered to 2146 by M.I. 43587 - June 8, 1999; amended by M.I. 43692 - August 17, 1999; amended by M.I. 45943 - October 12, 2004; Section renumbered to 2145, and amended by M.I. 49187 - September 11, 2012.

§ 2146. Availability for Public Inspection of Certain Board and Committee Material.

The Board Executive Secretary shall make available, for inspection by the public prior to commencement of and during a Board or Board committee meeting, copies of the meeting agenda and of any written or videotaped materials that are not exempt from public disclosure under Sections 10200 - 10205 and that have been distributed in advance to the Board or committee members for discussion or consideration at the meeting. If non-exempt written or videotaped materials are distributed to the members during their discussion at the meeting, copies thereof shall be made available for public inspection at the same time or as soon thereafter as practicable. Upon request, the District shall provide facilities for public viewing of videotaped materials distributed to Board members.

Section 203.9 - M.I. 33523 - December 9, 1980. Section 203.9 repealed and Section 2145 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 39036 - June 11, 1991; Section renumbered to 2147 by M.I. 43587 - June 8, 1999; Section renumbered to 2146 by M.I. 49187 - September 11, 2012.

§ 2147. Time limits upon presentations.

Members of the public addressing the Board or a committee shall be limited to three minutes at each meeting. Organizations shall be limited to a total of five minutes if more than one representative wishes to speak. Each director may speak for no more than three minutes on each matter before the Board or committee. The Chair of the Board or committee, or the Board or committee by majority vote, may allow additional time.

M.I. 40164 - April 13, 1993; Section renumbered to 2148 by M.I. 43587 - June 8, 1999; amended by M.I. 47286 - November 20, 2007; Section renumbered to 2147 by M.I. 49187 - September 11, 2012.

Chapter 2

BOARD OFFICERS

Sec.

2200. Establishment of Offices

2201. Terms of Office: Limitations

2202. Selection of Officers

2203. Vacancy in Office

2204. Delegation of Duties to Vice Chair

2205. Duties of the Chair

2206 Use of District Automobile by Chair

2207 Duties of the Secretary of the Board

§ 2200. Establishment of Offices.

There shall be one office of Chair and one office of Secretary of the Board. There shall be four offices of Vice Chair of the Board serving at the pleasure of the Chair

Organization and Procedures of the Board - July 19, 1976; amended by M.I. 33453 - October 14, 1980; Sections 201.1 and 201.1.1, renumbered January 8, 1985. Section 201.2.1 repealed and Section 2200 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 39911 - November 10, 1992; amended by M.I. 41147 - December 13, 1994; amended by M.I. 43587 - June 8, 1999; amended by M.I. 43819 - December 14, 1999; amended by M. I. 46064 – January 11, 2005.

§ 2201. Terms of Office; Limitations.

(a) The term of office of officers of the Board shall commence on January 1 of the year immediately following their election, except for the Vice Chairs who are appointed to their positions.

(b) A director may serve as a Board officer for not more than two consecutive full two-year terms.

(c) A director shall not be eligible to serve in a combination of offices of the Board more than four consecutive full two-year terms except that any member may serve in the office of Chair for two consecutive full two-year terms without regard to previously held office and may thereafter serve as a member of the Executive Committee in the capacity as a past Chair.

Organization and Procedures of the Board - July 19, 1976; amended by M.I. 32690 - April 10, 1979; M.I. 33453 - October 14, 1980; M.I. 34399 - September 14, 1982; and M.I. 34673 - April 12, 1983; Sections 201.1.2 through 201.1.2.3, renumbered January 8, 1985. Section 201.2.2 repealed and Section 2201 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (c) amended by M.I. 37406 - November 8, 1988; paragraph (a) amended by M.I. 43819 - December 14, 1999; amended by M.I. 45249 - March 11, 2003; paragraph (c) amended by M. I. 46148 – March 8, 2005; amended by M. I. 46983 - February 13, 2007.

§ 2202. Selection of Officers.

The Chair shall be nominated by the Executive Committee or from the floor and elected in even-numbered years at the October meeting of the Board. The Secretary shall be nominated by the Executive Committee or from the floor and elected in even-numbered years at the November meeting of the Board. The four Vice Chairs shall be selected by the Chair, with the approval of the Executive Committee and Board, and shall serve at the pleasure of the Chair. Selection of the officers shall be made without regard to the regions which are represented.

Section 201.1.3, Organization and Procedures of the Board - July 19, 1976; repealed by M.I. 33453 - October 14, 1980; Section 201.1.4 - M.I. 32213 - March 14, 1978; previous Section 201.1.4 repealed by same M.I.; amended by M.I. 32996 - November 13, 1979; amended and renumbered as 201.1.3 by M.I. 33453 - October 14, 1980; amended by M.I. 34673 - April 12, 1983; renumbered Section 201.2.3 by January 8, 1985; amended by M.I. 36240 - August 19, 1986. Section 201.2.3 repealed and Section 2202 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 39449 - February 11, 1992; amended by M.I. 39911 - November 10, 1992; amended by M.I. 41147 - December 13, 1994; amended by M. I. 43587 - June 8, 1999; amended by M. I. 43819 - December 14, 1999; amended by M.I. 44582 - August 20, 2001; amended by M. I. 46064 - January 11, 2005; amended by M.I. 47998 - August 18, 2009.

§ 2203. Vacancy in Office.

Whenever a vacancy occurs in an office of Chair or Secretary of the Board during a term of office, nominations shall be submitted to and an election shall be held by the Board to fill the vacancy within 90 days of the date of the vacancy if there remain 90 days or more in the term at the time the vacancy occurs.

Section 201.1.4 - M.I. 34673 - April 12, 1983; renumbered Section 201.2.4 on January 8, 1985. Section 201.2.4 repealed and Section 2203 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 43587 - June 8, 1999.

§ 2204. Delegation of Duties to Vice Chair.

The Vice Chairs selected by the Chair shall act in the Chair's absence, failure or inability to act. The Chair shall assign one or more duties of the Chair to the Vice Chairs. The Vice Chairs shall have ex officio membership on standing or special committees as designated in this Code.

Section 201.1.5 Organization and Procedures of the Board - July 19, 1976; amended by M.I. 32213 - March 14, 1978; amended and renumbered Section 202.1.4 by M.I. 33453 - October 14, 1980; renumbered Section 201.1.5 by M.I. 34673 - April 12, 1983; renumbered Section 201.2.5 - January 8, 1985. Section 201.2.5 repealed and Section 2204 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; Section renamed and amended by M.I. 43587 - June 8, 1999; amended by M.I. 43819 - December 14, 1999; M.I. 43893 - February 8, 2000.

§ 2205. Duties of the Chair.

As prescribed by the Board, the Chair's duties include:

- (a) Presiding over meetings of the Board;

- (b) Ex officio membership on standing or special committees as designated in this Code;
- (c) Making committee appointments as set forth in this Code; and,
- (d) Other Board duties not specifically delegated to another Board officer or director.

Section 201.2.6 - M.I. 36265 - September 9, 1986. Section 201.2.6 repealed and Section 2205 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; Former Section 2205 repealed and renamed by M.I. 43587 - June 8, 1999.

§2206. Use of District Automobile by Chair

The Chair is authorized to use the Chair's District automobile for such purposes other than District business as may be necessary.

M.I. 44582 – August 20, 2001.

§ 2207. Duties of the Secretary of the Board.

The duties of the Secretary of the Board are to:

- (a) Sign all Board Meeting Minutes; and,
- (b) Sign all official Board documents on behalf of the Board, unless signature of an item has been delegated to the Board Executive Secretary or another person.

M.I. 43587 - June 8, 1999; Section renumbered by M.I. 44582 – August 20, 2001.

Chapter 3

RULES GOVERNING COMMITTEES

Sec.

2300. Definitions

2301. Special Meetings

2302. Committee Work and Reports

2303. Record of Actions

2304. Quorum

2305. Joint Meetings

2306. Adjournment of Meetings

2307. Attendance of Committees

2308. Obligations of Staff

2309. Meetings Open to Public

2310. Ad Hoc Committees

2311. Subcommittees

2312. Temporary Membership on Committees

2313. Agendas

2314. Resolution of Conflicting Committee Recommendations

2315. Standing Committee Inspection Trips

§ 2300. Definitions.

Unless otherwise qualified in this Chapter, the term "committee" includes standing committee, special committee, ad hoc committee, and subcommittee.

Organization and Procedures of the Board - July 13, 1976. Section 213.1 repealed and Section 2300 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 2301. Special Meetings.

Special meetings of any committee shall be called upon order of its chair or by a majority of the members of the committee. Notice of special meetings shall be provided as set forth in Section 2101 of this Code.

Organization and Procedures of the Board - July 13, 1976. Section 213.2 repealed and Section 2301 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 43587 - June 8, 1999.

§ 2302. Committee Work and Reports.

The performance of all duties and functions by committees is for the purpose of advising and recommending actions to the Board of Directors. Reports of standing, special and ad hoc committees shall be addressed to the Board; reports of a subcommittee shall be addressed to its parent standing committee.

Organization and Procedures of the Board - July 13, 1976; Section 213.3 amended by M.I. 33453 - October 14, 1980. Section 213.3 repealed and Section 2302 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 43692 - August 17, 1999.

§ 2303. Record of Actions.

Except as to matters which may lawfully be considered or acted upon in closed session, a record shall be kept of the actions taken by each committee and a member of the staff shall be designated for the purpose. The record shall indicate the attendance at the time each action was taken.

Organization and Procedures of the Board - July 13, 1976; Section 213.4 amended by M.I. 334935 - November 18, 1980. Section 213.4 repealed and Section 2303 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 2304. Quorum.

A quorum of a committee shall be a majority of the membership of a committee. Committees shall function in the absence of a quorum.

Organization and Procedures of the Board - July 13, 1976. Section 213.5 repealed and Section 2304 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 2305. Joint Meetings.

At any joint committee meeting, each committee shall vote separately on any action to be taken.

Organization and Procedures of the Board - July 13, 1976. Section 213.6 repealed and Section 2305 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 2306. Adjournment of Meetings.

The Board Executive Secretary may declare regular or adjourned regular meetings of committees or subcommittees adjourned when no committee or subcommittee members are present at such meetings. The Board Executive Secretary shall give notice of committee or subcommittee meeting adjournment in the manner established by statute and otherwise function as clerk of the committees and subcommittees for the purpose of any statute.

Section 213.7 based on M.I. 30940 - July 8, 1975. Section 213.7 repealed and Section 2306 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 2307. Attendance of Committees.

Insofar as possible all committees shall meet at their scheduled times. All directors have the right to attend any committee meeting.

Section 213.8 based on M.I. 21175 - February 14, 1961. Section 213.8 repealed and Section 2307 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 2308. Obligations of Staff.

All references and assignments to Board committees include, without the necessity of specific instruction, the request to the District's staff to render assistance and perform such functions and services to the committees as may be requested. Such references and requests shall be routed through the appropriate Department Head or his/her designee, or the Board Executive Officer.

Section 213.9 based on M.I. 19298 - January 27, 1959; repealed by M.I. 33453 - October 14, 1980; Section 213.10 based on M.I. 19810 - July 21, 1959; renumbered Section 213.9 by M.I. 33453 - October 14, 1980. Section 213.9 repealed and Section 2309 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 43587 - June 8, 1999.

§ 2309. Meetings Open to Public.

The provisions of Sections 2105(b) through 2105(d) shall apply to committee meetings.

Paragraphs (a) and (b) [formerly Sections 213.11 through 213.11.2] - M.I. 33493 - November 18, 1980; paragraph (c) [formerly Section 213.11.3] added by M.I. 33600 - February 10, 1981 and amended by M.I. 35061 - March 13, 1984; renumbered Section 213.10 by M.I. 35469 - January 8, 1985. Section 213.10 repealed and Section 2309 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraphs (a) and (b) repealed and paragraph (c) amended and renumbered Section 2309 by M.I. 37492 - January 10, 1989.

§ 2310. Ad Hoc Committees.

Ad Hoc Committees may be created by the Board to undertake special assignments on behalf of the Board. An ad hoc committee shall exist for a specified term or until its special assignments are completed, whichever comes first, but its existence may be extended for an added term or added assignments by action of the Board. Unless otherwise specified, members of an ad hoc committee shall be appointed by the Chair of the Board and shall serve at the Chair's pleasure.

Organization and Procedures of the Board - July 19, 1976; Section 212.2 amended by M.I. 33453 - October 14, 1980. Section 212.2 repealed and Section 2310 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 2311. Subcommittees.

With the approval of the Chair of the Board, subcommittees may be created by any standing committee of the Board to undertake specific assignments on behalf of the committee. The standing committee creating a subcommittee shall establish the term of the subcommittee and may extend such term as it deems desirable. At least two-thirds of a subcommittee's membership shall be from the parent committee, and shall be appointed by the chair of the subcommittee's parent committee and shall serve at the chair's pleasure. The remaining at large members shall be appointed by the chair of the parent committee after consultation with the Chair of the Board. An at large member who is the Chair of a subcommittee becomes a member of the parent committee for the time period that member serves as Chair of the subcommittee.

Organization and Procedures of the Board - July 19, 1976; Section 212.3 amended by M.I. 33453 - October 14, 1980. Section 212.3 repealed and Section 2311 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 42193 - December 10, 1996; amended by M.I. 43587 - June 8, 1999.

§ 2312. Temporary Membership on Committees.

Whenever any member of a Standing, Special or Ad Hoc Committee is absent from a committee assignment for an extended period the Chair of the Board may appoint another director to serve on such committee in place of the absent director for the duration of the absence whenever such appointment is deemed to be important to the effective functioning of the committee.

Section 212.4 - M.I. 34825 - August 17, 1983. Section 212.4 repealed and Section 2312 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 2313. Agendas.

Committee agendas shall be prepared, posted and acted upon in the same manner as required for Board meetings.

Section 213.11 - M.I. 36412 - December 9, 1986. Section 213.11 repealed and Section 2313 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 37492 - January 10, 1989.

§ 2314. Resolution of Conflicting Committee Recommendations.

Whenever the recommendations of two or more committees, not including the Executive Committee, to which a matter has been referred for initial consideration differ, such matter shall be considered by the Executive Committee whose recommendation on such matter shall be presented to the Board as the sole committee recommendation. If a conflict arises concerning a matter referred to the Executive Committee, as well as other committees, for initial consideration cannot be resolved by the Executive Committee, the recommendation of each committee shall be presented to the Board.

M.I. 40010 - January 12, 1993; amended by M.I. 43587 - June 8, 1999.

§ 2315. Standing Committee Inspection Trips.

When deemed to be of value by the Executive Committee, any standing, special, sub, or ad hoc committee may schedule one- or two-day inspection trips that will aid its members in the deliberations of matters before that committee. Trips of longer duration require approval by the Chairman and Board officers. Such inspection trips should be coordinated through the Office of the Board.

M.I. 40768 - April 12, 1994; amended by M.I. 43587 - June 8, 1999; amended by M.I. 45943 - October 12, 2004; amended by M.I. 47998 - August 18, 2009.

Chapter 4

STANDING COMMITTEES

Article		Sec.
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9	Real Property and Asset Management Committee	2490

Article 1

GENERAL

Sec.

2400. Identification of Standing Committees

2401. Officers and Members of Standing Committees

§ 2400. Identification of Standing Committees.

The Standing Committees of the Board of Directors are:

Executive Committee

Engineering and Operations Committee

Finance and Insurance Committee

Legal and Claims Committee

Water Planning and Stewardship Committee

Communications and Legislation Committee

Organization, Personnel and Technology Committee

Real Property and Asset Management Committee

Organization and Procedures of the Board - July 19, 1976. Section 211.1.1 repealed and Section 2400 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 40715 - March 8, 1994; amended by M.I. 41389 - May 9, 1995; amended by M.I. 42193 - December 10, 1996; amended by M.I. 42892 - April 14, 1998; amended by M.I. 43587 - June 8, 1999; amended by M.I. 44582 - August 20, 2001; amended by M.I. 44745 - January 8, 2002; amended by M. I. 46064 - January 11, 2005; amended by M. I. 46148 - March 8, 2005; amended by M. I. 46711 - June 13, 2006; amended by M.I. 46983 - February 13, 2007; Committees Engineering and Capital Programs, Legal and Human Resources, and Water Quality and Operations renamed by M.I. 48081 - November 10, 2009; Business and Finance, Communication and Legislation renamed by M.I. 48534 - January 11, 2011; Organization, Personnel and Technology renamed by M.I. 48624 - April 12, 2011; amended by M.I. 49187 - September 11, 2012; added Real Property and Asset Management Committee by M.I. 50467 - May 10, 2016.

§ 2401. Officers and Members of Standing Committees.

(a) Members, Chair, and Vice Chair of standing committees with the exception of the Executive Committee shall be appointed subject to the approval of the Executive Committee and the Board on the basis that each director, with the exception of the Chair of the Board, serve on at least one standing committees, in addition to the Executive Committee. Such appointment shall be made by the Chair of the Board unless a new Chair-elect has been selected by the Board to take office on the next January 1, in which event appointment of Chair and Vice-Chair of standing committees shall be made by the Chair-elect.

(b) Chair and Vice Chair of standing committees with the exception of the Executive Committee are to be appointed in even-numbered years at the December meeting of the Board for a two-year term commencing on January 1 of odd-numbered years. No director shall be appointed to the same committee office for more than two consecutive full terms.

(c) The Chair of the Board or the Vice Chair to whom the Chair has assigned the Chair's membership pursuant to Section 2204 is a member ex-officio, with right to vote, of all standing and special committees of the Board. However, the Chair or the Vice Chair to whom the Chair's membership has been assigned shall not be considered a member of any committee of which the officer is a member ex-officio for the purpose of determining whether a quorum of the committee is present unless the Chair or Vice Chair is actually present at the meeting of the committee.

Organization and Procedures of the Board - July 19, 1976; Section 211.1.2 amended by M.I. 32213 - March 14, 1978. Paragraph (a) [formerly Section 211.1.2.1] amended by M.I. 32690 - April 10, 1979; paragraph (b) [formerly Section 211.1.2.2] amended by M.I. 32996 - November 13, 1979; paragraph (a) amended by M.I. 34889 - October 11, 1983; amended by M.I. 36240 - August 19, 1986; see also Ords. 113 and 133, repealed by Ord. 146. Section 211.1.2 through 211.1.2.2 repealed and Sections 2401(a) and (b) adopted by M.I. 36464 - January 13, 1987; paragraph (a) amended by M.I. 40011 - January 12, 1993; paragraph (a) amended by M.I. 40715 - March 8, 1994; paragraph (a) amended by M.I. 42193 - December 10, 1996; paragraph (a) amended by M.I. 42631 - September 9, 1997.

Paragraph (c) [formerly Section 211.1.2.4], Ords. 113 and 133; repealed by Ord. 146; added, as amended, by M.I. 32690 - April 10, 1979; renumbered 211.1.2.3 by M.I. 34673 - April 12, 1983; amended by M.I. 35592 - April 9, 1985. Section 211.1.2.3 repealed and Section 2401(c) adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 36811 - September 22, 1987; paragraph (a) amended by M.I. 37570 - March 14, 1989; paragraph (a) amended by M.I. 42892 - April 14, 1998; paragraph (a), (b), (c) amended by M.I. 43587 - June 8, 1999.

Paragraph (a) amended by M. I. 46064 – January 11, 2005.

Article 2

EXECUTIVE COMMITTEE

Sec.

- 2410. Membership
- 2411. Selection of Nonofficer Members
- 2412. Term of Office for Nonofficer Members
- 2413. Limitation of Service**
- 2414. Officers**
- 2415. Day of Regular Meeting**
- 2416. Duties and Functions**
- 2417. Action by Board Officers**

§ 2410. Membership.

The Executive Committee shall have a maximum of 15 members and shall consist of the Chair, Vice Chairs, Secretary, all past Chairs of the Board who are directors of the District, and the Chairs of the standing committees in addition to the Executive Committee, and two additional directors as nonofficer members.

Organization and Procedures of the Board - July 19, 1976; Section 211.2.1.1 amended by M.I. 32213 - March 14, 1978, M.I. 32996 - November 13, 1979, M.I. 33453 - October 14, 1980; M.I. 34186 - April 13, 1982; M.I. 34301 - July 13, 1982; M.I. 34399 - September 14, 1982; and M.I. 34673 - April 12, 1983; amended by M.I. 36455 - January 13, 1987. Section 211.2.1.1 repealed and Section 2410 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 37406 - November 8, 1988; amended by M.I. 40715 - March 8, 1994; amended by M.I. 42193 - December 10, 1996; amended by M.I. 43587 - June 8, 1999; amended by M.I. 43792 - November 16, 1999; amended by M. I. 44745- January 8, 2002; amended by M.I. 45249- March 11, 2003; amended by M. I. 46064 – January 11, 2005; amended by M. I. 46711 - June 13, 2006; amended by M.I. 46983 - February 13, 2007; amended by M.I. 48501- December 14, 2010.

§ 2411. Selection of Nonofficer Members.

The two nonofficer members of the Executive Committee shall be nominated from the floor and elected at the January meeting of the Board.

Section Title amended and new paragraph added by M.I. 48501 - December 14, 2010.

§ 2412. Term of Office for Nonofficer Members.

The term of office for nonofficer members shall be two years and shall commence as of the date of their election at the January meeting of the Board.

Section Title amended and new paragraph added by M.I. 48501 - December 14, 2010.

§ 2413. Limitation on Service.

Each director may be elected as a nonofficer member of the Executive Committee for not more than two consecutive full two-year terms.

Section Title amended and new paragraph added by M.I. 48501 - December 14, 2010.

§ 2414. Officers.

The Chair of the Board shall be the Chair of the Executive Committee and the Vice Chairs of the Board shall be the Vice Chairs of the Executive Committee and their terms shall be concurrent with their terms as officers of the Board.

Section 211.2.1.6 - M.I. 34673 - April 12, 1983. Section 211.2.1.6 repealed and Section 2415 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph renumbered to 2411 by M. I46983 - February 13, 2007; paragraph renumbered from 2411 to 2414 by M.I. 48501 – December 14, 2010.

§ 2415. Day of Regular Meeting.

The regular meeting of the Executive Committee shall be held on the fourth Tuesday of the month.

Organization and Procedures of the Board - July 19, 1976. Section 211.2.2 repealed and Section 2416 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 36563 - April 14, 1987; amended by M.I. 40004 - January 12, 1993; amended by M.I. 40110 - March 9, 1993, amended by M.I. 40376 - August 24, 1993; amended by M.I. 43587 - June 8, 1999; amended by M.I. 43853 - January 11, 2000; amended by M.I. 44582 – August 20, 2001; amended by M.I. 44745– January 8, 2002; amended by M.I. 45943 – October 12, 2004; paragraph renumbered to 2412 by M. I. 46983 - February 13, 2007; paragraph renumbered from 2412 to 2415 by M.I. 48501 – December 14, 2010.

§ 2416. Duties and Functions. [Executive Committee]

(a) The Executive Committee shall study, advise, and make recommendations with regard to:

- (1) Public information for governmental and other entities and officials, and for the citizens of California regarding matters affecting the District's interests;
- (2) Official dealings with the United States Government, the State of California or other states, member public agencies or their sub-agencies, foreign governments and other entities or persons in matters of public policy or other activities as deemed appropriate;
- (3) Policies and procedures to be considered by the Board or committees thereof, except for policy matters within the jurisdiction of a specific standing committee;
- (4) Matters relating to the Colorado River Board of California;
- (5) Major policy issues to be considered by the Board, including proposed amendments to the Metropolitan Water District Act;

(6) Questions raised by the officers and staff in intervals between meetings of the Board and in unexpected situations and emergencies.

(7) The terms and conditions of employment of all consultants and advisors not within the jurisdiction of other committees;

(8) Resolution of conflicting committee recommendations pursuant to §2314;

(9) The progress of, and propose modifications to, the Board's goals in light of then existing and projected future conditions; and

(10) Such other matters as may be required by Division II of this Code.

(b) The Executive Committee shall:

(1) Review and approve board and committee agendas and, notwithstanding the jurisdiction of the other standing committees in the Code, have the authority to direct which committee shall consider an item;

(2) Review and approve the scheduling of board and committee meetings;

(3) Be responsible for the oversight and management of the organization including, but not limited to, the form of the District's organization and the flow of the authority and responsibility. This includes monitoring and overseeing the duties and responsibilities of management; and

(4) Consider the effectiveness of the District's internal control system, including information technology security and control.

(c) The Executive Committee shall retain ultimate responsibility for those duties as are specifically assigned to the subcommittees of the Executive Committee.

(d) The Executive Committee shall be responsible for reviewing and approving the annual business plan containing the General Manager's key priorities for the coming year.

(e) As part of the Department Head annual evaluation process, the Executive Committee shall be responsible for engaging in periodic performance expectations discussions, including progress checks, with the General Manager.

(f) The Executive Committee shall also:

(1) Act on behalf of the Board in unexpected situations and emergencies, subject to subsequent approval or ratification of the actions taken whenever such approval or ratification is required by law.

(2) Provide policy guidance where appropriate to those directors and District staff members who are associated with organizations in which the District has membership.

(3) Conduct hearings on vendors' protests:

(i) Hearings requested pursuant to Section 8142(d), and other hearings granted on the Executive Committee's own motion, unless delegated pursuant to Section 8148 shall be held by the committee at its next regular meeting to be held at least 72 hours after filing of the notice of protest. The hearing shall be conducted in accordance with such rules as the Chair of the committee shall announce. The committee shall make a decision on the bidder's or applicant's protest, shall set forth its reasons therefor, and shall cause the Board Executive Secretary to serve a copy of the decision on the bidder or applicant. The decision of the committee shall be final unless the committee chooses to refer the notice of protest to the Board.

(ii) The Chair of the Executive Committee may re-delegate hearings provided for under subparagraph (i) above to a minimum of three members of the Executive Committee who shall act in place of the committee in the conduct of the hearing and who shall at the conclusion thereof make their recommendations to the full committee. Such recommendations shall be accompanied by copies of any materials submitted in evidence. Any hearing held and recommendations made pursuant to such delegated authority shall be completed in advance of the time set for the next regular meeting of the full committee following the meeting at which the matter would otherwise have been heard by the committee.

(4) Resolve disputes over inspection dates and monitor conduct of inspection trips to assure maximum effectiveness.

Section 211.2.3 - Organization and Procedures of the Board - July 19, 1976; paragraph (b) [formerly Section 211.2.3.2] amended by M.I. 32869 - August 17, 1979; section amended by M.I. 32924 - September 18, 1979; paragraphs (e), (f) and (h) [formerly Sections 211.2.3.5, 211.2.3.6 and 211.2.3.8] amended by M.I. 33453 - October 14, 1980; paragraph (h)(4) [formerly Section 211.2.3.8.4] added by M.I. 34399 - September 14, 1982. Section 211.2.3 repealed and Section 2417 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; new paragraphs (g), (h), (i) and (j) added, former paragraphs (g) and (h) renumbered, new paragraphs (l)(5), (6) and (7) added by M.I. 40004 - January 12, 1993; paragraph (a) deleted and paragraphs renumbered by M.I. 40715 - March 8, 1994; paragraph (5) deleted and subsequent paragraphs renumbered by M.I. 40715 and M.I. 40728 - March 8, 1994; paragraphs (b), (d), (k)(6) amended, former paragraphs (f), (g), (h), repealed, and new paragraphs (f), (g), (h), (i) added by M.I. 43587 - June 8, 1999; new paragraphs (j) and (k) added and former paragraphs (j) and (k) renumbered by M.I. 43692 - August 17, 1999; (i) repealed and new (i) added, (i)-(m) renumbered, and (j)-(l) amended by M.I. 44582 - August 20, 2001; paragraph (m) deleted, paragraphs (a) through (n) renumbered, and new paragraphs (a)(3), (5), (6), (13) added by M.I. 45249 - March 11, 2003; paragraphs (a)(5), (13) amended, paragraphs (e)(2) repealed, and paragraphs (e) (3) through (6) renumbered by M.I. 46064 - January 11, 2005; paragraph (a) (12) repealed and paragraph (a) (13) renumbered (a) (12).by M.I. 46148 - March 8 2005; paragraph (a)(5) amended, new paragraphs (a)(9)-(a)(15) added, former paragraphs (9)-(12) renumbered (16)-(19), and paragraphs (c) and (d) amended by M.I. 46711 June 13, 2006; paragraph (e)(4)(i) amended by M.I. 46838 - October 10, 2006; paragraph renumbered to 2413, paragraphs (a) (3)-(19) renumbered and amended, paragraphs (b) - (e) renumbered and amended by M.I. 46983 - February 13, 2007; paragraph (a)(12) (b)(3) amended and (a)(12) (b)(4) added by M.I. 47252 October 9, 2007; original paragraphs (a) (7) and (8) deleted and renumbered, and paragraphs (b)(3), (d), and (e) amended by M.I. 47636 - September 9, 2008; paragraph (e) amended by M.I. 48081 - November 10, 2009; paragraph renumbered from 2413 to 2416 by M.I. 48501 - December 14, 2010; paragraphs (d) and (e) amended by M.I. 48800 - September 13, 2011; paragraph (d) amended by M.I. 49187 - September 11, 2012; paragraphs (d) and (e) amended by M.I. 49566 - October 8, 2013; paragraphs (d) and (e) amended by M.I. 50156 - June 9, 2015; paragraph (d) amended by M.I. 50498 - June 14, 2016.

§ 2417. Action by Board Officers.

If, in the opinion of the Chair, it is impracticable that the full committee perform a function to be performed by the Executive Committee between regular meetings, such function may be performed by the Officers of the Board, acting at a meeting called for that purpose, with equal effect as if performed by the full committee.

Section 211.2.4 - M.I. 35855 - November 19, 1985. Section 211.2.4 repealed and Section 2418 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph renumbered to 2414 by M.I. 46983 - February 13, 2007; paragraph renumbered from 2414 to 2417 by M.I. 48501 – December 14, 2010.

[§ 2415 and §2416 Repealed by – M. I. 47636 - September 9, 2008 and Reinstated by M.I. 48501 – December 14, 2010.]

[§ 2421 Repealed by M.I. 44582 – August 20, 2001]

Article 3

ENGINEERING AND OPERATIONS COMMITTEE

Sec.

2430. Day of Regular Meeting

2431. Duties and Functions

§ 2430. Day of Regular Meetings.

The regular meetings of the Engineering and Operations Committee shall be held on the Monday preceding regular Board meetings or on the Tuesday of regular Board meetings.

Organization and Procedures of the Board - July 19, 1976. Section 211.3.1 repealed and Section 2430 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 37432 - December 13, 1988; amended by M.I. 43587 - June 8, 1999; amended by M.I. 43853 - January 11, 2000; Title and section amended by M.I. 44582 - August 20, 2001; amended by M.I. 44745 - January 8, 2002; Section renamed by M. I. 46983 - February 13, 2007; Article 3 renamed Engineering and Operations and section amended by M.I. 48081 - November 10, 2009; amended by M.I. 50155 - June 9, 2015.

§ 2431. Duties and Functions.

The Engineering and Operations Committee shall study, advise and make recommendations with regard to:

- (a) Plans, specifications and bids;
- (b) The initiation, scheduling, contracting, and performance of construction programs and work, and the equipment or materials to be used, replaced, disposed of, or salvaged;
- (c) Such matters as may come to its attention on inspection trips of the aqueduct works which the committee shall make at least once a year;
- (d) The operation, protection, and maintenance of the plants and facilities required for the production, exchange, sale, storage, treatment, and delivery of water and power and for the storage and treatment of water; and for the distribution of electrical energy to the aqueduct pumping plants;
- (e) The providing of storage and distribution facilities and connections for the delivery of water;
- (f) Construction claims;
- (g) Engineering aspects of State Water Project facilities;
- (h) The selection of engineering and geologic consultants and the determination of the scope of their assignments;

- (i) Energy matters in general;
- (j) Water treatment technologies for complying with drinking water regulations;
- (k) Water quality policies and standards;
- (l) Policies regarding the quality of imported, reclaimed, reused and stored water;
- (m) The effect on the District of existing and proposed federal, state, and local water quality statutes and regulations;
- (n) Proposed amendments to the Metropolitan Water District Act and Code affecting the engineering and operations functions of the District and water quality;
- (o) Proposed rules and proposals regarding business development opportunities for intellectual property transactions; and.
- (p) The District's Capital Investment Program.

Organization and Procedures of the Board - July 19, 1976; Sections 211.3.2 amended and paragraph (j) [formerly Section 211.3.2.10] added by M.I. 32924 - September 18, 1979. Section 211.3.2 repealed and Section 2431 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; former paragraph (j) renamed (o), and new paragraphs (j), (k), (l), (m), and (n), added by M.I. 43587 - June 8, 1999; paragraphs (j)-(n) repealed, (o) renumbered to (k) and amended, and new paragraphs (j)-(u) added by M. I. 44582 - August 20, 2001; amended and paragraphs (l)-(u) deleted by M. I. 44745 - January 8, 2002; paragraph (c) - (k) renumbered and amended and new paragraphs (h) - (j) added by M. I. 46983 - February 13, 2007; new paragraphs (d)-(e) and (i)-(l) added, former paragraphs (d)-(f) renamed (f)-(h), former paragraphs (g-j) renamed (n)-(q), paragraphs (n) and (p) amended by M.I. 48081 - November 10, 2009; paragraph (o) deleted, former paragraph (p)-(q) renamed (o)-(p) by M.I. 48624 - April 12, 2011.

Article 4

FINANCE AND INSURANCE COMMITTEE

Sec.

2440. Day of Regular Meeting

2441. Duties and Functions

§ 2440. Day of Regular Meetings.

The regular meetings of the Finance and Insurance Committee shall be held on the Monday preceding regular Board meetings or on the Tuesday of regular meetings.

Organization and Procedures of the Board - July 19, 1976; Section 211.4.1 amended by M.I. 31897 - August 19, 1977. Section 211.4.1 repealed and Section 2440 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 36563 - April 14, 1987; amended by M.I. 40004 - January 12, 1993; amended by M.I. 42193 - December 10, 1996; amended by M.I. 43587 - June 8, 1999; title and Section amended by M.I. 44582 - August 20, 2001; amended by M.I. 44745 - January 8, 2002; committee name changed by M. I. 46064 - January 11, 2005; amended by M. I. 46148 - March 8, 2005; Section renamed by M. I. 46983 - February 13, 2007; Business and Finance renamed by M.I. 48534 - January 11, 2011; amended by M.I. 50155 - June 9, 2015.

§2441. Duties and Functions.

The Finance and Insurance Committee shall study, advise and make recommendations with regard to:

- (a) Preparation of budgets;
- (b) Policies and procedures related to budget development and cost containment;
- (c) Sale of bonds and borrowing and repayment of money;
- (d) Disposition and investment of funds;
- (e) Authorization of appropriations;
- (f) The determination of revenues to be obtained through sales of water, water standby or availability of service charges, and the levying of taxes;
- (g) The financial impact and requirements of policies concerning annexation;
- (h) The financial aspects of the District's risk management program;
- (i) Questions pertaining to insurance coverage and self-insurance;
- (j) The selection of financial and insurance consultants and the determination of the scope of their assignments;
- (k) Form and contents of accounts, financial reports, and financial statements;

(l) Proposed amendments to the Metropolitan Water District Act affecting the finance and insurance functions of the District;

(m) Goals and objectives related to financial planning for Metropolitan, including but not limited to revenues, operating expenses, reserve policies, internally funded construction, debt management, investments and capital financing strategies;

(n) The selling prices of water and conditions governing sales of water;

(o) Costs and accounting procedures relating to the District's and other state water service contracts;

(p) Policies regarding the sale of water for various uses;

(q) Policies regarding allocation of water standby or availability of service revenue requirements among member public agencies;

(r) Water standby or availability of service charges within the District;

(s) Determinations by the General Manager with respect to appeals concerning charges for water service, including readiness-to-serve charges and capacity charges, and report its recommendations, as appropriate, to affirm or reverse the General Manager's determinations;

(t) Appeals from determinations by the General Manager to deny or qualify an application for exemption from the water standby charge, and report its recommendations, as appropriate, to affirm or reverse the General Manager's determinations;

(u) The purchase, management and disposition of personal property assets such as equipment and vehicles;

(v) Facility master plans, including budgeting for capital improvements and long-term facilities commitments; and

(w) Policies regarding annexation and the requirements, procedures, terms and conditions for annexations;

Organization and Procedures of the Board - July 19, 1976; Section 211.4.2 amended and paragraphs (l) and (m) [formerly Sections 211.4.2.12 - 211.4.2.13] added by M.I. 32924 - September 18, 1979. Section 211.4.2 repealed and Section 2441 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (j) amended by M.I. 37000 - February 9, 1988; amended by M.I. 37449 - December 13, 1988; paragraphs (i) and (j) amended, paragraph (l) deleted and paragraph (m) renumbered by M.I. 39358 - December 10, 1991; amended by M.I. 42193 - December 10, 1996; former paragraph (i) deleted, paragraph (j) renumbered, and new paragraphs (l) through (t) added by M. I. 43587 - June 8, 1999; paragraphs (b)-(l) renumbered, (s) and (t) amended, and paragraphs (u) -(y) added by M. I. 44582 - August 20, 2001; amended and paragraphs (u)-(y) deleted by M.I. 44745 - January 8, 2002; Budget, Finance and Investment Committee name changed to Budget and Finance, and paragraph (s) amended by M. I. 46064 - January 11, 2005; Committee name changed to Budget, Finance, Investment and Insurance by M. I. 46148 - March 8, 2005; paragraphs (s) and (t) amended, (u) thru (ee) added by M.I. 46983 - February 13, 2007; paragraphs (u)-(z) deleted, previous paragraphs (aa)-(cc) renumbered to (u)-(w), paragraphs (dd)-(ee) deleted by M.I. 48295 - June 8, 2010.

[§2450 Asset and Recreation Committee Repealed by M.I. 46983 - February 13, 2007]

Article 5

LEGAL AND CLAIMS COMMITTEE

Sec.

2450. Day of Regular Meetings

2451. Duties and Functions

§ 2450. Day of Regular Meeting.

The regular meetings of the Legal and Claims Committee shall be held on the Monday preceding regular Board meetings or on the Tuesday of regular Board meetings.

Organization and Procedures of the Board – July 19, 1976. Section 211.6.1 repealed and Section 2460 adopted by M. I. 36464 – January 13, 1987, effective April 1, 1987; amended by M.I. 36563 – April 14, 1987; amended by M.I. 37432 – December 13, 1988; amended by M.I. 39500 – March 10, 1992; amended by M.I. 41450 – June 13, 1995; amended by M.I. 42504 – July 8, 1997; amended by M.I. 43587 – June 8, 1999; title and Section amended by M.I. 45582 – August 20, 2001; committee name changed to Legal and Claims by M.I. 46064 – January 11, 2005; amended by M. I. 46711 - June 13, 2006; Article 5 renamed and renumbered to 2450-1 by M. I. 46983 – February 13, 2007; amended by M.I. 50155 - June 9, 2015.

§ 2451. Duties and Functions. [Legal and Claims Committee]

The Legal and Claims Committee shall study, advise and make recommendations with regard to:

- (a) Litigation and claims brought by or against the District;
- (b) Condemnation matters, when they involve settlements requiring Board approval and inverse condemnation matters;
- (c) Public liability insurance matters, including self-insurance aspects, and matters pertaining to errors and omissions insurance;
- (d) Policy considerations concerning District contracts;
- (e) The selection of candidates for consideration by the Board to serve as the General Counsel and the determination of the scope of the assignments of the General Counsel;
- (f) The selection of special counsel and the determination of the scope of their assignments;
- (g) Proposed amendments of the Metropolitan Water District Act, legislation dealing with public agencies, proposed District ordinances and the organization and contents of the Code;
- (h) Proposed legislation dealing with public agencies and proposed amendments to the Public Employees Retirement Law; and

(i) The Legal and Claims Committee shall be responsible for reviewing and approving the business plan containing the key priorities for the coming year of the General Counsel and the Legal Department. It shall review and approve the business plan in advance of the July Board meeting.

(j) As part of the Department Head annual evaluation process, the Legal and Claims Committee shall be responsible for engaging in periodic performance expectations discussions, including progress checks, with the General Counsel.

Organization and Procedures of the Board - July 19, 1976; paragraph (f) [formerly Section 211.6.2.6] amended by M.I. 32690 - April 10, 1979; amended and paragraph (h) [formerly Section 211.6.2.8] added by M.I. 32924 - September 18, 1979; paragraph (f) amended by M.I. 35058 - March 13, 1984. Section 211.6.2 repealed and Section 2461 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (e) amended, new paragraph (f) added, and other paragraphs renumbered by M.I. 40010 - January 12, 1993; paragraphs (e) and (f) amended by M.I. 43587 - June 8, 1999; paragraph (j) added by M.I. 43692 - August 17, 1999; paragraphs (h)-(j) amended, and (k)-(o) added by M. I. 44582 – August 20, 2001; paragraphs (g) (h) amended, (i) repealed, (j) renumbered, and previous paragraphs (k) through (o) repealed by M. I. 46064 – January 11, 2005; paragraphs (e) (g) (h) and (i) amended and (j) – (m) added by M. I. 46983 - February 13, 2007; paragraph (i) amended by M.I. 47636 - September 09, 2008; Article 5 renamed, paragraph (g) amended, paragraphs (j)-(m) deleted by M.I. 48081- November 10, 2009; paragraph (g) amended by M.I. 48624 - April 12, 2011; paragraph (i) amended by M.I. 48800 – September 13, 2011; paragraph (i) amended by M.I. 49187 - September 11, 2012; paragraphs (g), (h) and (i) amended by M.I. 49566 - October 8, 2013; paragraph (i) amended, and paragraph (j) added by M.I. 50156 - June 9, 2015; paragraph (i) amended by M.I. 50498 - June 14, 2016.

[§ 2462 repealed by M.I. 37529 - February 14, 1989.]

[Former §2470-2471 repealed by M.I. 43587 - June 8, 1999.]

Article 6

WATER PLANNING AND STEWARDSHIP COMMITTEE

Sec.

2460. Day of Regular Meetings

2461. Duties and Functions

§ 2460. Day of Regular Meeting.

The regular meetings of the Water Planning and Stewardship Committee shall be held on the Monday preceding regular Board meetings or on the Tuesday of regular Board meetings.

Organization and Procedures of the Board - July 19, 1976; Section 211.8.1 amended by M.I. 32086 - December 13, 1977. Section 211.8.1 repealed and Section 2480 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 36563 - April 14, 1987; amended by M.I. 37432 - December 13, 1988; amended by M.I. 39500 - March 10, 1992; amended by M.I. 40004 - January 12, 1993; amended by M.I. 41389 - May 9, 1995; amended by M.I. 43587 - June 8, 1999; amended by M.I. 43853 - January 11, 2000; title and Section amended by M. I. 44582 - August 20, 2001; Article renumbered 7 and former Section 2840 renumbered 2470 by M. I. 46711 - June 13, 2006; Section renamed and renumbered to 2460-1 by M.I. 46983 - February 13, 2007; amended by M.I. 50155 - June 9, 2015.

§ 2461. Duties and Functions.

The Water Planning and Stewardship Committee shall study, advise, and make recommendations with regard to:

(a) Policies, sources, and means of importing and distributing water, transferring water, and wheeling water as required by the District;

(b) Changes in the District's aqueduct system to provide for the changing needs of the District's member agencies;

(c) Policies and procedures regarding the delivery and exchange of water for various uses;

(d) Policies regarding water conservation, recycling, reuse and underground storage of water and use thereof;

(e) The protection of the District's water supply from, and mitigation of the impacts of water development on, the Bay/Delta Estuary;

(f) The effect of existing and proposed federal, state, and local governmental, water supply and water conveyance statutes and regulations on the District's interest in the Bay/Delta Estuary;

(g) Comprehensive solutions to Bay/Delta Estuary problems which will benefit water supply reliability, environmental and other beneficial instream uses of the waters of the Bay/Delta Estuary;

(h) The protection of the District's water supply from, and mitigation of the impacts of water development on, the Colorado River;

(i) Seawater desalination, reclamation and their development and brackish water issues in Metropolitan's service area;

(j) The Integrated Resources Planning Process;

(k) The effect on the District of existing and proposed federal, state, and local environmental statutes and regulations; and

(l) Environmental compliance and requirements.

Organization and Procedures of the Board - July 19, 1976; Sections 211.8.2 amended and paragraph (h) [formerly Section 211.8.2.8] added by M.I. 32924 - September 18, 1979. Section 211.8.2 repealed and Section 2481 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraphs (e) through (f) added and following paragraphs renumbered by M.I. 37449 - December 13, 1988; amended by M.I. 41389 - May 9, 1995; former paragraphs (c), (e), and (f) deleted, paragraph (d) renumbered and amended, and new paragraphs (h), (i), (j), and (k) added by M.I. 43587 - June 8, 1999; paragraph (a) amended, (d) and (e) repealed, paragraphs (f)-(k) renumbered, and (j) – (k) added by M. I. 44582 – August 20, 2001; Section renumbered to 2471, paragraph (f) amended, new paragraph ((g) added and remaining paragraphs renumbered and amended by M. I. 46711 - June 13, 2006; paragraphs amended and renumbered by M.I. 46983 - February 13, 2007.

Article 7

COMMUNICATIONS AND LEGISLATION COMMITTEE

Sec.

2470. Day of Regular Meeting

2471. Duties and Functions

§ 2470. Day of Regular Meeting.

The regular meetings of the Communications and Legislation Committee shall be on the Monday preceding regular Board meetings or on the Tuesday of regular board meetings.

M. I. 46711 - June 13, 2006 Section renumbered to 2470 by M. I. 46983 - February 13, 2007; paragraph amended by M.I. 48534 - January 11, 2011; amended by M.I. 49187 - September 11, 2012; amended by M.I. 50155 - June 9, 2015.

§2471. Duties and Functions.

The Communications and Legislation Committee shall study, advise and make recommendations to the Board with regard to:

(a) Proposals of the General Manager, other committees, and board members concerning State and Federal legislation, or amendments thereto, that may affect the District;

(b) Recommendations for new legislation identified by members of the Board or the General Manager;

(c) Opportunities for members of the Board to assist in outreach activities, including efforts to inform members of the Legislature or the Congress of the District's position with regard to proposed legislation;

(d) The effectiveness of legislative advocacy efforts by staff and members of the Board;

(e) The development and implementation of Directors' inspection trips, including the expectations and goals for these trips;

(f) The development and implementation of school education programs, including the expectations and goals for these programs;

(g) The effectiveness of Metropolitan's external affairs programs and general communications efforts directed at member agencies and the general public; and

(h) The selection of public information consultants and the scope of their assignments.

M. I. 46711 - June 13, 2006; Section renumbered to 2471 by M.I. 46983 - February 13, 2007; paragraphs (a)-(d) deleted; paragraphs (e)-(h) renumbered by M.I. 48534 - January 11, 2011; renamed Article 7 title to add "And Legislation," amended unnumbered introduction sentence, added paragraphs (a) – (d), and renumbered and amended paragraphs (e) – (h) by M.I. 49187 - September 11, 2012.

Article 8

ORGANIZATION, PERSONNEL AND TECHNOLOGY COMMITTEE

Sec.

2480. Day of Regular Meeting

2481. Duties and Functions

§2480. Day of Regular Meeting.

The regular meetings of the Organization, Personnel and Technology Committee shall be held on the Monday preceding regular board meetings or on the Tuesday of regular board meetings.

M. I. 46983 - February 13, 2007; amended by M.I. 49187 - September 11, 2012; amended by M.I. 50155 - June 9, 2015.

§2481. Duties and Functions.

The Organization, Personnel and Technology Committee shall study, advise and make recommendations with regard to:

- (a) The form of the District's organization and the flow of authority and responsibility;
- (b) Periodic independent reviews and studies of the organization, classification of positions, job duties, salaries, and salary ranges;
- (c) Relations between the District and its employees, including all matters affecting wage, hours, pension plans and other employee benefits, and other terms and conditions of employment, as well as the district's negotiation of such matters with employee bargaining units and selection of negotiators;
- (d) Areas of special concern to the District and its employees, including, but not limited to, equal employment opportunity, affirmative action, and work rules pertaining to the health and safety of employees;
- (e) Policies and rules regarding employment, discipline and discharge of District officers and employees;
- (f) Proposed amendments to the Metropolitan Water District Act and Administrative Code affecting contract procedures and policies, the organization and personnel policies of the District and to the Public Employees' Retirement Law;
- (g) Information technology strategies, projects and activities, including information technology asset management and the budgeting and tracking of information technology resources; and

(h) The Organization, Personnel and Technology Committee shall be responsible for the annual overall coordination of the Department Head Evaluation Program.

M. I. 46983 - February 13, 2007; Article 8 renamed, new paragraphs (a)-(f) added and former paragraphs (a)-(h) deleted by M.I. 48081 - November 10, 2009; paragraph (f) amended and paragraph (g) added by M.I. 48624 - April 12, 2011; amended unnumbered introductory sentence by M.I. 49187 - September 11, 2012; amended paragraphs (f) and (g), and added paragraph (h) by M.I. 49566 - October 8, 2013; paragraph (f) amended by M.I. 50155 - June 9, 2015.

[Article 9 - Legislation Committee, §§ 2490 - 2491, Repealed by M.I. 49187 - September 11, 2012]

Article 9

REAL PROPERTY AND ASSET MANAGEMENT COMMITTEE

Sec.

2490. Day of Regular Meeting

2491. Duties and Functions

§ 2490. Day of Regular Meeting

The Real Property and Asset Management Committee shall hold regular meetings on the Monday preceding regular board meetings or on the Tuesday of regular board meetings.

M.I. 50467 - May 10, 2016.

§ 2491. Duties and Functions

The Real Property and Asset Management Committee shall study, advise, and make recommendations with regard to:

(a) Proposed amendments to the Metropolitan Water District Act and Code affecting the acquisition, ownership, and sale of land by the District;

(b) Proposed rules and proposals regarding business development opportunities for real property;

(c) Policies for the acquisition of rights-of-way;

(d) The purchase, sale, and leasing of land and buildings, including the District's various office and garage space needs;

(e) The incidental use of land in farming operations and otherwise;

(f) The operation and maintenance of buildings;

(g) The development, oversight, and coordination of recreational facilities at Diamond Valley Lake and Lake Skinner; and

(h) The use of proceeds from the sale or disposition of surplus property related to Diamond Valley Lake and Lake Skinner for recreational purposes.

M.I. 50467 - May 10, 2016.

[Article 9 - Legislation Committee, §§ 2490 - 2491, Repealed by M.I. 49187 - September 11, 2012]

Chapter 5

OTHER COMMITTEES: MISCELLANEOUS COMMITTEE MATTERS

Article		Sec.
1	Special Committees	2500
2	Board and Committee Nomination Procedures	2520

Article 1

SPECIAL COMMITTEES

Sec.	
2500.	General
2501.	Audit and Ethics Special Committee
2502.	Agriculture and Industry Relations Special Committee
2503.	Conservation and Local Resources Special Committee

§ 2500. General.

Special committees may be created by the Board to undertake special assignments on behalf of the Board and shall report directly to the Board unless otherwise directed. A special committee shall continue in existence indefinitely. Unless otherwise specified, members of a special committee shall be appointed by the Chair of the Board and shall serve at the Chair's pleasure.

Organization and Procedures of the Board - July 19, 1976; Section 212.1.1 amended by M.I. 33453 - October 14, 1980; amended by M.I. 36225 - August 19, 1986. Section 212.1.1 repealed and Section 2500 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 2501. Audit and Ethics Special Committee.

(a) The Audit and Ethics Special Committee shall hold regular meetings not less than four times a year on a quarterly basis, or as required to accomplish a specific committee objective.

(b) Duties and Functions

(1) The Audit and Ethics Special Committee shall study, advise and make recommendations with regard to:

(i) All reports of the General Auditor and external auditors, including the audited financial statements of the District;

(ii) The Audit Department's annual business plan and biennial budget;

(iii) The Ethics Department's annual business plan and biennial budget;

(iv) Requests from other committees of the Board for audits and reviews not included in the Audit Department's annual business plan;

(v) The policies and procedures of Metropolitan's ethics program.

(2) The Audit and Ethics Special Committee shall be responsible for monitoring and overseeing the duties and responsibilities of the Audit Department and the external auditors as those duties and responsibilities relate to the effectiveness of the District's internal control system. It shall review and approve the business plan containing the key priorities for the coming year of the General Auditor and the Audit Department in advance of the July Board meeting.

(3) The Audit and Ethics Special Committee shall be responsible for reviewing and approving the business plan containing the key priorities for the coming year for the Ethics Office. It shall review and approve the business plan in advance of the July Board meeting.

(4) As part of the Department Head annual evaluation process, the Audit and Ethics Special Committee shall be responsible for engaging in periodic performance expectations discussions, including progress checks, with the General Auditor and the Ethics Officer

M. I. 47636 - September 9, 2008; paragraphs (1) (ii)-(1)(iii) and (2)-(3) amended by M.I. 48800 – September 13, 2011; paragraphs (b)(2) and (b)(3) amended by M.I. 49187 - September 11, 2012; paragraphs (b)(2) and (b)(3) amended by M.I. 49566 - October 8, 2013; paragraphs (b)(2), (b)(3), and (b)(4) amended by M.I. 50156 - June 9, 2015; paragraphs (b)(2) and (b)(3) amended by M.I. 50498 - June 14, 2016.

§2502. Agriculture and Industry Relations Special Committee.

(a) The Agriculture and Industry Relations Special Committee shall hold regular meetings on a bi-monthly basis, or as required to accomplish a specific committee objective.

(b) Duties and Functions

The Agriculture and Industry Relations Special Committee shall work to:

- (1) Expand Metropolitan's understanding of business and agriculture water issues;
- (2) Identify opportunities for collaboration to advance the mutual interests of urban and agricultural water users; and
- (3) Make recommendations to the Board on policies and programs that will strengthen relationships with agricultural and business communities and related customer groups.

M. I. 50155 – June 9, 2015; section renumbered by M.I. 50467 - May 10, 2016.

§2503. Conservation and Local Resources Special Committee.

(a) The Conservation and Local Resources Special Committee shall hold regular meetings on a bi-monthly basis, or as required to accomplish a specific committee objective.

(b) Duties and Functions

The Conservation and Local Resources Special Committee shall review and consider:

(1) Policies regarding water conservation, watershed management, storm water capture and management, recycling, sustainable groundwater management, brackish and seawater desalination and use thereof;

(2) Recommendations for future updates to the Integrated Resources Plan goals for local supplies and water use efficiency;

(3) Changes to Metropolitan's Local Resources Program and Conservation Program and consideration of other efforts Metropolitan may undertake to help meet the local supply and water use efficiency goals contained in Metropolitan's most recent Integrated Resources Plan;

(4) The effect of existing and proposed federal, state, and local governmental, water supply and water management statutes and regulations on supplies produced or that may be produced within the District's region;

(5) Comprehensive solutions to regional supply problems which may increase water reliability and cost effectiveness, and benefit environmental and other beneficial instream uses of waters within the region;

(6) Expanding Metropolitan's understanding of regional water supply issues by inviting informational presentations and feedback from representatives of agencies that have developed or are implementing/managing local supplies and/or efficiency programs;

(7) Recommendations to the Board on policies and programs that will strengthen relationships with other agencies in furthering Metropolitan's objectives for increased regional self-reliance and greater water use efficiency; and

(8) Opportunities for collaboration to advance the mutual interests of agencies within Metropolitan's region in furthering the development of local supplies and achieving greater levels of water use efficiency.

M. I. 50789 – April 11, 2017

Article 2

BOARD AND COMMITTEE NOMINATION PROCEDURES

Sec.

2520. In General

2521. Number of Nominations

§ 2520. In General.

The Executive Committee shall:

(a) Nominate members for the offices of Chairman and Secretary of the Board. Members of the Executive Committee may be nominated by the committee. If a member is under consideration, he shall be so advised by the committee and shall immediately cease further participation in the committee's deliberations and action on that office.

(b) Establish procedures for the fair and impartial election of members to the offices of Chair and Secretary of the Board including, but not limited to, sponsorship of forums for communication of the views of the candidates to Board members. Nominations shall be made at the meeting of the Board at which an election is scheduled. Written notice of any proposed nomination shall be given by the committee to each director at least 20 days prior to the scheduled date of the election.

Organization and Procedures of the Board - July 19, 1976; Section 212.1.3.1 amended by M.I. 32213 - March 14, 1978; M.I. 34399 - September 14, 1982; M.I. 34430 - October 12, 1982; amended by M.I. 34570 - February 8, 1983. Section 212.1.3.1 repealed and Section 2520 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 43853 - January 11, 2000; amended by M.I. 44582 - August 20, 2001; amended by M. I. 45249 - March 11, 2003; Article and Section names amended to Board & Committee Nomination Procedures, and paragraphs (a) and (b) added by M. I. 46711 - June 13, 2006; paragraph (a) amended by M. I. 46983 - February 13, 2007; paragraph (a) amended by M.I. 48081 - November 10, 2009; paragraph (a) amended by M.I. 49187 - September 11, 2012.

§ 2521. Number of Nominations.

More than one member may be nominated for each of the offices.

Organization and Procedures of the Board - July 19, 1976; Section 212.1.3.2 amended by M.I. 32213 - March 14, 1978; M.I. 32604 - February 13, 1979 and M.I. 32996 - November 13, 1979; amended by M.I. 34370 - August 18, 1982; M.I. 34399 - September 14, 1982; and M.I. 34570 - February 8, 1983; amended by M.I. 35592 - April 9, 1985; Section 212.1.3.3 repealed and Section 2521 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 44582 - August 20, 2001; Section name and paragraph amended, and remaining Section 2522 deleted by M. I. 46711 - June 13, 2006.

[Article 3 – Desalination & Reclamation Committee, §2530, Repealed by M. I. 46711 – June 13, 2006.]

[Article 4 – Communications & Legislation Committee, §§2540-2543, Renumbered to §2480, by M. I. 46711 - June 13, 2006.]

[Article 5 – Education & Outreach Committee, §2550-2552, Repealed by M. I. 46711 - June 13, 2006.]

[Article 6 – Audit Committee, §2560, Repealed by M. I. 46711 - June 13, 2006.]

[Article 7 – Asset & Real Property Committee, §2570, Repealed by M. I. 46711 - June 13, 2006.]

[Article 7.5 Special Committee on Department Head Compensation, §§ 2575- 2576, Repealed by M. I. 43587 - June 8, 1999.]

[Article 8 – Recreation Committee, §2580 Repealed by M. I. 46711 - June 13, 2006.]

[Article 8.5 - Special Committee on Financial Policy, § 2585, Repealed by M.I. 41755 - February 13, 1996]

[Article 9 - Ad Hoc Committees, §§ 2590-2592, Repealed by M.I. 43587 - June 8, 1999.]

[Article 10, §§ 2595-2596, Repealed by M.I. 41633 - November 14, 1995]

Chapter 6

DIRECTORS

Article		Sec.
1	General	2600
2	Inspection Trips	2610
3	Responsibilities of New Directors	2616
4	Miscellaneous	2620

Article 1

GENERAL

Sec.

2600. Directors. Assumption of Office

§ 2600. Assumption of Office.

(a) Before entering upon the duties of his office, each person appointed to be a director shall take and subscribe to an oath or affirmation conforming to that prescribed by Section 3 of Article XX of the California Constitution. Said oath or affirmation shall only be taken before a District officer or employee authorized to administer the oath.

(b) A person shall assume all rights and powers and be subject to all liabilities, duties and obligations of a director upon the taking of the oath administered in accordance with the provisions of Section 2600(a).

Section 201.1 - M.I. 35470 - January 8, 1985. Section 201.1 repealed and Section 2600 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

Article 2

INSPECTION TRIPS

Sec.

2610. Authorization

2611. Colorado River Aqueduct System

2612. State Water Project

2613. One-Day Inspection Trips

2614. Alternative Inspection Trips

2615. General Provisions

§ 2610. Authorization.

During each fiscal year (July 1 to June 30) each of the District's directors may sponsor inspection trips of District and related facilities for the purpose of providing leading citizens and other interested persons, preferably from the agency represented by the director, with firsthand knowledge of the District's operations, as follows:

Either (A) one two-day or one three-day trip over the Colorado River Aqueduct System under Section 2611 and one one-day trip under Section 2613, or (B) four one-day trips under Section 2613.

Res. 7651 - September 16, 1975; Section 401.1 amended by M.I. 32339 - July 11, 1978, repealed and new Chapter 401 reenacted by M.I. 33178 - March 11, 1980; Section 401.1 amended by M.I. 35592 - April 9, 1985; amended by M.I. 35785 - September 10, 1985; amended by M.I. 35852 - November 19, 1985. Section 401.1 repealed and Section 2610 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 40768 - April 12, 1994; amended by M.I. 50498 - June 14, 2016.

§ 2611. Colorado River Aqueduct System.

(a) The District will provide at its expense transportation, meals, lodging and related incidental expenses for inspection trips over the Colorado River Aqueduct System.

(b) A visit to Hoover Dam may be incorporated into the trip with Board Chair approval. Directors must submit a written request to the Board Chair in conformance with Section 2614.

(c) Ground Transportation is to be provided by a chartered bus or the District.

(d) The trip will include a stopover at the Gene Facilities for either one night or two successive nights. Lodging is to be provided at the E. Thornton Ibbetson Guest Quarters and meals are to be provided both en route and at the Gene Facilities.

Res. 7651 - September 16, 1975; repealed and new Chapter 401 reenacted by M.I. 33178 - March 11, 1980; paragraph (b) [formerly Section 401.2.1] amended by M.I. 35592 - April 9, 1985. Section 401.2 repealed and Section 2611 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 40768 - April 12, 1994; paragraphs (a),(b),(c) amended by M.I. 44582 - August 20, 2001; amended by M.I. 50498 - June 14, 2016.

§ 2612. State Water Project.

(a) A two-day or a three-day inspection trip over State Water Project facilities is available upon written request to the Board Chair in conformance with Section 2614. The Chair must approve each trip.

(b) Transportation, meals, lodging and related incidental expenses for the day trips will be provided by the District at its expense. Lodging accommodations will be provided at moderately priced hotels with double occupancy.

Res. 7651 - September 16, 1975; repealed and new Chapter 401 reenacted by M.I. 33178 - March 11, 1980; paragraph (a) [formerly Section 401.3] amended by M.I. 35785 - September 10, 1985. Section 401.3 repealed and Section 2612 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 40768 - April 12, 1994; paragraph (a) amended by M.I. 43587 - June 8, 1999; paragraph (a) amended by M.I. 44582 - August 20, 2001; amended by M.I. 50498 - June 14, 2016.

§ 2613. One-Day Inspection Trips.

The District will provide at its expense transportation, meals and related incidental expenses for inspection trips of District and State Water Project facilities within Southern California. Transportation is to be provided by a chartered bus or the District. The District will provide meals that occur during the inspection trip.

Res. 7651 - September 16, 1975; repealed and new Chapter 401 reenacted by M.I. 33178 - March 11, 1980; Section 401.4 amended by M.I. 35592 - April 9, 1985. Section 401.4 repealed and Section 2613 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 40768 - April 12, 1994; amended by M. I. 44582 - August 20, 2001; amended by M.I. 50498 - June 14, 2016.

§ 2614. Alternative Inspection Trips.

When in the best interests of the District, the District may provide alternative inspection trips to inform directors and invited guests on facilities and water management issues. The Board Chair shall approve any alternative inspection trip before it may be made available to directors. An approved alternative inspection trip may be substituted by a director for a regular inspection trip from Section 2611 to 2613 of the Administrative Code; however, the same provisions of Section 2610 shall apply. Any alternative inspection trip will be designated, in the approval, as to the type of regular inspection trip for which it may be substituted.

M. I. 45353 - May 13, 2003; amended by M.I. 47998 - August 18, 2009; amended by M.I. 50498 - June 14, 2016.

§ 2615. General Provisions.

(a) The purpose of these inspection trips is to educate and inform elected and appointed officials, members of the business and environmental communities, members of the media, and other leading citizens and interested persons from each member public agency about Metropolitan and Southern California's water resources and water infrastructure. This will be accomplished through visual inspection of District and related facilities and presentations and discussions on water issues and the District's operations, programs, and objectives.

(b) It is each director's obligation to periodically sponsor inspection trips. Each director shall be responsible for the individual selection of guests, the choice of inspection trip and the inspection trip dates.

(c) Inspection trip guests should be selected from within the area of the public agency represented by the sponsoring director. Each director should select guests who occupy positions of leadership in their communities and other interested persons as described in subsection (a) above. The sponsoring director may be accompanied by one family member. No person under the age of 18 shall be permitted to attend.

(d) Directors may co-sponsor a trip with another director to maximize resources and serve the best interest of the District.

(e) Directors shall accompany their guests on inspection trips they sponsor except in cases of illness, emergency or other exceptional circumstances, and shall accompany them throughout all portions of the trip. In the event that a sponsoring director is not available, another director from the district or an approved director designee from a member agency must accompany the trip if cancellation is not feasible.

(f) The number of guests on two- or three-day inspection trips should be approximately 36. Directors are encouraged to have a standby list of up to six guests available in the event of cancellations.

(g) Payment of District expense for transportation and meals on any inspection trip is limited to the normal travel routes to and from District facilities.

(h) Directors are encouraged to arrange for a member agency presentation that is relevant to the trip being conducted. Reasonable distribution of written material concerning the member public agency will be permitted.

(i) Itineraries, transportation, lodging and meals for District inspection trips shall be standardized to the extent possible in order to minimize costs. Variations from standard itineraries to accommodate special conditions may be authorized by the Chair.

(j) Trip groups numbering ten or less may be required to share the E. Thornton Ibbetson Guest Quarters with another group or groups.

(k) Reservation requests for inspection trips for the following fiscal year will be accepted beginning April 1.

(l) Inspection trip dates are assigned on a date/time-request-received basis. Scheduling conflicts will be resolved by consultation with affected directors. Any unresolved scheduling conflicts shall be referred to the Chair.

(m) In the event a director is unable to schedule a trip because of lack of an open date for a requested reservation, the director's request will receive priority the next fiscal year.

(n) Alcoholic beverages will not be provided at District expense. Directors shall assume the sole responsibility for the purchase, cost and use of any alcoholic beverages during an inspection trip. Staff shall not purchase or serve alcoholic beverages during an inspection trip.

(o) Directors sponsoring inspection trips are responsible for the conduct and behavior of all guests attending an inspection trip. Upon being informed, or otherwise becoming aware of, any improper behavior or activity, the sponsoring Director shall take appropriate measures, in coordination with Metropolitan tour staff, to address such behavior or activity, up to and including removal of any person or persons from the inspection trip. Directors or guests observing any action or event that is inappropriate shall report such activity as soon as possible to the District tour staff or supervising Director, or after the tour is concluded, to the Board Chair, for appropriate action. District staff observing an action or event that is inappropriate shall report such activity as soon as possible to their immediate supervisor and/or to the Inspection Trip Program Manager for appropriate action.

(p) Tipping of District employees, is strictly prohibited and any employee accepting a gratuity is subject to dismissal. The District staff representative on the trip will handle the tip for the bus driver and any other tips which are appropriate.

(q) The District will pay all necessary expenses incurred during an inspection trip.

(r) As a security measure, the sponsoring Director shall submit a manifest of all guests to the District in advance of the inspection trip. In an emergency situation, the District may interrupt and/or cancel any inspection trip in accordance with District security policy.

(s) Directors within the same member public agency may transfer inspection trips among themselves if the transfer is in the best interests of the District. Acceptance of an inspection trip sponsored by another director shall not affect a director's right to sponsor an inspection trip under the other provisions of this chapter. Directors of one public agency may not transfer their inspection trips to directors of another public agency except for reasons stated in paragraph (e) above.

Res. 7651 - September 16, 1975, as amended by Res. 7665 - April 13, 1976, M.I. 32339 - July 11, 1978, M.I. 32690 -- April 10, 1979, M.I. 32869 - August 17, 1979, M.I. 32944 - October 9, 1979, and M.I. 33042 - December 11, 1979 repealed and new Chapter 401 - Section 401.5 reenacted by M.I. 33178 - March 11, 1980; paragraphs (k) and (m) [formerly Sections 401.5.11 and 401.5.13] amended by M.I. 35592 - April 9, 1985; paragraphs (h), (m) and (o) [formerly Sections 401.5.8, 401.5.13 and 401.5.15] amended by M.I. 35765 - August 20, 1985; paragraph (m) amended by M.I. 35992 - March 11, 1986. Section 401.5 repealed and Section 2614 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 40768 - April 12, 1994; paragraphs (i), (l), (m), (p), and (r) amended by M. I. 43587 - June 8, 1999; paragraphs (a),(i),(j)-(m),(p), and (r) amended by M.I. 44582 - August 20, 2001; Section renumbered to 2615, paragraphs (c) - (g), (k), (m), (o) - (r) amended, and paragraphs (s) and (t) added by M. I. 45353 - May 13, 2003; paragraph (l) amended by M.I. 47998 - August 18, 2009; paragraph (c) amended by M.I. 49041 - April 10, 2012; amended paragraphs (a) - (c), (f), (h), deleted paragraph (j), renumbered former paragraphs (k) through (t) to new number (j) through (s), amended paragraphs (j), (k), (m), (n), (o), and (r) by M.I. 50498 - June 14, 2016.

Article 3

RESPONSIBILITIES OF NEW DIRECTORS

Sec.

2616. Obligations

2617. Inspection Trip Sponsorship Duty

§ 2616. Obligations.

(a) It is the obligation of new members of the Board of Directors to participate in orientation and training.

(b) Each new appointee to the Board within the first six months of being seated shall participate in a one-day orientation excursion to view various local District facilities.

M.I. 40768 - April 12, 1994; paragraphs (a) and (b) amended by M.I. 43587 - June 8, 1999; paragraphs (a) and (b) amended by M. I. 44582 – August 20, 2001; Section renumbered to 2616 by M. I. 45353 - May 13, 2003; paragraphs (a) and (b) amended by M.I. 47998 - August 18, 2009; Former paragraph (a) deleted, existing first paragraph numbered as (a), paragraph (b) amended by M.I. 50498 - June 14, 2016.

§ 2617. Inspection Trip Sponsorship Duty.

New directors are encouraged to participate as soon as possible in an inspection trip being sponsored by a fellow director, and, subsequently, to sponsor an inspection trip within his/her first year on the Board.

M.I. 40768 - April 12, 1994; Section renumbered to 2617 by M. I. 45353 -- May 13, 2003; amended by M.I. 50498 - June 14, 2016.

Article 4

MISCELLANEOUS

Sec.

2620. Identification

2621. Blood Donations

2622. Attendance at Board Committee Meetings

§ 2620. Identification.

Identification cards shall be issued to all directors.

Section 409.1 based on M.I. 22585 - December 11, 1962. Section 409.1 repealed and Section 2620 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; Article 3 renumbered by M.I. 40768 - April 12, 1994.

§ 2621. Blood Donations.

Directors are now included as eligible recipients in the Employees' Association's blood bank. This eligibility also includes members of the immediate families of Metropolitan directors, whether or not said parties have ever donated blood, regardless of where the blood or derivatives are needed in the United States. "Immediate family" is defined as spouse, child, mother, father, brother, or sister.

Section 409.3 - M.I. 28948 - November 9, 1971; renumbered Section 409.2 by M.I. 35592 - April 9, 1985. Section 409.2 repealed and Section 2621 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 2622. Attendance at Board and Committee Meetings

(a) The Chair of the Board shall notify a director's appointing body when that director is absent, without the permission or consent of the Board or Chair, from three consecutive Board meetings.

(b) The chair of a standing committee, special committee or subcommittee shall notify the Chair of the Board when a member of that committee is absent without the permission or consent of the Board, Chair of the Board, or committee chair, from three consecutive committee meetings. At the Chair's discretion, the Chair may take appropriate action against the designated committee member, including removal of that director from the committee.

M. I. 45656 – February 10, 2004.

Chapter 7

PERIODIC STAFF REPORTS TO BOARD AND COMMITTEES

Article		Sec.
1	Annual Reports	2700
2	Quarterly Reports	2720
3	Monthly Reports	2740
4	Miscellaneous Reports	2750

Article 1

ANNUAL REPORTS

Sec.	
2700.	General Manager's Annual Reports
2701.	Treasurer's Annual Reports
2702.	General Counsel's Report
2703.	General Auditor's Report
2704.	Ethics Officer's Report

§ 2700. General Manager's Annual Reports.

The General Manager shall annually make the following reports

(a) To the Board:

(1) On financial matters generally;

(2) After consulting with the General Counsel, on the results of his or her review made pursuant to Section 5204 of District compliance with minimum fund requirements outlined in Sections 5201-5204 and with the articles and covenants contained in resolutions of issuance;

(3) On the status of appropriations pursuant to Section 5108(c).

(4) On annexation matters pursuant to Sections 3107(f) and 3300(b).

(5) On payment of dues to organizations pursuant to Section 11202.

(b) To the Executive Committee:

(1) On the business plan containing the General Manager's key priorities for the coming year as required by Sections 2416 and 6416.

(2) On the effectiveness of the District's internal control system, including information technology security and control.

(c) To the Organization, Personnel and Technology Committee:

(1) On the status of the equal employment opportunity policy and affirmative action program as required by Section 6304.

(2) On all consulting agreements in effect during the preceding year and the exercise of authority under Section 8121(c). Each such report shall indicate when a consultant is a former employee of the District.

Section 2700 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 38303 - June 12, 1990. Paragraph (c) added by M.I. 43692 - August 17, 1999; paragraphs (b)-(c) amended by M. I. 44582 - August 20, 2001; paragraph (3) amended by M.I. 45943 - October 12, 2004; paragraph (a) (2) and (b) amended by M. I. 46371 - September 13, 2005; paragraph (b) amended by M. I. 46983 - February 13, 200; paragraph (c) amended by M. I. 47252 - October 9, 2007; paragraph numbers (1) and (2) added by M.I. 47998 - August 18, 2009; paragraph (b) amended by M.I. 48081 - November 10, 2009; paragraph (a)(3) deleted, former paragraph (a)(4) renumbered, new paragraph (a)(4) added, paragraph (c) amended, paragraph (d) added by M.I. 48800 - September 13, 2011; amended paragraph (c)(1) by M.I. 49187 - September 11, 2012; amended paragraph (a)(5) by M.I. 49596 - November 19, 2013; prior paragraph (b) deleted, prior paragraph (c) renumbered as paragraph (b), prior paragraph (d) renumbered as paragraph (c), amended (c)(1), and added paragraph (c)(2) by M.I. 50155 - June 9, 2015.

§ 2701. Treasurer's Reports

(a) The Treasurer shall annually report to the Board on the investment policy of the District.

(b) The Treasurer shall report to the Finance and Insurance Committee:

(1) All payments after loss of a bond interest coupon made pursuant to Section 5104; and

(2) All issuances of duplicate bonds made pursuant to Section 5105

Section 2701 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (b) amended by M.I. 42193 - December 10, 1996; paragraph (a) amended by M I. 44582 - August 20, 2001 paragraph (b) amended by M. I. 46983 - February 13, 2007; new paragraphs (a) -(b) added and former paragraphs (a)-(b) deleted by M.I. 48081 - November 10, 2009; paragraph (b) amended by M.I. 48534 - January 11, 2011.

§ 2702. General Counsel's Report

The General Counsel shall annually report to the Legal and Claims Committee the Legal Department's business plan containing the General Counsel's key priorities for the coming year as required by Sections 2451 and 6436(b).

Section 2702 adopted by M.I. 48800 - September 13, 2011; amended by M.I. 49187 - September 11, 2012.

§ 2703. General Auditor's Report

The General Auditor shall annually report to the Audit and Ethics Special Committee a business plan containing the General Auditor's key priorities for the coming year for the Audit Department as required by Sections 2501 and 6451.

Section 2703 adopted by M.I. 48800 – September 13, 2011; amended by M.I. 49187 - September 11, 2012.

§ 2704. Ethics Officer's Report

The Ethics Officer shall annually report to the Audit and Ethics Special Committee a business plan containing the Ethics Officer's key priorities for the coming year for the Ethics Office as required by Sections 2501 and 6473.

Section 2704 adopted by M.I. 48800 – September 13, 2011; amended by M.I. 49187 - September 11, 2012.

Article 2

QUARTERLY REPORTS

Sec.

2720. General Manager's Quarterly Reports

2721. General Counsel's Quarterly Reports

2722. General Auditor's Quarterly Reports

2723. Ethics Officer's Quarterly Reports

§ 2720. General Manager's Quarterly Reports.

The General Manager shall quarterly make the following reports:

(a) To the Engineering and Operations Committee: a report on the Capital Investment Plan, including service connections approved by the General Manager pursuant to Sections 4700-4708 with the estimated cost and approximate location of each and the execution of any relocation agreements involving an amount in excess of \$100,000 under authority of Section 8122(c);

(b) To the Finance and Insurance Committee:

A summary of financial performance including Comparative Statements of Operations and Comparative Balance Sheets and variances thereof from estimates;

(c) To the Real Property and Asset Management Committee:

(1) Deeds or grants accepted during the preceding quarter;

(2) Easements, or similar rights, granted during the preceding quarter under the authority of Section 8220, and shall also include in such report any relocation or protection agreement made in connection therewith;

(3) All leases made during the preceding quarter under the authority of Sections 8222, 8223, 8230 and 8232;

(4) The details of any transactions during the preceding quarter in which an improvement was disposed of in such a manner as to make the improvement available for subsequent use by a party other than the District; and

(5) Property sold pursuant to the authority granted by Section 8240 et seq.

(d) To the Legal and Claims Committee, jointly with the General Counsel, the exercise of any power delegated to them by Sections 6431, 6433 and 6434.

(e) To the Organization, Personnel and Technology Committee:

(1) The status of all information technology projects throughout the organization.

(2) The employment of any professional and technical consultant, the extension of any professional and technical consulting agreement, on the exercise of authority under Section 8121(c) and 8122(h) and the execution of any contract authorized pursuant to Section 8122(g) during the preceding calendar quarter. The report covering the last calendar quarter of the year may be combined with and included in the annual report. Each such report shall indicate when a consultant is a former employee of the District.

Section 2720 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraphs (a) and (d) amended by M.I. 39036 - June 11, 1991; paragraphs (a)(4) and (b)(e) added by M.I. 39080 - July 9, 1991; paragraph (f) added by M.I. 39840 - September 15, 1992; paragraph (f) repealed by M.I. 40768 - April 12, 1994; paragraph (e) amended by M.I. 41389 - May 9, 1995; paragraph (c) amended by M.I. 41615 - October 10, 1995; paragraph (b) amended by M.I. 42193 - December 10, 1996; paragraphs (b)(6), and (d) amended by M.I. 43587 - June 8, 1999; paragraph (f) added by M.I. 43963 - April 11, 2000; paragraphs (a) and (a)(1) amended, paragraph (b) deleted, sub-paragraphs (4)-(6) renumbered, paragraphs (c)-(f) renumbered and amended by M. I. 44582 – August 20, 2001; original paragraph (4) repealed and paragraphs renumbered; new paragraph (6) amended; old paragraph (d) repealed and renumbered (e) and amended by M. I. 45943 – October 12, 2004; paragraphs(a)(2), (a)(3), (b), (c), and (d) amended by M. I. 46371 – September 13, 2005; paragraphs (a) –(e) amended and renumbered by M. I. 46983 - February 13, 2007; paragraph (2) deleted, former paragraphs (3-8) renumbered, paragraph (c) divided to create paragraph (1), paragraph (2) added by M.I. 47998 - August 18, 2009; paragraph (a) and (1) amended, new paragraph (2)-(4) added, paragraph (c), (1) and (2) deleted, former paragraph (d) renumbered as new paragraph (c), paragraph (e) deleted by M.I. 48081 – November 10, 2009; paragraph (b) amended by M.I. 48534 - January 11, 2011; paragraph (a)(1) amended, paragraphs (a)(2)-(a)(3) deleted, former paragraph (a)(4) renumbered, paragraph (c) added, former paragraph (b)(3)-(b)(7) renumbered, former paragraph (e) renumbered, new paragraph (e) added by M.I. 48800 – September 13, 2011; paragraph (a) amended, subparagraphs (a)(1) and (a)(2) deleted, subparagraph (b)(1) amended to remove number, subparagraph (b)(2) deleted, subparagraph (e)(1) amended, and subparagraph (e)(2) added by M.I. 50155 - June 9, 2015.

§ 2721. General Counsel's Quarterly Reports.

The General Counsel shall quarterly report to the Legal and Claims Committee the exercise of any power delegated to the General Counsel by Sections 6431, 6433 and 6434.

Section 2721 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 43587 - June 8, 1999; amended by M.I. 48800 – September 13, 2011.

§ 2722. General Auditor's Quarterly Reports.

The General Auditor shall report to the Audit and Ethics Special Committee the exercise of any power delegated to the General Auditor by Section 6453.

M.I. 40603 - January 13, 1987, effective April 1, 1987; amended by M.I. 43587 - June 8, 1999; amended by M.I. 43963 - April 11, 2000; amended by M.I. 48800 – September 13, 2011.

§ 2723. Ethics Officer's Quarterly Reports.

The Ethics Officer shall report to the Audit and Ethics Special Committee on activities concerning agreements executed pursuant to the authority given to the Ethics Officer in Section 6472.

Section 2723 adopted by M.I. 48800 – September 13, 2011

Article 3

MONTHLY REPORTS

Sec.

2740. General Manager's Monthly Reports

2741. General Counsel's Monthly Reports

2742. Treasurer's Monthly Reports

2743. Ethics Officer's Monthly Reports

§2740. General Manager's Monthly Reports.

The General Manager shall monthly report to the Board the execution of any power or transmission contract authorized by Section 8122(e) and any transaction made under such contract.

Section 2740 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (b) added by M.I. 37096 - April 12, 1988; paragraph (a) deleted and paragraph (b) renumbered by M.I. 43963- April 11, 2000; paragraph (a) amended by M.I. 46371 – September 13, 2005; paragraph amended by M.I. 48800 – September 13, 2011.

§ 2741. General Counsel's Monthly Reports.

The General Counsel shall monthly report to the Board a determination as to eligibility of securities invested in by the Treasurer in the preceding month.

Section 2741 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (b) amended by M.I. 37529 - February 14, 1989; paragraph (b) amended by M. I. 44582 – August 20, 2001; paragraph (b) amended by M.I. 46371 – September 13, 2005; paragraph (b) amended by M. I. 46983 - February 13, 2007; paragraph (b) amended by M.I. 48081 – November 10, 2009; paragraph amended, paragraph (a) and (b) deleted by M.I. 48800 – September 13, 2011.

§ 2742. Treasurer's Monthly Reports.

The Treasurer shall monthly report:

To the Board and General Manager transactions made pursuant to the delegation made by Section 53607 of the Government Code and Section 5101(a). The report shall show the type of investment, institution, date of maturity, amount of deposit, current market value for all securities with a maturity of more than 12 months, and rate of interest. The report shall specify in detail any investments in repurchase or reverse repurchase agreements made pursuant to subdivision (j) of Section 53601 of the Government Code. The report shall also state whether investments comply with Section 5101 of the Administrative Code and the statement of investment policy. A subsidiary ledger of investments may be used in the report in accordance with accepted accounting practices.

Section 2742 adopted by M.I. 36464 – January 13, 1987, effective April 1, 1987; paragraph amended, paragraph (a)-(b) deleted.

§ 2743. Ethics Officer's Monthly Reports.

The Ethics Officer shall review and summarize all ethics complaints in a monthly report to the Board as required by Section 7140(e).

Section 2743 adopted by M.I.48800 - September 13, 2011

Article 4

MISCELLANEOUS REPORTS

Sec.

2750. Escheat to District of Unclaimed Funds

2751. Report of Exercise of Authority

2752. Emergency Contracting

2753. Changes in Organization of the Code

§ 2750. Escheat to District of Unclaimed Funds.

The Treasurer shall file a report with the Finance and Insurance Committee after each publication made pursuant to Section 5113 regarding moneys unclaimed in the District treasury.

Section 2750 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 42193 - December 10, 1996; amended by M. I. 44582 – August 20, 2001; paragraph amended by M.I. 46371 – September 13, 2005; amended by M.I. 46983 February 13, 2007; paragraph amended by M.I. 48534 - January 11, 2011.

§ 2751. Report of Exercise of Authority.

The General Manager shall report to the next following meeting of the Finance and Insurance Committee any exercise of authority pursuant to Sections 5300-5303.

Section 2751 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 42193 - December 10, 1996; amended by M. I. 44582 – August 20, 2001; paragraph amended by M.I. 46371 – September 13, 2005; amended by M. I. 46983 - February 13, 2007; paragraph amended by M.I. 48534 - January 11, 2011.

§ 2752. Emergency Contracting.

The General Manager shall report to the Board on any action taken under the authority of Section 8122(b) within 7 days after taking that action or at the next following meeting of the Engineering and Operations Committee if that meeting will occur not later than 14 days after the action.

Section 2752 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 39036 - June 11, 1991; amended by M. I. 44582 – August 20, 2001; Section renamed from Rejection of Bids to Emergency Contracting and paragraph amended by M. I. 46371 – September 13, 2005; amended by M.I. 46983 - February 13, 2007; section amended by M.I. 48081 – November 10, 2009.

§ 2753. Changes in Organization of the Code.

The General Counsel shall report to the Legal and Claims Committee any changes made by staff in the organization of the Code and in the titles of divisions, chapters, sections and subsections, promptly after such changes are made.

Section 2753 adopted by M.I. 48800 – September 13, 2011.

[Former Article 2 – Semi-Annual Reports, § 2715 Repealed, Former Article 3 Renumbered to Article 2, Former Article 4 Renumbered to Article 3, and Former Article 5 Renumbered to Article 4 by M.I. 49187 - September 11, 2012]

Chapter 8

LEGISLATION

Sec.

2800. Development, Approval and Support of Legislative Concepts

2801. Urgency Actions

§ 2800. Development, Approval and Support of Legislative Concepts.

The General Counsel or the General Manager, at the request of the Board or any Committee of the Board, or the General Counsel at the request of the General Manager, shall draft language for legislation of interest to the District. Prior to introduction in the Legislature or in the Congress, such language shall

(1) Be reviewed jointly by the General Manager, General Counsel, and the District's Legislative Representative, and such other members of the staff as the General Manager or General Counsel may designate;

(2) Be submitted for approval by committees of the Board with subject matter jurisdiction over the matter addressed by the language; and

(3) Be submitted for approval by the Board.

The General Manager may then take such steps as the General Manager deems appropriate to achieve the objectives of the Board regarding such legislation and may, without further Board approval, agree to changes in language that the General Manager, after consulting with the General Counsel, deems to be substantially consistent with the intent of the Board. The General Manager shall periodically report to the Board on the progress of the legislation.

M.I. 39042 - June 11, 1991.

§ 2801. Urgency Actions.

Notwithstanding the provisions of Section 2800, if, in the opinion of the General Manager, immediate introduction of legislation is required to meet an urgent concern of the District and, in the opinion of the General Manager, action is required prior to the next meeting of the Board, the General Manager may seek an author for legislation upon approval of the Executive Committee. If, in the General Manager's opinion, it is impractical to convene a meeting of the Executive Committee, the General Manager may seek an author for urgent legislation of concern to the District with the concurrence of the Chair of the Board.

M.I. 39042 - June 11, 1991.

Division III

ANNEXATIONS

Chapter		Sec.
1	Annexation Procedure	3100
2	Policies Related to Annexations	3200
3	Financial Policies Related to Annexations	3300

Chapter 1

ANNEXATION PROCEDURE

Sec.	
3100.	Request for Annexation
3101.	Submittal of Request
3102.	Board Consideration of Request for Annexation
3103.	Board Approval of Request for Annexation
3104.	Mandatory Terms and Conditions
3105.	Waiver of Charge and Fee
3106.	Payment Requirement
3107.	Water Use Efficiency Guidelines
3108.	Time for Completion of Annexation

§ 3100. Request for Annexation.

(a) Board approval process.

The Board will act to approve annexations in a one or two step process. The member public agency shall indicate its preference for a one or two step process, with the process selected subject to the approval of the General Manager or Executive Committee. In either case, all annexation requests must comply with all requirements of Section 3100(b), (c) and (d).

(1) Two step Board approval process.

In a two step Board approval process, the member public agency shall submit requirements of Section 3100(b) for conditional Board consideration and thereafter, when appropriate, the requirements of Section 3100(c) for final Board consideration.

(2) One step Board approval process.

If a one step Board approval process is selected, a notice of intent, legal description and map (Section 3100(b) 1) must be received and approved by the District prior to filing a submittal request with the Local Agency Formation Commission (LAFCO). Within 30 days of receipt, the District will review, and approve or comment upon these materials. Once

LAFCO approval and all other requirements pursuant to Section 3100(b) and (c) have been obtained, the member public agency shall submit said documentation to the District for Board consideration.

(b) Conditional approval submittal requirements.

A request for annexation of area to the District shall be made in writing and executed on behalf of the member public agency or proposed member public agency within which the area is or is proposed to be situated.

The request shall include:

(1) A legal description and a detailed map of the area proposed to be annexed, clearly indicating the metes and bounds of the area and the gross and net acreage for the area with sufficient documentation to support the gross and net acreage specified;

(2) A certificate from the assessor of the county within which the area proposed to be annexed is situated setting forth the assessed valuation of each parcel included within the area;

(3) Identification of the ownership of each parcel included within the area proposed to be annexed;

(4) A statement setting forth whether the number of voters within the area proposed to be annexed is less than 12, or 12 or more; and

(5) A description of:

(i) Present use of each of the parcels included within the area proposed to be annexed;

(ii) Existing or proposed development plans for such parcels;

(iii) An estimate of total annual and peak demands for water service to the area proposed to be annexed; and

(iv) An estimate of the portion of such annual and peak demands to be supplied by the District.

(6) A plan for implementing the water use efficiency guidelines set forth in Section 3107;

(7) Payment of \$5,000 processing fee to cover the District's cost of handling the request for annexation, unless waived pursuant to Section 3105;

(8) A statement indicating if it is proposed that payment for the annexation charge is to be pursuant to Sections 3106(b) and (c), and sufficient justification to demonstrate security for future payments, in a form approved by the General Counsel with Board approval; and

(9) The member public agency within which the area is situated shall furnish such other information as may be requested by the District's General Manager.

(c) Final approval submittal requirements.

Prior to final approval of the proposed annexation, as provided in Section 3103, the request shall be supplemented by the member public agency with the following materials:

(1) Any changes to the annexation documentation submitted previously;

(2) Certified copy of member public agency resolution requesting approval of the annexation; and

(3) Documents complying with the California Environmental Quality Act (CEQA).

(d) Annexation completion requirements.

Prior to submitting a request to LAFCO for recording the Certificate of Completion for the proposed annexing area, the member public agency must submit to the District the following materials:

(1) Certified copy of member public agency resolution(s) accepting District final terms and conditions and ordering a reorganization;

(2) Payment of the annexation charge pursuant to Section 3106(a) or provision of appropriate and fully executed documentation pursuant to Section 3106(b); and

(3) Certified copy of LAFCO resolution approving the annexation to the member public agency.

(e) Reattachment requests.

The General Manager is authorized to approve, without payment of processing fees or annexation charges, the reannexation of any territory which has deannexed from the District under reasonable terms and conditions as may be established by the General Manager, which shall include payment of any property taxes, standby charges or other avoided charges for the period of deannexation.

M.I. 38048 – January 9, 1990; subparagraph (a)(5) added and amended by M.I. 38538 - October 9, 1990, paragraph (a) amended by M.I. 40406 - August 24, 1993; amended by M.I. 41898 - May 14, 1996; paragraph (a) amended by M.I. 42193 - December 10, 1996; paragraphs (a), (a)(1), (b), (b)(9), (c)(2) amended, (c)(3) deleted, (c)(4) renumbered, paragraphs (d)(1) and (2) amended, (d)(3) added, and paragraph (e) amended by M. I. 44582 – August 20, 2001; paragraph (a) amended, and subparagraph (a)(2) amended by M.I. 50155 - June 9, 2015.

§ 3101. Submittal of Request.

A request for annexation and all information required in connection therewith shall be submitted to the General Manager.

M.I. 38048 – January 9, 1990; amended by M. I. 44582 – August 20, 2001.

§ 3102. Board Consideration of Request for Annexation.

The Board, and any standing committee of the Board reviewing a request for annexation, will consider such request at their next regular meeting taking place no earlier than 75 days after receipt by the District of the request for annexation and all information required to be submitted by the one or two step Board approval process.

M.I. 38048 – January 9, 1990; amended by M.I. 38538 - October 9, 1990, amended by M.I. 40406 - August 24, 1993; amended by M.I. 41898 - May 14, 1996; amended by M. I. 44582 – August 20, 2001.

§ 3103. Board Approval of Request for Annexation.

(a) Two step Board approval process

Unless otherwise stated in the request for annexation, the Board will act on the request:

- (1) By establishing preliminary terms and conditions for the conditional approval of the annexation upon filing of the submittals required by Section 3100(b).
- (2) By considering final approval of the annexation subject to terms and conditions then to be established after receipt of the submittals required by Section 3100(c)

(b) One step Board approval process

The Board will consider approval of the annexing area subject to terms and conditions then to be established after receipt of all submittals required pursuant to Sections 3100(b) and (c).

M.I. 38048 – January 9, 1990; paragraph (a) amended and paragraph (b) added by M.I. 41898 - May 14, 1996; paragraphs (a)(1) and (a)(2) amended by M. I. 44582 – August 20, 2001; paragraph (b) amended by M.I. 50155 - June 9, 2015.

§ 3104. Mandatory Terms and Conditions.

All terms and conditions of annexation shall contain the following provisions:

(a) The sale and delivery of all water by the District, regardless of the nature and time of use of such water, shall be subject to regulations promulgated from time to time by the District.

(b) Except upon terms and conditions specifically approved by the Board, water sold and delivered by the District shall not be used in any manner which intentionally or avoidably results in the direct or indirect benefit of areas outside the District including use of such water outside the District or use thereof within the District in substitution for other water used outside the District.

(c) No District water shall be sold or delivered to any member public agency for use, directly or indirectly, for agricultural purposes as defined in Section 4106 within the annexing area.

(d) The District shall not be obligated to provide additional works or facilities, necessitated by the annexing area, for the delivery of water from works owned and operated by the District.

(e) The annexation shall be completed by the date established pursuant to Section 3108(a).

M.I. 38048 - January 9; 1990, paragraph (e) added by M.I. 40406 - August 24, 1993.

§ 3105. Waiver of Charge and Fee.

The processing fee and the annexation charge may be waived in cases where the Board itself requests a small annexation to prevent or close a "window" in an existing member public agency or pursuant to Section 3100(e).

M.I. 38048 – January 9, 1990; amended by M.I. 41898 - May 14, 1996.

§ 3106. Payment Requirements.

(a) All annexation charges shall be paid in full in cash prior to completion of the annexation except where the Board approves installment payments pursuant to Section 3106(b) and (c).

(b) Subject to Board approval, a portion of the annexation charge may be paid in installments upon terms and conditions listed in Section 3106(c), and in form approved by the General Counsel, if the member public agency assumes the obligation for said payments, to be collected as part of monthly water sales invoices, or other security is provided which guarantees said payments.

(c) Installment payments shall be subject to the following terms and conditions pursuant to each ownership:

- (1) Minimum down payment of 10%.
- (2) Maximum term of 15 years.
- (3) Interest at the greater of the weighted average yield on invested funds of the District or the Districts then current cost of borrowing funds.
- (4) Minimum net annexation acreage of 50 acres; or
- (5) Under such other conditions as may be determined by the Board of Directors.

M.I. 38048 – January 9, 1990; paragraph (a) amended and paragraphs (b) and (c) added by M.I. 41898 - May 14, 1996.

§ 3107. Water Use Efficiency Guidelines.

The member agency representing the parcels considered for annexation shall submit evidence of compliance with the following:

- (a) Annual member agency water demand shall be minimized by incorporating water conservation measures into new development plans and service agreements. Use of groundwater, local surface water, and recycled wastewater supplies shall be maximized to reduce demands on the District.
- (b) Peak demands on the District shall be minimized by construction and operation of local storage and groundwater production facilities. Member agencies shall offer all District sponsored water conservation programs to new developments and encourage participation in those programs. Member agencies shall offer a specific program, independent of District funding, to new development to encourage water use efficiency of landscapes or other water savings opportunity.
- (c) Recycled water of adequate quality shall be used whenever it is available to be used, in accordance with California Water Code Sections 13550-13554.
- (d) "Best management practices" conservation measures shall be conditioned on all new developments within the member agency consistent with applicable City or County building codes for areas already within the District, and to District water conservation guidelines for annexing areas.
- (e) Local storage, groundwater production capacity, system interconnections, and other measures shall be able to sustain a 7-day interruption in service from the District pursuant to MWD Administrative Code Section 4503 "Suspension of Deliveries."

(f) The member agency, wholesale water agency, and local water purveyor of the annexing area shall be signatories and in compliance with the California Urban Water Conservation Council (CUWCC) Memorandum of Understanding (MOU) Regarding Urban Water Conservation in California. The District may request amendments to the water conservation measures to be imposed on new development within the member agency based on current water-use efficiency policies and reasonable conservation practices and measures.

Reporting Requirements:

The member public agency shall be responsible for assuring compliance with these provisions and shall report to the District on a yearly basis regarding such compliance. Reports would include the following information regarding the member agency:

- (a) Incorporated conservation measures in new development plans and service agreements;
- (b) Recycled water, groundwater, and local surface water use including total annual production of local water supplies;
- (c) 7-day interruption contingency;
- (d) Report as submitted to CUWCC; and
- (e) Member agency and local water purveyor shall have submitted a current Urban Water Management Plan (UWMP) provided the agency or purveyor is required to submit a UWMP under State law.

District staff shall review the reports and provide an annual information report to the Board on member agencies' reporting compliance. District staff will ensure that the annexing member agency is in compliance with its reporting before presenting subsequent annexation requests to the Board. Staff shall provide any prior member agency reports to the Board for its consideration in future annexation requests. The District's General Manager or designee is authorized to make minor adjustments to reporting requirements for member agencies as deemed reasonable and appropriate. Reporting requirements under this section of the Code are required for annexation requests after April 1, 2005. Reporting will be continuous on an annual basis for a six-year period following the latest annexation by the member agency.

M.I. 38538 – October 9, 1990; amended by M.I. 39787 - August 20, 1992; amended by M.I. 41898 - May 14, 1996; paragraphs (a), (b), (c), (d), and (e) amended, and paragraph (f) added by M. I. 45941 – October 12, 2004.

§ 3108. Time for Completion of Annexation.

(a) The annexation shall be completed by December 31 of the year following the year in which the annexation receives approval of the Board. If the annexation is not completed by that date, a new request in conformance with Section 3100(b) and (c) must be made. A one year extension of the time in which to complete the annexation may be granted if a request for the extension is made in writing by the member public agency prior to the expiration date. The request for extension of time shall include the following:

(1) Specific details as to why the annexation could not be completed within the time provided;

(2) A resolution from the member public agency requesting an extension of time and reaffirmation of the terms and conditions established by the Board;

(3) Any changes that have occurred in the circumstances of the annexation since the terms and conditions were established;

(4) Payment of a \$1,500 processing fee to cover the District's costs of handling the request for time extension;

(5) A certificate from the assessor of the county within which the area proposed to be annexed is situated setting forth the assessed valuation of each parcel included within the area; and

(6) Any other information as may be requested by the District's General Manager.

(b) If the General Manager finds that there is no significant change in the circumstances surrounding the annexation, he shall grant an extension for one year subject to any new mandatory terms and conditions which have been adopted by the Board since the original approval of the annexation, and further subject to payment of the current annexation charges. If the General Manager finds that there are significant changes in the circumstances surrounding the annexation, he shall submit the request for extension to the Board in accordance with Section 3102.

(c) The General Manager shall find that there is a significant change in the circumstances surrounding the annexation if the size of the annexation area changes, the proposed water usage in the annexation area increases, the intensity or type of land use changes, the CEQA documents are modified or additional documents are issued, or there is any other change in the circumstances of the annexation which the General Manager deems to be significant.

M.I. 40406 - August 24, 1993; amended by M.I. 41898 - May 14, 1996.

Chapter 2

POLICIES RELATED TO ANNEXATIONS

Sec.

3200. Water Availability

3201. Annexation Criteria - Avoidance of Windows

§ 3200. Water Availability.

In treating with application for annexation as member public agencies the District will give its favorable consideration only to areas of sufficient size and water requirements to justify as economically feasible the delivery of imported water. Preferably such areas should be so located as to control the entire production of water from local underground water basins affected.

Section 301.1.2 - Special Water Problems Committee - October 26, 1938. Section 301.1.2 repealed and Section 3100 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; renumbered Section 3200 by M.I. 38048 – January 9, 1990; amended by M.I. 41898 - May 14, 1996.

§ 3201. Annexation Criteria - Avoidance of Windows.

An area proposed for annexation shall not, after annexation, leave an unannexed area entirely surrounded by area annexed to the District ("window") unless the Board finds that the District's interests will not be adversely affected by the existence of such window.

Section 301.5 based on Water Problems Committee Statement - November 19, 1962; amended by M.I. 36333 - October 14, 1986. Section 301.52 repealed and Section 3102 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; renumbered Section 3201 by M.I. 38048 – January 9, 1990.

Chapter 3

FINANCIAL POLICIES RELATED TO ANNEXATIONS

Sec.

3300. Annexation Charge Computation

3301. Taxes for Past Annexations

§ 3300. Annexation Charge Computation.

Annexation Charge - The annexation charge for areas newly annexing to the District shall be the greater of the amounts computed under Sections 3300(a) and 3300(b):

(a) Back-Tax Computation - The annexing area shall be required to pay an amount that bears the same relation to total District taxes levied and annexation taxes to be levied (both exclusive of interest or adjusting factors) as the assessed valuation of the annexation area bears to the assessed valuation of the District, all data to be as of the August 31 preceding the year in which the annexation will be effective, and back interest to be simply calculated by multiplying the amount established as the bare back tax obligation by 5 percent and the resultant by half the number of years since taxes were first levied by the District.

(b) Per-acre Charge - The annexation charge per acre of land, other than land devoted to public roads, streets, highways, and freeways, to be paid by the annexing areas shall be determined by dividing the sum of the estimated replacement cost of the District's facilities and the participation rights in facilities of the State Water Project and other non-District owned projects in which Metropolitan participates, less accumulated depreciation of the District's facilities and participation rights on a replacement cost basis, less outstanding bonded indebtedness of the District's facilities and participation rights, by the total acreage within the service area of the District, all as of the end of the recently completed fiscal year.

M.I. 38048 – January 9, 1990; amended by M.I. 38304 - June 12, 1990; paragraph (b) amended by M.I. 39744 - July 14, 1992; paragraph (b) amended by M.I. 40406 - August 24, 1993; amended by M.I. 41204 - January 10, 1995; paragraph (b) amended by M. I. 46106 – February 8, 2005.

§ 3301. Taxes for Past Annexations.

(a) Effective with the 1981-82 fiscal year a tax rate of 18.75 cents per \$100 of assessed valuation (to be stated as .1875% for tax levying and collecting purposes) has been established to collect annexation charges from areas annexed to the District after September 13, 1966 and before July 1, 1978 and such rate shall be continued until the annexation charge and interest on unlevied balances thereof have been raised provided, however, that in an area annexing after August 19, 1976 and before July 1, 1978 such rate shall in no event be levied for any fiscal year following the fiftieth year after the area has been annexed to the District.

(b) Effective with the 1981-82 fiscal year a tax rate of 18.75 cents per \$100 of assessed valuation (to be stated as .1875% for tax levying and collecting purposes) has been established to collect the balance of the annexation charges from areas which annexed to the District prior to September 13, 1966, and such rate shall be continued until said balance of the annexation charges and interest on unlevied balances thereof have been raised.

(c) If for any reason (due to adoption in this State of tax limitation Constitutional initiatives, legislation or otherwise), any or all of the District's taxes to raise the minimum annexation charge are unable to be levied, then the Board shall have the option to collect such charge, or unlevied balances thereof, with interest at 5 percent per annum, within said area through any lawful means now, or to become, available to the District.

M.I. 38048 – January 9, 1990; paragraph (a) & (b) amended by M. I. 47286 - November 20, 2007.

Division IV

WATER SERVICE POLICIES

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Chapter 1

DEFINITIONS

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§ 4100. General.

The definitions in this Chapter shall govern the meaning of the terms when used in this Division.

Res. 7666 - April 13, 1976; Section 313.2 amended by M.I. 33642 - March 10, 1981. Section 312.2 repealed and Section 4100 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 4101. Colorado.

"Colorado" as a source of water shall mean water obtained by the District from the Colorado River through facilities owned by the District.

Res. 7666 - April 13, 1976; Section 312.2.1 amended by M.I. 33642 - March 10, 1981. Section 312.2.1 repealed and Section 4101 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 4102. State.

"State" as a source of water shall mean water obtained by the District from facilities of the California State Water Project.

Res. 7666 - April 13, 1976; Section 312.2.2 amended by M.I. 33642 - March 10, 1981. Section 312.2.2 repealed and Section 4102 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 4103. Treated Water.

"Treated water" shall mean water that is treated by filtration and disinfection at any District water treatment facility.

Res. 7666 - April 13, 1976; Section 312.2.3 amended by M.I. 33642 - March 10, 1981. Section 312.2.3 repealed and Section 4103 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 40976 - August 19, 1994.

§ 4104. Untreated Water.

"Untreated water" shall mean water that is not treated water.

Res. 7666 - April 13, 1976; Section 312.2.4 amended by M.I. 33642 - March 10, 1981. Section 312.2.4 repealed and Section 4104 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 4105. Domestic and Municipal Purposes.

"Domestic and municipal purposes" shall mean, but is not limited to, the use of water for all domestic, municipal, commercial, industrial, and recreational purposes.

Res. 7666 - April 13, 1976; Section 312.2.5 amended by M.I. 33642 - March 10, 1981. Section 312.2.5 repealed and Section 4105 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 44005 - May 17, 2000.

§ 4106. Interim Agricultural Water Program Purposes.

"Interim Agricultural Water Program purposes" shall mean the service of water pursuant to the Interim Agricultural Water Program and this Division IV which is delivered and used for the growing or raising, in conformity with recognized practices of husbandry, for the purposes of commerce, trade, or industry, or for use by public educational or correctional institutions, of agricultural, horticultural, or floricultural products, and produced (1) for human consumption or for the market, or (2) for the feeding of fowl or livestock produced for human consumption or for the market, or (3) for the feeding of fowl or livestock for the purpose of obtaining their products for human consumption or for the market, such products to be grown or raised on a parcel of land having an area of not less than one acre utilized exclusively therefor.

(a)"Interim Agricultural Water Program purposes limited to the growing of field and nursery crops and row crops" shall mean the service of water related to the growing of crops generally planted and harvested annually or more frequently, and other Interim Agricultural Water Program purposes not included in the definitions of Sections 4106(b) and 4106(c).

(b)"Interim Agricultural Water Program purposes limited to the growing of trees and vines" shall mean the service of water limited to the growing of crops which are planted less frequently than annually in the expectation of long-term yield therefrom.

(c)"Interim Agricultural Water Program purposes limited to the feeding of fowl or livestock" shall mean the service of water encompassing the raising of animals for human consumption or for the market or for the purpose of obtaining their products for human consumption or for the market.

(d) The Interim Agricultural Water Program was discontinued after December 31, 2012.

Res. 7666 – April 13, 1976; Section 312.2.6 amended and paragraphs (a), (b) and (c) [formerly Sections 313.2.6.1 - 312.2.6.3] added by M.I. 33642 – March 10, 1981. Section 312.2.6 repealed and Section 4106 adopted by M.I. 36464 – January 13, 1987, effective April 1, 1987; Section renamed and paragraphs (a)-(c) amended by M. I. 44005 - May 17, 2000; Paragraph amended by M.I. 44812 - March 12, 2002; added paragraph (d) by M.I. 50323 - December 8, 2015.

§ 4107. Groundwater Replenishment by Spreading.

"Groundwater replenishment by spreading" shall mean the act of spreading or causing to be spread, water for the purpose of replenishing natural groundwater basins, without regard to subsequent use of the water.

Res. 7666 - April 13, 1976; Section 312.2.7 amended and paragraphs (a) and (b) [formerly Sections 313.2.7.1 - 312.2.7.2] added by M.I. 33642 - March 10, 1981. Section 312.2.7 repealed and Section 4107 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended and paragraphs (a) and (b) deleted by M.I. 42608 - September 9, 1997.

§ 4108. Groundwater Replenishment by Injection.

"Groundwater replenishment by injection" shall mean the act of injecting or causing to be injected, water for the purpose of replenishing natural groundwater basins.

(a) "Direct replenishment by injection" shall mean groundwater replenishment that results from the act of injecting without regard to subsequent use of the water.

(b) "Seawater barrier groundwater replenishment" shall mean groundwater replenishment having as a principal purpose the injection of water for the purpose of maintaining groundwater barriers designed and intended to avoid the contamination of groundwater storage basins by the intrusion of seawater.

Former Section 4108 renumbered to Section 4109 and new Section 4108 added by M.I. 42608 - September 9, 1997; paragraph (b) amended by M. I. 44812 - March 12, 2002; paragraph (b) deleted and paragraph (c) renumbered by M. I. 45249 - March 11, 2003; amended paragraph (a) by M.I. 50323 - December 8, 2015.

§ 4109. In-Lieu Groundwater Replenishment.

"In-lieu groundwater replenishment" shall mean maintenance or replenishment of water supplies in groundwater basins by reduction or elimination of extraction therefrom through the substitution of deliveries of water to consumers from surface distribution facilities in lieu of such extraction.

Section 312.2.8 - M.I. 33642 - March 10, 1981. Section 312.2.8 repealed and Section 4108 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 41468 - June 13, 1995; Section 4108 renumbered to Section 4109 by M.I. 42608 - September 9, 1997.

§ 4110. Direct Reservoir Replenishment.

"Direct reservoir replenishment" shall mean the act of storing water in surface reservoirs for long-term storage by delivering water directly into a reservoir.

Section 312.2.9 - M.I. 33642 - March 10, 1981. Section 312.2.9 repealed and Section 4109 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 41617 - October 10, 1995; Section 4109 renumbered to Section 4110 by M.I. 42608 - September 9, 1997; paragraph and title amended by M. I. 45249 - March 11, 2003; amended by M.I. 50323 - December 8, 2015.

§ 4111. In-Lieu Reservoir Replenishment.

"In-lieu reservoir replenishment" shall mean the act of storing water in surface reservoirs for long-term storage by reducing or eliminating local supply outflow, through substitution of deliveries of water to consumers from surface distribution facilities in lieu of such withdrawals, thus conserving storage acquired from local sources.

Previous Section 4110 renumbered to Section 4111 and new Section 4110 added by M.I. 41617 - October 10, 1995; Section 4110 renumbered to Section 4111 by M.I. 42608 - September 9, 1997; paragraph and title amended by M. I. 45249 - March 11, 2003; amended by M.I. 50323 - December 8, 2015.

[§ 4112 repealed by M. I. 45249 - March 11, 2003.]

[§ 4113 repealed by M. I. 44812 - March 12, 2002.]

§ 4114. Replenishment Service.

“Replenishment Service” shall mean delivery of water for long-term storage in either groundwater basins or surface reservoirs by direct or in-lieu means. Direct means shall be either through groundwater spreading or through injection. The Replenishment Service Program was discontinued after December 31, 2012.

M.I. 37006 - February 9, 1988; amended by M.I. 37764 - July 11, 1989; amended by M.I. 41468 - June 13, 1995; amended by M.I. 42109 - October 8, 1996; paragraph and title amended by M. I. 45249 - March 11, 2003; amended by M.I. 50323 - December 8, 2015.

[§ 4115 repealed by M. I. 44812 - March 12, 2002]

[§ 4116 repealed by M. I. 44812 - March 12, 2002]

§ 4117. Cooperative Storage Program.

"Cooperative Storage Program" shall mean the program that provides a means for coordinating the District's carryover storage needs with storage capacity available to member public agencies, on the basis that the stored water will eventually be released to respective participating member public agencies pursuant to the regulations provided by Section 4517.

M.I. 40976 - August 19, 1994; Original Section 4117 repealed and Section 4118 renumbered 4117 by M.I. 44005 - May 17, 2000.

§ 4118. Cooperative Storage Program Sale.

"Cooperative Storage Program Sale" shall describe the transaction that occurs at the time a water delivery is made by the District under the Cooperative Storage Program. Any such delivery is deemed a sale to the receiving member public agency when delivered to it for storage, with payment to the District deferred as provided in subsection 4517(i). For administrative record keeping purposes, such a transaction will be recorded as an advance delivery until invoiced as a sale by the District at the time of release.

M.I. 40976 - August 19, 1994; amended by M.I. 41404 - May 9, 1995; Original Section 4119 renumbered 4118 by M.I. 44005 - May 17, 2000; amended by M. I. 44812 - March 12, 2002.

§ 4119. Wheeling Service.

"Wheeling Service" shall mean the use of Metropolitan's facilities, including its rights to use State Water Project facilities, to transport water not owned or controlled by Metropolitan to its member public agencies, in transactions entered into by Metropolitan for a period of up to one year.

M.I. 42335- March 11, 1997; Original Section 4120 renumbered 4119 by M. I. 44005 - May 17, 2000.

§ 4120. Purchase Order; Purchase Order Commitment.

“Purchase Order” shall mean a member agency’s written commitment to purchase a specified total volume of water from the District during a specified period, as provided in Section 4404. “Purchase Order commitment” shall mean the amount of system water a member agency commits to purchase over the term of the Purchase Order.

M. I. 44812 - March 12, 2002; amended by M. I. 45249 - March 11, 2003; amended by M.I. 49952 - November 18, 2014.

§ 4121. Supply Rates.

“Supply Rate” shall mean (i) the Tier 1 Supply Rate and (ii) the Tier 2 Supply Rate, as applicable to a particular purchase of water pursuant to Section 4404. The Tier 1 and Tier 2 Supply Rate shall be set from time to time by the District to recover the cost of maintaining existing supplies and developing additional supplies of water.

M. I. 44812 - March 12, 2002.

§ 4122. Base Period Demand; Revised Base Firm Demand; Initial Base Firm Demand.

“Base Period Demand” shall mean the amount specified in a member agency’s Purchase Order, that is either: a) the member agency’s Revised Base Firm Demand, as specified in this Section; or b) the member agency’s highest fiscal year purchases from fiscal year 2003 through 2014; provided, however, that if the member agency’s five-fiscal year rolling average of purchases of water from the District for the most recent five fiscal year period, excluding water purchased under an interruptible program, exceeds the member agency’s Initial Base Period Demand, then the member agency’s Base Period Demand for each subsequent calendar year shall be increased to the member agency’s five-fiscal year rolling average. “Initial Base Firm Demand” shall mean the member agency’s highest annual delivery of water from the District, excluding water delivered under Long-Term Seasonal Storage Service, Interruptible Service, and Interim Agricultural Water Program Service, during any fiscal year from fiscal year 1989/90 through fiscal year 2001/02.

Effective as of January 1, 2013, each member agency's Revised Base Firm Demand is as follows:

<u>Member Agency</u>	<u>Revised BFD</u>
<u>Anaheim</u>	27,154
<u>Beverly Hills</u>	14,867
<u>Burbank</u>	18,640
<u>Calleguas</u>	122,498
<u>Central Basin</u>	119,617
<u>Compton</u>	5,620
<u>Eastern</u>	102,694
<u>Foothill</u>	13,081
<u>Fullerton</u>	12,554
<u>Glendale</u>	29,135
<u>Inland Empire</u>	103,648
<u>Las Virgenes</u>	22,999
<u>Long Beach</u>	57,560
<u>Los Angeles</u>	372,959
<u>MWDOC</u>	311,769
<u>Pasadena</u>	23,533
<u>San Diego</u>	655,903
<u>San Fernando</u>	1,049
<u>San Marino</u>	1,998
<u>Santa Ana</u>	21,797
<u>Santa Monica</u>	12,344
<u>Three Valleys</u>	83,248
<u>Torrance</u>	23,297
<u>Upper San Gabriel</u>	74,698
<u>West Basin</u>	175,024
<u>Western</u>	94,567

M. I. 44812 - March 12, 2002; amended by M. I. 45249 - March 11, 2003; added second and third paragraphs by M.I. 49272 - December 11, 2012; amended first and third paragraphs, and deleted second paragraph by M.I. 49952 - November 18, 2014.

§ 4123. System Access Rate.

“System Access Rate” shall mean a dollar per acre-foot water rate imposed by the District to recover a portion of the District's costs associated with the conveyance and distribution system, including capital, operating and maintenance costs.

M. I. 44812 - March 12, 2002.

§ 4124. Water Stewardship Rate.

“Water Stewardship Rate” shall mean a dollar per acre-foot water rate imposed by the District to recover a portion of the costs of the District’s financial commitment to conservation, water recycling, groundwater recovery and other water management programs approved by the Board.

§ 4124 Repealed by M. I. 45249 - March 11, 2003; Re-adopted by M.I. 49187 - September 11, 2012.

§ 4125. System Power Rate.

“System Power Rate” shall mean a dollar per acre-foot water rate imposed by the District to recover the melded cost of power necessary to pump water from the State Water Project and Colorado River through the conveyance and distribution system for the District’s member public agencies.

M. I. 44812 - March 12, 2002.

§ 4126. Treatment Surcharge.

“Treatment Surcharge” means a dollar per acre-foot water rate imposed by the District to recover the District’s costs of providing water treatment capacity and operations.

M. I. 44812 - March 12, 2002.

§ 4127 Emergency Storage Program Purposes.

“Emergency Storage Program purposes” shall mean delivery of water pursuant to the Emergency Storage Program for the purpose of emergency storage in surface water reservoirs and storage tanks. Emergency Storage Program purposes include initially filling a newly constructed reservoir or storage tank and replacing water used during an emergency. Emergency Storage Program service shall be governed by the provisions of Sections 4507 and 4518.

M.I. 45941 – October 12, 2004.

Chapter 2

REGIONAL WATER MANAGEMENT

Sec.

4200. Water Availability

4201. Mission Statement

4202. Avoidance in District Service Area of Overlapping or Paralleling Governmental Authorities (Laguna Declaration)

4203. Water Transfer Policy

4204. Sale of Water by State in District Boundaries

4205. Sale of Water by One Member Public Agency to Another

4206. Carryover Storage

4207. Exchange of Water

4208. No Recreational Use of Lake Mathews

4209. Contracts

4210. Water Conservation

4211. Sale of Water to State or Federal Governmental Agencies

§ 4200. Water Availability.

District water will be available only to cities and areas now or hereafter included within the legal boundaries of the District. This means that District water will not be sold or released under any terms to any area as long as such area is outside the boundaries of the District except as may be approved by the Board.

Section 301.1.1 - Special Water Problems Committee - October 26, 1938. Section 301.1.1 repealed and Section 4200 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 40976 - August 19, 1994.

§ 4201. Mission Statement.

The mission of The Metropolitan Water District of Southern California is to provide its service area with adequate and reliable supplies of high quality water to meet present and future needs in an environmentally and economically responsible way.

M.I. 39412 - January 14, 1992.

§ 4202. Avoidance in District Service Area of Overlapping or Paralleling Governmental Authorities (Laguna Declaration).

(a) The District is prepared, with its existing governmental powers and its present and projected distribution facilities, to provide its service area with adequate supplies of water to meet expanding and increasing needs in the years ahead. When and as additional water resources are required to meet increasing needs for domestic, industrial and municipal water, the District will be prepared to deliver such supplies.

(b) Taxpayers and water users residing within the District already have obligated themselves for the construction of an aqueduct supply and distribution system. This system has been designed and constructed in a manner that permits orderly and economic extensions and enlargements to deliver the District's full share of Colorado River water and State Project water as well as water from other sources as required in the years ahead. Establishment of overlapping and paralleling governmental authorities and water distribution facilities to service Southern California areas would place a wasteful and unnecessary financial burden upon all of the people of California, and particularly the residents of Southern California.

Section 301.2 based on M.I. 14727 - December 16, 1952. Section 301.2 repealed and Section 4201 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; Section 4201 renumbered Section 4202 by M.I. 39412 - January 14, 1992.

§ 4203. Water Transfer Policy.

To meet its public water supply objectives in the future, Metropolitan will vigorously pursue the development of water transfers, subject to the following considerations:

(a) Water transfers, including water marketing, will be developed only on a voluntary basis with willing partners;

(b) A full-range of water transfer options will be pursued, including arrangements with appropriate state and federal agencies, public and private water entities, and individual water users;

(c) Water transfers will be designed to protect and, where feasible, enhance environmental resources;

(d) Water transfers will be designed to avoid contributing to or creating a condition of long-term groundwater overdraft;

(e) Efforts will continue to develop water transfers in cooperation with the agricultural community, which seek to avoid unreasonable operational and financial impacts; and

(f) Strategies will be developed to appropriately address community impacts of water transfers.

M.I. 39412 - January 14, 1992.

§ 4204. Sale of Water by State in District Boundaries.

The State shall make no other contract to supply project water for use within the boundaries of the District without the consent of the District, and shall not authorize any other contractor to supply project water for use outside such other contractor's boundaries and within the boundaries of the District without the consent of the District.

Section 322.13.1 based on Amendment No. 12 to Metropolitan - State Water Contract dated November 11, 1960 - Article 15(d) thereof; amended by M.I. 33642 - March 10, 1981; Section 322.13.1 repealed and Section 4202 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; Section 4202 renumbered Section 4204 by M.I. 39412 - January 14, 1992.

§ 4205. Sale of Water By One Member Public Agency to Another.

The General Manager and General Counsel shall report to the Board any sale of water by one member public agency to another. The District will not deliver water at the request of one member public agency into the territory of another member public agency without written authorization from both affected member public agencies.

Section 322.13.2 based on M.I. 15647 - May 4, 1954; amended by M.I. 32690 - April 10, 1979; amended by M.I. 33642 - March 10, 1981. Section 322.13.2 repealed and Section 4203 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; Section 4203 renumbered Section 4205 by M.I. 39412 - January 14, 1992; amended by M. I. 45637 - January 13, 2004.

§ 4206. Carryover Storage.

(a) The General Manager is authorized to store District water in any storage facility within any member public agency of the District where storage capacity is available. Further, the General Manager is instructed that no water is to be delivered or supplied under any storage contract until he has determined that sufficient water supplies will be available to fill the District's storage reservoirs.

(b) The General Manager is authorized to modify any arrangements with member public agencies for storage of water to provide for carryover storage, which modification shall be effective only when in writing and executed by the General Manager.

(c) Following the conclusion of each calendar year, the General Manager shall evaluate the District's carryover storage and determine the amount of carryover storage the District is expected to need during the ensuing calendar year.

Section 322.13.3 based on M.I. 25031 - December 14, 1965; paragraph (b) [formerly Section 322.13.3.2] added by M.I. 27396 - March 11, 1969; amended by M.I. 33642 - March 10, 1981; paragraph (a) [formerly Section 322.13.3.1] amended by M.I. 35992 - March 11, 1986. Section 322.13.3 repealed and Section 4204 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; Section 4204 renumbered Section 4206 by M.I. 39412 - January 14, 1992; paragraph (a) amended by M.I. 40976 - August 19, 1994; paragraph (c) added by M.I. 40969 - August 19, 1994; paragraph (b) amended by M.I. 41404 - May 9, 1995.

§ 4207. Exchange of Water.

(a) The District's policy is that any exchange of Colorado River water for State Project water between the District and any state water service contractors shall be based upon such contractor paying all of the costs associated with delivery of State water at such contractor's delivery point, or at such other point as may be mutually agreed upon, which would result in the lowest cost to the District under such exchange.

(b) If two or more member public agencies of the District desire to enter into a water exchange arrangement, the District will cooperate in such an arrangement, subject to available capacity in the District's facilities and subject to availability of water for such exchange purposes, as determined by the District.

(c) The General Manager is authorized to enter into any economically beneficial water exchange agreement, in form approved by the General Counsel, without prior Board approval upon a determination that the exchange provides water quality benefits. The annual total of all exchanges under this subsection authority shall not exceed 50,000 acre-feet. The annual cumulative net exchange cost of exchanges under this subsection shall not exceed \$500,000. Water exchanges authorized under this subsection are exempt from competitive bidding requirements under the terms of Administrative Code Section 8103. Such agreement shall be reported to the Board at the next meeting after which it is made.

Section 322.13.4 – paragraph (b) [formerly Section 322.13.4.2] based on M.I. 23612 – February 11, 1964 and paragraph (a) [formerly Section 322.13.4.1] based on M.I. 25756 – December 13, 1966; amended by M.I. 33642 – March 10, 1981. Section 322.13.4 repealed and Section 4205 adopted by M.I. 36464 – January 13, 1987, effective April 1, 1987; Section 4205 renumbered Section 4207 by M.I. 39412 – January 14, 1992; paragraph (c) added by M. I. 44109 – July 11, 2000.

§ 4208. No Recreational Use of Lake Mathews.

The policy existing since 1939 that Lake Mathews not be used for recreational purposes is reaffirmed.

Section 322.13.6 based on M.I. 16404 – May 10, 1955 and M.I. 31249 – April 24, 1961; amended by M.I. 33642 – March 10, 1981; renumbered 322.13.5 by M.I. 34182 – April 13, 1982. Section 322.13.5 repealed and Section 4206 adopted by M.I. 36464 – January 13, 1987, effective April 1, 1987; [§ 4207 - repealed by M.I. 36806 - September 22, 1987.]; Section 4206 renumbered Section 4208 by M.I. 39412 – January 14, 1992.

§ 4209. Contracts.

The District may join or enter into agreements with member public agencies to make more effective use of water resources, including agreements providing for the wheeling, exchange, or banking of water, so long as such agreements serve a purpose of the District.

Section 322.6.12 - March 10, 1981, effective July 1, 1981; Section 322.6.12 repealed and Section 4208 adopted by M.I. 36464 – January 13, 1987, effective April 1, 1987; Section 4208 renumbered Section 4209 by M.I. 39412 – January 14, 1992.

§ 4210. Water Conservation.

It shall be the policy of the District to undertake and support water conservation programs. To that end, the District may develop and implement such programs and enter into agreements with member public agencies and other organizations to make more efficient use of water resources through water conservation programs so long as such agreements serve a beneficial purpose of the District.

M.I. 36775 - August 18, 1987; Section 4209 renumbered Section 4210 by M.I. 39412 - January 14, 1992.

§ 4211. Sale of Water to State or Federal Governmental Agencies.

Subject to the provisions of Section 131 of the Metropolitan Water District Act, the General Manager is authorized to enter into contracts for the sale of water for any purpose or use with the United States of America or with any board, department, or agency thereof or with the State of California. Such contracts shall contain at a minimum the following terms:

1. The State or Federal Governmental Agency shall furnish, install, and remove, at no expense to Metropolitan, the facilities required to pump, measure, and transport the water.
2. Metropolitan's option to sell water to a State or Federal Governmental Agency shall be limited to a total quantity of 100 acre-feet per year, per connection, per agency.
3. The price of the water shall be Metropolitan's rate per acre-foot for the class of water in effect at the time of delivery, plus a reasonable capital facility charge and a minimum monthly standby rate if the connection is not used during a billing period.
4. The State or Federal Governmental Agency shall hold Metropolitan harmless from all claims and damages resulting from interruptions in water deliveries and from all damages resulting directly or indirectly from Metropolitan's delivery of water to the State or Federal Governmental Agency.
5. The agreement shall be terminable by either party upon giving written notice to the other party thirty days prior to the effective date of termination.

M.I. 42055 - September 10, 1996.

Chapter 3

WATER SALES REVENUE

Sec.

4300. General

4301. Cost of service and Revenue Requirement

[4302. Repealed]

[4303. Repealed]

4304. Apportionment of Revenues and Setting of Water Rates

4305. Setting of Charges to Raise Fixed Revenue

§ 4300. General.

The amount of revenue to be raised through the sale of water at rates and charges established pursuant to Sections 4400 and 4401 shall be determined in accordance with the provisions of this chapter.

Section 311.1 - M.I. 33007 - November 13, 1979, as clarified by M.I. 33059 - January 15, 1980. Section 311.1 repealed and Section 4300 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M. I. 44812 - March 12, 2002; amended by M.I. 49187 - September 11, 2012.

§ 4301. Cost of Service and Revenue Requirement.

(a) The District shall fix rates for water such that anticipated water sales revenues, together with anticipated revenues from any water standby or availability of service charge (such as the readiness-to-serve charge or capacity charge) or assessment, ad valorem tax revenues, and other revenues pay the expenses of the District, provide for repairs and maintenance, provide for payment of the purchase price or other charges for property or services or other rights acquired by the District, and provide for the payment of the interest and principal of the District's outstanding bonded debt. Subject to the foregoing, such rates and charges shall reflect the costs of the District's major service functions, including water supply, conveyance, power, storage, distribution and treatment to the greatest degree practicable.

(b) Notwithstanding the provisions in subsection (a) above, amounts raised by ad valorem property taxation shall not exceed the limitations established by section 124.5 of the Act and, subject to those limitations, shall be not less than the approximate equivalent of the amounts levied for fiscal year 1990-91.

Section 311.2 - M.I. 33007 - November 13, 1979, as clarified by M.I. 33059 - January 15, 1980. Section 311.2 repealed and Section 4301 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended and paragraph (b) added by M.I. 38749 - February 12, 1991; paragraph titled changed and paragraph (a) amended by M. I. 44812 - March 12, 2002; paragraph (a) amended by M. I. 46148 - March 8, 2005; paragraphs (a)-(b) amended by M.I. 49187 - September 11, 2012.

[§ 4302 Repealed by M. I. 44812 - March 12, 2002]

[§ 4303 Repealed by M. I. 44812 – March 12, 2002]

§ 4304. Apportionment of Revenues and Setting of Water Rates.

(a) Not later than at its February meeting the General Manager shall present to the Finance and Insurance Committee of the Board:

(1) Determinations of the revenue requirements and cost of service analysis supporting the rates and charges required during the biennial period beginning the following July 1, as determined by the General Manager in accordance with current Board policies, and,

(2) Recommendations of rates including, but not limited to, the System Access Rate, Water Stewardship Rate, System Power Rate, Treatment Surcharge, and the Supply Rates for the various classes of water service to become effective each January 1 of the biennial period. These recommended rates shall be the General Manager's determination, made in accordance with current Board policies, of the rates necessary to produce substantially the revenues to be derived from water sales during the biennial period beginning the following July 1.

(b) Not later than at its February meeting, the General Manager shall also present to the Finance and Insurance Committee recommendations regarding the continuation of a water standby charge or the imposition of an availability of service charge (such as the readiness-to-serve charge and capacity charge), which shall be the General Manager's determination, made in accordance with current Board policies, of the charge necessary to produce substantially the revenues to be derived from fixed revenue sources, if any, exclusive of taxes, during the biennial period beginning the following July 1 which the Finance and Insurance Committee has determined to be necessary.

(c) Not later than its February meeting the Finance and Insurance Committee shall set a time or times for, and shall thereafter hold, one or more meetings of the Finance and Insurance Committee, to be held prior to its regular April meeting, at which interested parties may present their views regarding the proposed water rates and availability of service charges to said committee. The Finance and Insurance Committee shall direct the General Manager to cause the publication of a notice of such public hearing to be published in newspapers of general circulation within the District's service area. Such notice shall be published not less than 10 days prior to the public hearing.

(d) Not later than its regular April meeting the Finance and Insurance Committee shall make its determination regarding the revenue requirement to be paid from water rates and the water rates to become effective each January 1 of the biennial period and shall recommend said water rates to the Board no later than the Board's regular April meeting.

(e) Not later than its April meeting, the Board shall establish water rates for deliveries beginning each January 1 of the biennial period.

(f) Proposals for changes in water rates to become effective at times other than on January 1 shall require adequate notice to the public and a hearing before such proposals are acted upon by the Board, unless the Board finds that an immediate change in water rates is urgent.

Section 311.5 - M.I. 32924 – September 18, 1979, as clarified by M.I. 33059 – January 15, 1980; paragraph (g) [formerly Section 311.5.7] amended by M.I. 34867 – September 13, 1983. Section 311.5.7 repealed and Section 4304 adopted by M.I. 36464 – January 13, 1987, effective April 1, 1987; amended, new paragraphs (d), (f), (i) and (j) added and other paragraphs renumbered by M.I. 39976 - December 8, 1992; paragraphs (b) through (g), (i) and (j) amended by M.I. 41389 - May 9, 1995; paragraphs (a)-(d) amended by M.I. 42193 - December 10, 1996; paragraphs (b) through (g), and (i) and (j) amended by M.I. 43587 - June 8, 1999; paragraphs (a) through (k) amended by M. I. 44582 – August 20, 2001; paragraphs (a) – (g), (i), and (j) amended by M. I. 44812 - March 12, 2002; paragraph (a) amended, (a) (i) & (a) (ii) added, paragraphs (b) & (c) deleted, paragraphs (d) (e) (f) renumbered to (b) (c) (d), paragraph (g) renumbered to (e) and amended, paragraphs (h) (i) renumbered to (f) (g), and paragraphs (j) (k) renumbered to (h) (i), by order of M. I. 45537 - October 14, 2003; paragraphs (a)-(e) and (g)-(h) amended by M. I. 46064 – January 11, 2005; paragraphs (a) through (e), (g) and (h) amended (committee name change) by M. I. 46148 - March 8, 2005; paragraphs (a)-(i) amended by M.I. 46983 February 13, 2007; paragraph(b) and (c) amended, paragraph (d) deleted and renumbered by M.I. 47636 - September 9, 2008; paragraphs (c)-(e) amended by M.I. 48171 - February 9, 2010; paragraphs (a)-(g) amended by M.I. 48534 - January 11, 2011; amended § 4304 title, amended paragraphs (a)-(f), deleted former paragraphs (f) and (g), and renumbered former paragraph (h) by M.I. 49187 - September 11, 2012.

§ 4305. Setting of Charges to Raise Fixed Revenue.

(a) Not later than its regular May meeting each year, the Finance and Insurance Committee shall make its final determination regarding the water standby charge or other fixed revenue charge, if any, for the fiscal year beginning the following July 1, and shall recommend such charge, if any, to the Board at its regular May meeting.

(b) Not later than such May meeting, the Board shall consider and take action upon the recommendations, if any, of the Finance and Insurance Committee regarding a fixed revenue source, exclusive of taxes, to become effective the following January 1 or for the fiscal year beginning the following July 1, as determined by the Board for each fixed revenue source.

M.I. 49187 - September 11, 2012.

Chapter 4

CLASSIFICATION AND RATES

Sec.

4400. Basic Statement

4401. Rates

4402. Readiness-to-Serve Charge

4403. Capacity Charge

4404. Purchase Orders

4405. Wheeling Service

§ 4400. Basic Statement.

The rates and charges set forth herein, so far as practicable, shall result in revenue to meet the obligations set forth in Section 134 of the Metropolitan Water District Act.

Section 312.1 based on Res. 7666 - April 13, 1976; amended by M.I. 33642 - March 10, 1981. Section 312.1 repealed and Section 4400 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 41468- June 13, 1995.

§ 4401. Rates.

(a) The rates per acre-foot for water sold and delivered for each class of service on order of any member public agency for use therein shall be as follows:

(1) For all water that does not meet criteria for other classes of service or special programs as defined in this Division, each of the following is applicable:

System Access Rate:

Effective Date:	01/01/2016	Rate:	\$259.00
	01/01/2017		\$289.00
	01/01/2018		\$299.00

Water Stewardship Rate:

Effective Date:	01/01/2016	Rate:	\$ 41.00
	01/01/2017		\$ 52.00
	01/01/2018		\$ 55.00

System Power Rate:

Effective Date:	01/01/2016	Rate:	\$138.00
	01/01/2017		\$124.00
	01/01/2018		\$132.00

Treatment Surcharge (Applicable to treated water):

Effective Date:	01/01/2016	Rate:	\$348.00
	01/01/2017		\$313.00
	01/01/2018		\$320.00

Supply Rate:

Tier 1 Supply Rate – The Tier 1 Supply Rate shall apply to water purchases which in the aggregate for any calendar year, are less than or equal to 60 percent of the Revised Base Firm Demand of such member agency as specified in Section 4122, unless that member agency has executed a Purchase Order, as defined in Section 4120, in which case the Tier 1 Supply Rate applies to water purchases as established by the Purchase Order terms.

Effective Date:	01/01/2016	Rate: \$156.00
	01/01/2017	\$201.00
	01/01/2018	\$209.00

Tier 2 Supply Rate – The Tier 2 Supply Rate shall apply when a member agency's cumulative total of water purchases for the calendar year exceeds 60 percent of the member agency's Revised Base Firm Demand as specified in Section 4122, or according to the terms of a Purchase Order for member public agencies that execute a Purchase Order.

Effective Date:	01/01/2016	Rate: \$290.00
	01/01/2017	\$295.00
	01/01/2018	\$295.00

(2) [Reserved]

(b) The rates for water established by Section 4401(a) shall not apply to water sold and delivered by the District to any purchaser other than a member public agency; and said rates for water shall not apply to water sold and delivered by the District for any use outside the District, or to water sold and delivered by the District for any use within the District in substitution for water used outside the District, regardless of whether or not such water be purchased by, or delivered pursuant to the order of, any member public agency; but such water shall be sold and delivered pursuant to such contract and upon such terms and conditions as the Board shall authorize and determine for each such transaction.

(c) For purposes of agreements existing under the Local Resource Program, Local Project Program, Groundwater Recovery Program and other similar programs, references to the "full service water rate," "full service treated water rate," "treated non-interruptible water rate" or "other prevailing rate" or to the "reclaimed water rate" or "recycled service rate" shall be deemed to refer to the sum of the System Access Rate, Water Stewardship Rate, System Power Rate, the expected weighted average of Tier 1 Supply Rate and Tier 2 Supply Rate (equal to the estimated sales revenues expected from the sale of water at the Tier 1 and Tier 2 Supply Rates divided by the total District sales in acre-feet expected to be made at the Tier 1 and Tier 2 Supply Rates), a Capacity Charge expressed on a dollar per acre-foot basis and Treatment Surcharge.

Section 312.3 based on Res. 7666 - April 13, 1976; paragraphs (a)(1) through (a)(3) [formerly Sections 312.3.1 through 312.3.3] amended by M.I. 31919 - August 19, 1977, M.I. 33644 - March 10, 1981; amended by M.I. 33642 - March 10, 1981; paragraphs (a)(1) through (a)(3) amended by M.I. 34156 - March 9, 1982, effective July 1, 1982, M.I. 34635 - March 8, 1983 effective July 1, 1983, M.I. 34851 - September 13, 1983 effective January 1, 1984; paragraphs (a)(4) and (a)(5) [formerly Sections 312.3.4 and 312.3.5] added and paragraphs (b) and (c) [formerly Sections 312.3.4 and 312.5] renumbered by M.I. 34867 - September 13, 1983; paragraph (a)(4) amended by M.I. 34930 - November 8, 1983, effective January 1, 1983; paragraphs (a)(1) through (a)(3) amended by M.I. 35064 - March 13, 1984 effective July 1, 1984; paragraph (a)(4) amended by M.I. 35482 - January 8, 1985; paragraphs (a)(1) through (a)(3) amended by M.I. 35558 - March 12, 1985 effective July 1, 1985, M.I. 36001 - March 11, 1986. Section 312.3 repealed and Section 4401 adopted by

M.I. 36464 – January 13, 1987, effective April 1, 1987; paragraph (a)(1) through (a)(3) and (a)(5) amended by M.I. 36540 - March 10, 1987, effective July 1, 1987; paragraph (c) deleted by M.I. 36811 - September 22, 1987; paragraph (a)(4) amended by M.I. 37006 - February 9, 1988; paragraphs (a)(1) through (a)(3) and (a)(5) amended by M.I. 37045 - March 8, 1988, effective July 1, 1988; par. (a)(4) amended by M.I. 37566 - March 14, 1989 and pars. (a)(1) through (a)(3) and (a)(5) amended by M.I. 37574 - March 14, 1989, effective July 1, 1989; paragraph (a)(4) amended by M.I. 37764 - July 11, 1989, effective August 1, 1989; paragraphs (a)(1) through (a)(5) amended by M.I. 38196 - April 17, 1990, effective July 1, 1990; paragraph (b) renumbered to (c) and new paragraph (b) added by M.I. 38196 - April 17, 1990; paragraphs (a)(1) through (a)(5) amended by M.I. 38867 - April 9, 1991, effective July 1, 1991; paragraph (b) repealed and paragraph (c) renumbered by M.I. 39370 - December 10, 1991; paragraph (a)(1), and (a)(3) through (a)(5) amended by M.I. 39503 - March 10, 1992, effective July 1, 1992; paragraphs (a)(1), and (a)(3) through (a)(5) amended by M.I. 40142 - March 9, 1993, effective July 1, 1993 and April 1, 1993 respectively; paragraph (a)(5) amended for rate to become effective July 1, 1993 by M.I. 40173 - April 13, 1993; paragraphs (a)(1), (a)(3) through (a)(6) amended by M.I. 40731 - March 8, 1994; paragraphs (a)(1) through (a)(3) and (a)(5) amended and (a)(6) added by M.I. 40865 - June 14, 1994; paragraph (a) amended, paragraph (b) added and paragraph (c) amended and renumbered by M.I. 41468 - June 13, 1995; paragraph (a)(3) amended by M.I. 41652 - November 14, 1995; paragraph (a) amended by M.I. 41816 - March 12, 1996 to be effective January 1, 1997; paragraph (a)(1) amended by M.I. 42278 - February 11, 1997; paragraphs (a)(1) through (a)(4) amended and paragraph (a)(5) added by M.I. 42335 and 42336 - March 11, 1997; paragraphs (a)(1) and (a)(2) amended by M.I. 42608 - September 9, 1997; paragraphs (a) (1), (2), (3), (4), and (b) amended by M.I. 42870 - March 10, 1998; paragraphs (a) (1), (2), (3), (4), and (b) amended by M.I. 43354 - January 12, 1999; paragraphs (a) (1), (2), (3), and (4) amended by M.I. 43936 - March 14, 2000; paragraphs (a)(1), (2), (3), (4), and (5) amended by M.I. 44386 - March 13, 2001; paragraph (a) (1) and (2) amended, paragraphs (a) (3), (4), and (5) sub-paragraph (b) deleted, old paragraph (c) renamed (b), and new paragraphs (a) (3) and (c) added by M. I. 44812 - March 12, 2002; paragraph (a) (2) amended by M. I. 45249 - March 11, 2003; paragraph (c) amended by M. I. 45257 - March 11, 2003; paragraphs (a) (1), (2), (3) amended by M.I. 45690 - March 9, 2004; paragraph (c) amended by M. I. 45943 - October 12, 2004; paragraph (a) (1), (2), (3) amended by M. I. 46149 - March 8, 2005; paragraphs (a) (1) (2) (3) amended by M. I. 46593 - March 14, 2006; paragraph (a)(1)-(3) amended by M. I. 47064 - April 10, 2007; paragraph (a)(3) amended by M. I. 47259 - October 9, 2007; paragraphs (a)(1)(2) and (3) amended by M.I. 47422 - March 11, 2008; paragraphs (a)(1)(2) and (3) amended by M.I. 47859 - April 14, 2009; paragraph (a)(1) amended by M.I. 48232 - April 13, 2010; paragraphs (a)(1)-(3) amended by M.I. 49026 - April 10, 2012; paragraph (a)(2) amended by M.I. 49272 - December 11, 2012; paragraph (a)(1) amended, paragraph (a)(2) deleted and reserved, and paragraph (3) deleted by M.I. 49734 - April 8, 2014; amended paragraph (a)(1) sections covering “Tier 1 Supply Rate,” and “Tier 2 Supply Rate” by M.I. 49952 - November 18, 2014; amended paragraph (a)(1) to reflect approved water rates effective January 1, 2017 and January 1, 2018 by M.I. 50438 - April 12, 2016.

§ 4402. Readiness-to-Serve Charge.

(a) The readiness-to-serve charge shall be set by the Board from time to time to recover the costs of emergency system storage and the cost of system conveyance capacity for peak and standby use not recovered by property tax revenue. The readiness-to-serve charge will be allocated among the member public agencies beginning January 1, 2003, in proportion to the average of deliveries (including exchanges and transfers) through Metropolitan’s system (in acre feet) to each member public agency during the ten-year period ending June 30, 2001; and thereafter as a ten-year rolling average; provided that Metropolitan sales of reclaimed water under the Local Projects Program, and Local Resources Program, groundwater under the Groundwater Recovery Program and deliveries under Replenishment and Interim Agricultural Water Service shall not be included in the water deliveries calculation.

(b) The readiness-to-serve charge shall be due monthly, quarterly or semiannually, as agreed upon by Metropolitan and the member public agency. If a standby charge is collected on behalf of a member public agency, the member public agency will be credited for the amount of net collections. This charge is subject to the provisions of Sections 4507 and 4508.

(c) The General Manager shall establish and make available to member public agencies procedures for administration of the readiness-to-serve charge, including filing and consideration

of applications for reconsideration of their respective readiness-to-serve charge. The General Manager shall review any applications for reconsideration submitted in a timely manner. The General Manager shall also establish reasonable procedures for the filing of appeals from his determination.

M.I. 41468 - June 13, 1995; paragraph (b) amended by Resolution 8492 adopted by M.I. 41816 - March 12, 1996; paragraphs (b) and (e) amended by M. I. 44582 – August 20, 2001; paragraph (a) amended, paragraphs (b) and (c) deleted, paragraphs (d) and (e) renamed (b) and (c) respectively by M. I. 44812 - March 12, 2002; paragraph (a) amended by M. I. 45249 and M. I. 45257 - March 11, 2003; paragraph (a) amended by M. I. 45943 – October 12, 2004.

§ 4403. Capacity Charge.

(a) Beginning January 1, 2004, the capacity charge shall be payable by each member agency for system capacity based on the maximum summer day demand placed on the system between May 1 and September 30 for the three-calendar year period ending December 31, 2002, and thereafter for a rolling three-calendar year period.

(b) The capacity charge shall be due monthly, quarterly or semiannually, as agreed upon by Metropolitan and the member public agency.

M.I. 41468 - June 13, 1995; paragraphs (b) and (f) amended by M. I. 44582 – August 20, 2001; old Section deleted and renamed, new paragraphs (a)-(d) added by M. I. 44812 - March 12, 2002; paragraphs (a) and (b) amended by M. I. 45249 - March 11, 2003 and paragraphs (a) and (b) amended and paragraphs (c) and (d) deleted by M. I. 45257 - March 11, 2003; paragraph (a) amended by M. I. 45943 – October 12, 2004; Section title and paragraph (b) amended by M. I. 46148 - March 8, 2005.

§ 4404. Purchase Orders.

(a) The General Manager shall establish and make available to member public agencies the form of the Purchase Order and procedures for its administration. The General Manager shall establish a deadline by which all Purchase Orders shall be executed by member public agencies that desire to enter into such agreements with the District. Following the deadline established by the General Manager, no member public agencies will be allowed to execute Purchase Orders.

(b) The term of the Purchase Orders shall be specified in the Purchase Order. All Purchase Orders in effect for the same time period shall be on substantially the same terms. All amendments to Purchase Orders require approval by the Board.

(c) Each member public agency executing a Purchase Order shall commit to purchase at least its Purchase Order Commitment during the term of the Purchase Order.

(d) Purchase Orders shall permit a member public agency to purchase up to 90 percent of its Base Period Demand at the Tier 1 Supply Rate for the term of the Purchase Order.

(e) All water deliveries under a Purchase Order shall be subject to the operational conditions and constraints contained in this Division. In addition, all billings and payments for such water shall be subject to the provisions of this Division in the same manner as other water delivered by Metropolitan.

M.I. 41468 - June 13, 1995; old Section deleted and renamed, new paragraphs (a)-(g) added by M. I. 44812 - March 12, 2002; paragraph (d) amended by M.I. 48800 – September 13, 2011; amended paragraphs (b), (d), and (e), deleted prior paragraphs (e) and (f), and renumbered prior paragraph (g) as paragraph (e) by M.I. 49952 - November 18, 2014.

§ 4405. Wheeling Service.

(a) Subject to the General Manager's determination of available system capacity, Metropolitan will offer wheeling service. The determination whether there is unused capacity in Metropolitan's conveyance system, shall be made by the General Manager on a case-by-case basis in response to particular requests for wheeling.

(b) The rates for wheeling service shall include the System Access Rate, Water Stewardship Rate and, for treated water, the Treatment Surcharge, as set forth in Section 4401. In addition, wheeling parties must pay for their own cost for power (if such power can be scheduled by the District) or pay the District for the actual cost (not system average) of power service utilized for delivery of the wheeled water. Further, wheeling parties shall be assessed an administration fee of not less than \$5,000 per transaction.

M.I. 42335 - March 11, 1997; paragraph (a) amended, paragraphs (b) and (c) deleted, and new paragraph (b) added by M. I. 44812 - March 12, 2002.

Chapter 5

WATER SERVICE REGULATIONS – GENERAL

Sec.

4500. Adoption of Regulations

4501. Obligation to Pay for Water Delivered

4502. Liability and Indemnification

4503. Suspension of Deliveries

4504. Rates of Flow

4505. Estimates of Water Requirements and Schedules of Deliveries

4506. Metering of Water

4507. Billing and Payment for Water Deliveries

4508. Additional Payment and Reporting in the Event of Delinquency in Payment for Water

4509. Water Restricted to Use Within the District

4510. Application of Regulations

4511. Notices

4512. Sales Subject to System and Water Availability

4513. Equal Opportunity Requirements

[4514. Repealed]

[4515. Repealed]

[4516. Repealed]

4517. Cooperative Storage Program

4518. Emergency Storage Program

§ 4500. Adoption of Regulations.

Subject to all applicable provisions of the Metropolitan Water District Act, as said Act may be amended from time to time, the following regulations shall govern the service of water by the District.

Section 322.1 based on Res. 7260 - May 12, 1970, amending Res. 3896 - August 18, 1950; amended by M.I. 33642 - March 10, 1981. Section 322.1 repealed and Section 4500 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 4501. Obligation to Pay for Water Delivered.

(a) All water delivered through any service connection to a member public agency for use within the member public agency shall be supplied in accordance with the provisions of the Metropolitan Water District Act and the rules and regulations of the District governing such service, as set forth in Chapter 5. The District shall bill the member public agency for all water delivered through the service connection, and the member public agency shall pay the District for all water so delivered at the rate or rates and within the period from time to time fixed by the Board.

(b) In the event that any member public agency shall request in writing a delivery of water directly by the District into any distribution system owned by some other agency which serves water within the corporate area of the member public agency, the member public agency

shall be obligated to pay the District for all water so delivered at the rates and under the conditions from time to time fixed by the Board; and such delivery into such other system shall constitute delivery to such member public agency for the purpose of these regulations.

(c) Member public agency system losses of District-supplied water are losses that are inherent in the operation of a water distribution system. These include losses occasioned by evaporation, seepage, spillage, leakage, pipeline failure, or system testing. Such losses shall be charged to a member public agency in direct proportion to the classes of service in which they occur and at the rates prescribed in Section 4401 for water sold and delivered for each such class of service. Such system losses shall not affect a member public agency's obligation to sustain an interruption or reduction in the delivery of water as set forth in this Code.

Section 322.2 based on Res. 7260 – May 12, 1970, amending Res. 3896 – August 18, 1950; amended by M.I. 33642 – March 10, 1981. Section 322.2 repealed and Section 4501 adopted by M.I. 36464 – January 13, 1987, effective April 1, 1987; paragraphs (a) and (c) amended by M.I. 40865 - June 14, 1994; paragraph (a) amended by M.I. 41468 - June 13, 1995; paragraph (c) amended by M.I. 42278 - February 11, 1997; Paragraph (c) amended by M. I. 44005 - May 17, 2000; amended paragraph (a) by M.I. 50323 - December 8, 2015.

§ 4502. Liability and Indemnification.

Neither the District nor any of its officers, agents, or employees shall be liable for the control, carriage, handling, use, disposal, or distribution of water supplied or delivered by the District to a member public agency after such water has been delivered to such member public agency; nor for claim of damage of any nature whatsoever, including but not limited to property damage, personal injury or death, arising out of or connected with the control, carriage, handling, use, disposal, or distribution of such water beyond the point of such delivery; and the member public agency shall indemnify and hold harmless the District and its officers, agents, and employees from any such damages or claims of damages, and shall reimburse the District for costs of repair of the District's facilities and other damages resulting from the operations of the member public agency. Neither the member public agency nor any of its officers, agents, or employees shall be liable for the control, carriage, handling, use, disposal, or distribution of water prior to such water being delivered to the member public agency; nor for claim of damage of any nature whatsoever, including but not limited to property damage, personal injury or death, arising out of or connected with the control, carriage, handling, use, disposal, or distribution of such water prior to its delivery to such member public agency, excepting, however, claims by the District for costs of repair to the District's facilities and other damages resulting from the operations of the member public agency; and the District shall indemnify and hold harmless the member public agency and its officers, agents, and employees from any such damages or claims of damages, except claims by the District for costs of repair of the District's facilities and other damages resulting from the operations of the member public agency.

Section 322.3 based on Res. 7260 – May 12, 1970, amending Res. 3896 – August 18, 1950; amended by M.I. 33642 – March 10, 1981; amended by M.I. 34826 – August 17, 1983. Section 322.3 repealed and Section 4502 adopted by M.I. 36464 – January 13, 1987, effective April 1, 1987; amended by M. I. 44812 - March 12, 2002.

§ 4503. Suspension of Deliveries.

(a) Whenever repairs or maintenance of the District's system, in the opinion of the General Manager of the District, shall require suspension of delivery of water at any point or points, such delivery may be suspended without liability on the part of the District; provided, that except in cases of emergency, as determined by the General Manager, notice of such suspension of service shall be given to the affected member public agency in advance of such suspension. Metropolitan will make a concerted effort to notify and work with member public agencies regarding all scheduled interruptions. The District will schedule non-emergency interruptions for the low demand months of the year, typically October through April, in coordination with the member public agencies.

(b) Each member agency shall have sufficient resources such as local reservoir storage, groundwater production capacity, system interconnections or alternate supply source to sustain:

(1) A seven-day interruption in Metropolitan deliveries from raw and treated water distribution facilities based on average annual demands of the affected facility.

(2) For service connections installed or modified after December 31, 2008 on raw water conveyance facilities, a seven-to twenty-one-day interruption in Metropolitan raw water deliveries based on average annual demand of the affected facility.

If a member public agency has been provided with a sixty (60) day notice of when an interruption in service is to occur, the member public agency shall be responsible for and reimburse direct costs, excluding labor costs, incurred by Metropolitan in the event that a scheduled non-emergency interruption is postponed or cancelled at the request of the member public agency as a result of insufficient local resources, and the District agrees to such cancellation or postponement. Direct costs shall be determined by Metropolitan's General Manager, in consultation with the affected member agency. These direct costs shall be applied to the member public agency's water invoice following cancellation or postponement of the shutdown.

(c) Except in cases of emergency, the District, working with the member agencies, will produce a shutdown schedule each September for the annual shutdown season from October through April. The District will also develop a three-year shutdown schedule, which will give notice of the proposed shutdowns greater than seven days at least one-year in advance.

Section 322.4 based on Res. 7260 – May 12, 1970, amending Res. 3896 – August 18, 1950; amended by M.I. 33642 – March 10, 1981. Section 322.4 repealed and Section 4503 adopted by M.I. 36464 – January 13, 1987, effective April 1, 1987; amended by M.I. 42278 - February 11, 1997; paragraph amended by M. I. 44812 - March 12, 2002; paragraph amended by M. I. 45943 – October 12, 2004; paragraphs assigned (a), (b), (c), & (d) designations and amended by M. I. 45988 – November 9, 2004; paragraph (b) amended, (b)(1) and (2) added by M. I. 47730 - December 9, 2008; deleted paragraph (d) by M.I. 50323 - December 8, 2015.

§ 4504. Rates of Flow.

(a) Within any 24-hour period, changes in rate of flow through any service connection serving a member public agency will be limited to ten (10) percent above and below the previous 24-hour average rate of flow except when a specific request for a change in rate that would exceed such limitations has been made to the District; such requests (1) shall be made at least 6 hours in advance of the time such change is to be made; (2) shall be approved by the General Manager only if in his judgment the change would not adversely affect the District's ability to apportion available water equitably. The General Manager is hereby authorized to reduce the maximum obtainable rate of flow at any service connection where this regulation is being violated and in the event the capacity of the distribution system is insufficient to accommodate the above mentioned daily fluctuations in delivery rate, the General Manager shall regulate the rates of flow at any or all service connections so as to assure equitable service to all agencies. However, the District will endeavor to meet all reasonable demands for service so long as comparable service can be provided to all member public agencies being served from a related section of the District's distribution system.

(b) When flow through a service connection serving a member public agency is reduced below ten (10) percent of the requested or actual maximum design capacity of the meter, whichever is less, at that connection during a period when the service connection turnout valve is in the open position, the member public agency will be charged as though a flow equaling ten (10) percent of the capacity of such meter were being delivered, as determined by the General Manager, unless the District has been advised by the member public agency that no deliveries are required at that connection for a specified period. This Section 4504(b) shall not apply to those service connections which are not connected to pressure pipelines of the District or to those service connections being operated intermittently in a manner determined by the General Manager to be of benefit to the District under conditions such that when flow does occur at these service connections it exceeds ten (10) percent of the meter capacity. The General Manager shall have the power to waive the requirements of this Section 4504(b), with respect to any meter where the agency served by the meter is doing everything within its capability, as determined by the General Manager, to adjust its facilities and operations so as to be able to take delivery at rates of flow not less than ten (10) percent of the requested or actual maximum design capacity of the meter, whichever is less, at that connection during a period when the service connection turnout valve is in the open position.

(c) When flow through a service connection serving a member public agency is increased above the actual maximum design capacity of the meter, the member public agency will be charged as though a flow equaling one hundred and twenty-five (125) percent of the capacity of such meter were being delivered, as determined by the General Manager.

(d) The General Manager shall have the power to waive the provisions of Sections 4504(a), 4504(b) and 4504(c) for a specified period with respect to any service connection if in his judgment such a waiver will serve to accomplish the current objectives of the District and will not adversely affect the operation of the District's distribution system or impair its ability to provide service to all member public agencies.

Paragraph (b) [formerly Section 322.5.2] based on Res. 7241 - February 10, 1970 and Res. 7260 - May 12, 1970;
paragraph (a) [formerly Section 322.5.1] based on Res. 7260 - May 12, 1970 amending Res. 3896 - August 18, 1981;

paragraph (c) [formerly Section 322.5.3] added by M.I. 31817 - June 14, 1977; section amended by M.I. 33642 - March 10, 1981. Section 322.5 repealed and Section 4504 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (a) amended, paragraph (c) added and paragraph (d) renumbered and amended by M.I. 42278 - February 11, 1997.

§ 4505. Estimates of Water Requirements and Schedules of Deliveries.

(a) General. - Before July 1 of each year, each member public agency shall furnish the District, in form provided by the District, with an estimate of the amounts of water to be furnished to such member public agency by the District. These estimates will be used by the District in planning the construction needed to complete the District's ultimate aqueduct and distribution system; in planning the future operation of such system; and in preparing notices for submission to the State Department of Water Resources which will be used by the State to order power for pumping on the State Water Project.

(b) Contents of Estimates

(1) Each estimate furnished by a member public agency pursuant to Section 4505(a) shall contain, as a minimum, for each service connection and for each month of the year beginning with the succeeding July 1, and for the entire member public agency for each month of the succeeding four years, the following information:

(i) The quantity of water to be delivered by Metropolitan to the member public agency in full service.

(ii) With regard to water estimated to be delivered in full service, the quantity of water to be used for seawater barrier groundwater replenishment.

(iii) With regard to water estimated to be delivered in full service, the quantity of water to be used for:

(aa) groundwater replenishment

(bb) reservoir replenishment.

(2) The estimate shall constitute the member public agency's request for deliveries for the first of the five years covered therein.

Section 322.6 based on Res. 7260 – May 12, 1970; amended and paragraph (b) [formerly Section 322.6.2] added by M.I. 33642 – March 10, 1981] effective July 1, 1981; paragraph (a) [formerly Section 322.6.1] amended by M.I. 36374 - November 18, 1986. Sections 322.6.1 and 322.6.2 repealed and Section 4505 adopted by M.I. 36464 – January 13, 1987, effective April 1, 1987; paragraph (b)(iii) added and previous paragraph (b)(iii) renumbered to (b)(iv) and amended by M.I. 37764 - July 11, 1989; paragraphs (b)(1)(ii) and (iv) amended and subparagraph (cc) repealed by M.I. 40865 - June 14, 1994; paragraph (a) amended by M.I. 41468 - June 13, 1995; paragraphs (a) and (b)(1) amended by M.I. 42278 - February 11, 1997; Paragraphs ((b) (1) (ii), (iii); (aa), and (bb) amended by M.I. 44005 - May 17, 2000; sub-paragraph(aa) amended by M. I. 44812 - March 12, 2002; sub-paragraph (iii) deleted and renumbered, sub paragraphs (aa) and (cc) amended, and (dd) added by M. I. 45249 - March 11, 2003; amended paragraph (a), deleted former paragraphs (b)(1)(ii), (b)(1)(iv)(bb), and (b)(1)(iv)(dd), renumbered former paragraph (b)(1)(iii) to current paragraph (b)(1)(ii), renumbered and amended former paragraph (b)(1)(iv) to current paragraph (b)(1)(iii), renumbered and amended former paragraph (b)(1)(iv)(aa) to current paragraph (b)(1)(iii)(aa), renumbered and amended former paragraph (b)(1)(iv)(cc) to current paragraph (b)(1)(iii)(bb) by M.I. 50323 - December 8, 2015.

§ 4506. Metering of Water.

All water delivered by the District shall be metered. Meter readings shall be made on or about the last day of each calendar month for billing purposes. Meters and control valves on water lines of the District shall be owned and operated by the District. Any member public agency may have any meter through which water is served from the District's facilities to any area within such member public agency tested by the District at any time. Any member public agency affected shall have the right to be represented by a qualified observer at and during any such tests. In the event that any such test shall disclose an error exceeding 2 percent, an adjustment shall be made in charges made to the affected member public agency, covering the known or estimated period of duration of such error, but in no event exceeding six months, and the expenses of such test shall be borne by the District; otherwise, such expense shall be borne by the member public agency requesting such test.

Section 322.7 based on Res. 7260 - May 12, 1970; amended by M.I. 33642 - March 10, 1981. Section 322.7 repealed and Section 4506 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 4507. Billing and Payment for Water Deliveries.

(a) **Timeframe for Billing and Payment.** Except as noted herein below, invoices shall be mailed electronically, or, if requested by the member agency, by hardcopy via United States mail, not later than the tenth day of the month following delivery to a member public agency. Each such invoice shall indicate the date of mailing and the date on which the payment thereunder becomes delinquent and shall show the total amount of water delivered for each class of service, the charges for water sold and delivered for each class, the readiness-to-serve and capacity charges, as applicable, and the total amount due and owing, all as determined by the General Manager. Payment of the amount shown on any such invoice shall be due on the last business day of that month and shall be delinquent if not received by the Treasurer of the District before the close of crediting activity on the last business day of the first month following such date of mailing. When making any such payment the member public agency shall specify the invoice or invoices to which the payment shall be credited by the District.

(1) For purposes of Section 4507(a), "business day" shall mean any day other than a Saturday, a Sunday, or a Holiday (as defined in Section 1106).

(2) For purposes of Section 4507(a), "received by the Treasurer of the District" shall mean receipt either (1) in the office of the Treasurer or (2) by crediting pursuant to advance agreement with the Treasurer to the District's general demand account at the District's principal depository bank, in such form that the funds are immediately available for investment or other use or disposal by the District.

(3) For purposes of Section 4507(a), "crediting activity" shall mean either (1) 2:00 p.m. if payment is delivered to the office of the Treasurer, or (2) the cutoff time for crediting by the District's principal depository bank of that day's transactions if payment is initiated by wire transfer, automated clearinghouse transfer, interbranch transfer, direct deposit, or by other means pursuant to advance agreement with the Treasurer.

If, under advance agreement with the Treasurer, a member agency has authorized payment of any invoice by automated clearinghouse transfer initiated by the Treasurer, the

Treasurer shall initiate such transfer for processing two business days prior to the business day on which such payment shall be delinquent. Failure of such transfer shall not relieve such member agency from liability for such payment or charges in the event such payment should become delinquent, except as specifically provided under advance agreement with the Treasurer.

(b) **Full Service and Emergency Storage Program Facility.** In cases where water through a particular facility is delivered during any month for full service or Emergency Storage Program Service, the bill for water delivered in such month will be prepared by applying the rates for water sold and delivered in full service to the total quantity of water delivered. If the member public agency desires to receive credit for water used in Emergency Storage Program Service, the facts concerning the quantities of water so used must be certified to the District via the District's electronic certification and billing system by an authorized user for the member public agency purchasing such water as provided for in Section 4507 (c). The amount of such credits shall be based on the difference in water rates in effect at the time the water is used.

(c) **Late Certifications.** Based on available information, the District will notify a member agency for any certification that it has not received, if known, three months from the end of the month for which the agency would normally certify. No certification received after six months following the end of any month in which such a credit is claimed will be accepted. Certifications must be received by Metropolitan before 3:30 p.m. on the third working day after the end of the month to receive credit for any preceding month on the next bill, subject to the provisions with respect to late certifications in this Section. This Section applies to all cases where a certification is required to receive a credit, whether or not specifically named in this Section, unless otherwise provided by this Code.

(d) **Determination by General Manager as to Type of Delivery.** In the event the respective quantities of water sold and delivered in any month on order of any member public agency for use therein in any water program or contract requiring certification, are not determinable to the satisfaction of the General Manager in time for preparing regular monthly bills, then billing and payment for all water sold and delivered in such month to such member public agency shall be made at the rates prescribed for water used in full service in Section 4401(a)(1) hereof. Upon the determination by the General Manager of the correct quantities of water sold and delivered and used in any water program or contract requiring certification, any adjustment which is necessary to give effect to the applicable credit for the water used in any water program or contract requiring certification, shall be made by application of credits on subsequent purchases of water from the District by such member public agency. Such adjustments shall not be made in cases where a claim for the applicable credit is not submitted within the period provided in Section 4507(c).

(e) **Obligation to Pay for Appropriate Class of Service.** If water has been sold and delivered at the rates prescribed for water sold in any water program or contract and appropriate certifications have been submitted for the water so used, but the water has in fact been used in full service or another class of service, the member public agency shall be obligated to pay the difference between the rates prescribed for water sold for the applicable water program or contract and the rates prescribed for the class of service actually used.

(f) **Submission of Documentation by Member Agency.** With respect to water sold and delivered at the rates prescribed for water sold under water programs or contract (unless otherwise specified in an agreement with the District), original documentation supporting the use

of such water as certified must be submitted no later than December 31 following the end of the fiscal year for which a certification is submitted, unless otherwise specified in an agreement with the District. If the documentation is not submitted by December 31 following the end of the fiscal year for which a certification was submitted, an agency will receive a late penalty of \$2,500. If the agency does not submit documentation by February 28/29 following the end of the fiscal year for which a certification was submitted, it shall be conclusively presumed that:

(1) The water sold from the District was used for full service, and the District's next monthly billing shall reflect such adjustment; or

(2) The yield was not produced as certified and the District's next monthly billing shall reflect such adjustment.

This provision will apply individually to each program or agreement that an agency or sub-agency participates in separately.

(g) **Review Process.** With respect to water sold and delivered at the rates prescribed for water sold under water programs or contract (unless otherwise specified in an agreement with the District) the District will complete its review within twelve months from date of receipt of the original supporting documentation.

(1) Should the District not complete its review within twelve months of the submittal of all source documentation, the review will be considered complete and the certifications final.

(2) When the review is completed, the District will notify the member agency of its initial findings for its comments. The member agency will provide its comments within 60 days. Metropolitan staff and the agency will work together to reconcile any differences.

(3) If the member agency and Metropolitan staff cannot reconcile the differences, Metropolitan's Water System Operations' Group Manager has the responsibility to consult with the member agency and make a final ruling, subject to the General Manager's oversight. If the ruling is unsatisfactory to the agency, it can be appealed to Metropolitan's Finance and Insurance Committee.

(4) If the member agency does not provide further documentation correcting Metropolitan staff findings within the 60 day comment period as specified in (g) (2), then it shall be conclusively presumed that the District's findings are correct and the District's next monthly billing shall reflect such adjustment.

(h) **Discovery of Mistakes or Errors.** In the event a mistake or error is discovered in a District water sales record, the General Manager shall initiate appropriate corrective action. No mistake or error made more than three years prior to its discovery shall be corrected unless otherwise specified in an agreement with the District. In the event a mistake or error is discovered by a member agency in its water sales record or certifications, no mistake or error made more than three years prior to its discovery shall be corrected unless otherwise specified in an agreement with the District.

(1) A District water sales record shall include a water billing invoice, or district invoice for other water-related charges.

(2) If the District finds the mistake or error, the discovery of the mistake or error shall be documented in writing to the member agency. The date of discovery for corrective action purposes shall be the date notice is sent to the member agency.

(3) If the member agency discovers the mistake or error, the discovery of the mistake or error shall be documented in writing to the District by either a revised certification form or letter, whichever is applicable. The date of discovery for corrective action purposes shall be the date the certification or letter is received by the District.

(4) If an incorrect invoice has been issued to a member public agency, the General Manager shall notify the affected agency of any adjustment and the manner of making any required credit or charge, neither of which shall bear interest.

(5) Mistakes or errors shall also include but are not limited to mistakes or errors in metering or recording deliveries to member agencies, entry or calculation errors in fixed charges, discovery of errors in either a member agency or sub-agency submitted certification(s), or processing of a certification(s) for the Local Projects Program, the Local Resources Program, the Groundwater Recovery Program, Conservation Credit Program, or any other water management program or storage programs or agreements unless specified otherwise in the contract.

(6) Any mistakes or error for a fiscal year period that is less than five acre-feet cumulative by agency or sub-agency, by program or agreement, shall be waived.

(i) **Rate Change.** In the event that deliveries of water are made by the District to member public agencies over a billing period during which the District's water rates change, the General Manager may cause the meters recording deliveries of water during such period to be read at the end of the period and the statement of charges for such deliveries of water may be based on a proration between the previous and new water rates for the periods of time during which each were in effect as determined by the General Manager.

Section 322.8 based on Res. 7291 – October 13, 1970; amended, paragraphs (c) through (h) [formerly Sections 322.8.3 through 322.8.8] added, and paragraph (i) [formerly Section 312.9] amended and renumbered by M.I. 33642 – March 10, 1981; paragraphs (c) and (f)(2) amended by M.I. 33691 – April 14, 1981; paragraph (a) [formerly Section 322.8.1] amended and paragraphs (a)(1) through (a)(3) added by M.I. 34215 – May 11, 1982; paragraph (d) amended by M.I. 35430 – December 11, 1984; paragraph (a) amended by M.I. 36374 – November 18, 1986. Section 322.8 repealed and Section 4507 adopted by M.I. 36464 – January 13, 1987, effective April 1, 1987; paragraph (a) amended by M.I. 37271 – August 23, 1988; amended by M.I. 37764 – July 11, 1989; paragraph (c) amended by M.I. 39082 – July 9, 1991; paragraph (f) amended by M.I. 40389 – August 24, 1993; paragraphs (a), (a)(2) and (3) amended by M.I. 40463 – September 21, 1993; paragraphs (c), (d), (f) through (i)(1) and (2) and (j), (k) and (l) amended by M.I. 40865 – June 14, 1994; paragraph (a) amended by M.I. 41468 – June 13, 1995; paragraphs (e) and (f) amended by M.I. 41617 – October 10, 1995; paragraphs (a), (b), (d)-(m) amended by M.I. 42278 – February 11, 1997; Titles added to paragraphs (a)-(n), original paragraphs (b)-(l) renumbered and amended, new paragraphs (k)-(m) (1)-(6) added, and paragraph (m) amended and (m) (1)-(6) added by M. I. 44005 – May 17, 2000; paragraph (l)(3) amended by M.I. 44582 – August 20, 2001; paragraphs (a) and (f) amended and new paragraph (o) added by M. I. 44812 – March 12, 2002; paragraphs (a), (d), (e), (i), (j), (k), (l), (m)(5) amended by M. I. 45249 – March 11, 2003; paragraphs (e), (i), and (j) amended by M.I. 45941 – October 12, 2004; paragraph (a) amended by M. I. 46148 – March 8, 2005; paragraph (l)(3) amended by M. I. 46983 – February 13, 2007; paragraphs (c), (i)(3), (j) amended, paragraph (g) added and renumbered by M. I. 47259 – October 9, 2007; paragraphs (l), (m), (n)(1)-(6), (o), (p) amended by M.I. 47672 – October 14, 2008; paragraphs (c), (e), (i)(3), (j) amended by M.I. 47998 – August 18, 2009;

paragraph (3) amended by M.I. 48534 - January 11, 2011; deleted paragraph (p) by M.I. 49952 - November 18, 2014; deleted former paragraphs (b), (c), (d), (g), (h), and (i), renumbered former paragraph (e) to current paragraph (b), renumbered former paragraph (f) to current paragraph (c), renumbered former paragraph (j) to current paragraph (d), renumbered former paragraph (k) to current paragraph (e), renumbered former paragraph (l) to current paragraph (f), renumbered former paragraph (m) to current paragraph (g), renumbered former paragraph (n) to current paragraph (h), renumbered former paragraph (o) to current paragraph (i), amended paragraphs (b), (d), (e), (f), (g), and (h) by M.I. 50323 - December 8, 2015.

§ 4508. Additional Payment and Reporting in the Event of Delinquency in Payment for Water.

In the event any member public agency shall be delinquent in the payment for water delivered and other charges as invoiced by the District, an additional charge equal to two (2) percent of such delinquent payment for each month or portion thereof that such payment remains delinquent shall be assessed, and the member public agency shall pay such charge to the District in addition to the amount of such delinquent payment. Notwithstanding the above, if the total period of delinquency does not exceed five (5) business days, the additional charge shall be equal to one (1) percent of such delinquent payment. Invoices for delinquencies including additional charges shall be mailed not later than the tenth day of each month. In the event any member public agency shall be delinquent for more than thirty (30) days in the payment for water, such delinquency shall be reported by the General Manager to the Board of Directors of the District at its next meeting. The Board, in its discretion and upon such other conditions as it may prescribe after giving the member public agency a reasonable opportunity to be heard, may order the termination of service to such member public agency until all delinquent payments, including additional charges, are made to the District or may authorize such other actions as may be legally available to effectuate collection.

Section 322.9 based on Res. 7291 - October 13, 1970; amended by M.I. 33642 - March 10, 1981; amended by M.I. 34215 - May 11, 1982 effective July 1, 1982. Section 322.9 repealed and Section 4508 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 41468 - June 13, 1995.

§ 4509. Water Restricted to Use Within the District.

In order to insure that water served by the District is not used for the direct or indirect benefit of areas outside the District, the amount of water served by the District's facilities that shall be made available to any member public agency shall be limited to an amount equal to that required for uses within the area of the District lying within, or served by or through, such member public agency. No area lying outside the boundaries of the District shall be served with water from the District's facilities, except as service to such area may, when found to be such by the Board, be a reasonably unavoidable incident to the service of such water within the District, and under such circumstances the amount of water served by the District that shall be made available to any member public agency shall be limited to an amount equal to that required for uses within the area of the District lying within, or served by or through, such member public agency. Any question of fact involved in the application of this Section 4509 shall be finally determined by the Board, after giving the member public agency concerned adequate opportunity to present pertinent factual evidence and the views of such member public agency.

Section 312.10 based on Res. 7260 - May 12, 1970; amended by M.I. 33642 - March 10, 1981. Section 322.10 repealed and Section 4509 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 4510. Application of Regulations.

The provisions hereof shall not be applicable to service of water to the United States of America, or to any board, department or agency thereof, to the State of California, or to the service of surplus water under contract made in accordance with statute, but such service shall be controlled by the applicable contract.

Section 312.11 based on Res. 7260 - May 12, 1970; amended by M.I. 33642 - March 10, 1981. Section 322.11 repealed and Section 4510 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 4511. Notices.

All notices and communications from member public agencies of the District, relating to the service of water or the administration of these regulations by the District, shall be addressed to the General Manager, Post Office Box 54153, Los Angeles, California 90054.

Section 312.12 based on Res. 7260 - May 12, 1970; amended by M.I. 33642 - March 10, 1981. Section 322.12 repealed and Section 4511 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 4512. Sales Subject to System and Water Availability.

The District will endeavor to satisfy all requests for water sales and deliveries made by the member public agencies. Deliveries shall be subject to operational, supply or demand conditions, as determined by the General Manager. The District will develop annual operating plans in coordination with member public agencies. The annual operating plans shall be developed to meet requested deliveries under anticipated conditions. In the event of adjustments to deliveries due to changes in planned operations or in supply or demand conditions, the District and the member public agencies will communicate and coordinate operations.

M.I. 36811 - September 22, 1987; amended by M.I. 40865 - June 14, 1994; amended by M.I. 42278 - February 11, 1997; amended by M.I. 50323 - December 8, 2015.

§ 4513. Equal Opportunity Requirements.

Pursuant to contract between agencies of the United States and the District, any delivery of water by the District to a member public agency shall be subject to the following provisions. For the purposes of these provisions only, the member public agency is therein referred to as "Contractor."

(a) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to

employees and applicants for employment, notices to be provided by the Federal Contracting Officer setting forth the provisions of this nondiscrimination clause.

(b) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without discrimination because of race, color, religion, sex, or national origin.

(c) The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Federal Contracting Officer, advising said labor union or workers' representative of the Contractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, as amended, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(e) The Contractor will furnish all information and reports required by said amended Executive Order and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Federal Contracting Officer and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(f) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated, or suspended, in whole or in part, and the Contractor may be declared ineligible for further Federal Government contracts in accordance with procedures authorized in said amended Executive Order, and such other sanctions may be imposed and remedies invoked as provided in said amended Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(g) The Contractor will include the provisions of paragraphs (a) through (g) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of said amended Executive Order, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions for noncompliance; provided, however, that in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

M.I. 36781 - August 18, 1987.

[§ 4514 repealed by M.I. 50323 - December 8, 2015.]

[§ 4515 - M.I. 38295 - June 12, 1990; repealed by M.I. 41468 - June 13, 1995.]

[§ 4516 – M. I. 40969 – August 19, 1994; repealed by M. I.44812 - March 12, 2002.]

§ 4517. Cooperative Storage Program.

(a) The Cooperative Storage Program that provides a means for coordinating storage capacity available to the District's member public agencies, with the District's annual carryover storage needs as those needs are determined under Subsection 4206(c). The purpose of the Program is to place additional amounts of imported water in local storage to improve regional water supply reliability within the District's service area, in a manner that will recognize local costs and risks of participating in the program, but will not adversely impact either the District's finances or the member public agencies' ability to participate in the Replenishment Service Program.

(b) Storage Allocation - The General Manager shall allocate needed storage by reservoir and by groundwater basin to optimize the availability and usefulness of the storage to the District; and shall administer the Program so that, in any fiscal year, Program water in storage shall be accessible to offset demands on the District that year by the participating member public agency pursuant to subsection (h).

(c) Availability of Water for Storage - The General Manager may make water available during the period May 1 through September 30, for storage under the Cooperative Storage Program, upon notice to the respective participating member public agency, subject to a determination that the storage will increase the District's ability to receive imported water supplies.

(d) Application for Participation - Member public agencies may apply for participation in the Cooperative Storage Program by filing a written application containing at least the following:

(1) A verified statement that the member public agency will comply with the requirements of this section.

(2) A water supply and demand estimate based on historical data to ensure that:

(i) The agency's participation in the Program will not offset its firm purchases of water from the District, and

(ii) The agency will store additional imported District water.

(iii) The estimate may be updated if conditions change, provided the updating is first agreed to in writing by the agency and the District.

(3) A proposal for placing water provided by the District under this Program in storage available to the member public agency, and for administering that storage pursuant to this Section.

(4) An estimate of any expected losses of Program water while that water is in the proposed storage, and the method of estimating those losses.

(5) Evidence of compliance with the California Environmental Quality Act prior to delivery of imported water for placement in Program storage.

(6) If more than one member public agency overlies a common groundwater basin, the overlying member public agencies may file a joint application, with each such agency providing a separate water supply and demand estimate for its respective service area pursuant to subsection (d)(2) and any other separate information the General Manager may require.

(e) Approval for Participation - The General Manager shall approve an application for participation in the Program upon determination that it is consistent with the requirements of this section. The General Manager shall approve the application in writing which shall include a monthly estimate of total demand, water purchased from Metropolitan, available local supplies, and the maximum quantity of District water which shall qualify for storage under the Program, and those figures shall be approved by signature of a duly authorized representative of the participating member public agency prior to storage of water under the Program. Any later modification to said figures must be approved by both parties in writing. The application of any modification shall not be effective until approved in writing. The District shall conduct end-of-the-year verifications of stored water.

(f) Storing Process

(1) The District will deliver at its cost, available imported water to the respective participating member public agency at its appropriate District service connection, for Program storage by direct or in-lieu methods, following verbal or electronic acceptance by that agency. This delivery shall be deemed to be a Cooperative Storage Program sale by the District to the member public agency as defined in Section 4118, subject to the payment requirements of subsection (i) and (j) of this Section.

(2) The agency will, at its cost, cause the water to be placed in storage in a manner that meets all applicable storage requirements; and shall warrant that the stored water shall not be withdrawn or used until after the District releases the stored water pursuant to this Section.

(3) Program water delivered to a member public agency shall not offset a firm water sale of District Water by that agency. If a participating member public agency's firm water purchases from the District on a monthly basis during the May through September period are less than the District's firm water sales on a monthly basis during the same period in any one of the last five years, the agency must clearly demonstrate to the District, in writing, that such reduction occurred due to the availability of unexpected local water supplies. Any resulting change in the baseline established pursuant to Subsection (e) shall be approved in writing by the General Manager prior to becoming effective. Should the agency fail to make the required demonstration, the District shall bill the agency at the firm water rate for that portion of Cooperative Storage water delivered which will bring the firm water sales up to the agreed base amount of firm water for the month(s) in question.

(g) Storage Accounting

(1) Each participating member public agency shall maintain a Program storage account for Program water it stores, which shall account for monthly deliveries, releases, and storage losses approved by the District, if any, and other information which the General Manager shall deem necessary.

(2) The District shall bear reasonable and equitable losses of stored water provided that the General Manager approves the respective member public agency's justification of the loss criteria prior to placement of water into storage and shall consider those losses in allocating Program storage. Otherwise the District shall not bear any loss of stored water.

(3) Water stored under this Program shall be stored by a participating agency in such a manner as to assure that such water can be produced by that agency when released by Metropolitan. Program water delivered to a member public agency for storage shall be considered local water produced in that year for purposes of Replenishment Service.

(h) Release of Stored Water - The General Manager shall release stored Program water to the participating member public agency in which it is stored under the following criteria:

(1) Water Delivered to Storage Prior to 1995

(i) In an fiscal year when Replenishment Service deliveries are available, the General Manager may release, up to half of the Program water stored by the respective member public agency, in place of the agency's request for delivery of Replenishment Service through the District's distribution system, except for conditions described in provisions (iv) and (v) of this subsection;

(ii) In a fiscal year in which Replenishment Service or Full Service deliveries have been suspended, the General Manager shall release, and the participating member public agency shall accept, up to half of the Program water stored by the respective public agency, to the extent the agency requests that release, except for conditions described in provisions (iv) and (v) of this subsection;

(iii) During an emergency such as an earthquake, when District water service is interrupted, the General Manager shall release up to all stored Program water stored by the respective member public agency, to the extent of the interruption in water service and that the agency requests that release;

(iv) When the Program water stored by the respective member public agency is less than ten percent of the agency's average annual purchase of Replenishment Service, whichever is applicable, deliveries for the prior four years, the General Manager may release all of the Program water stored by the agency;

(v) In any fiscal year during which a participating member public agency's Replenishment Service or Program water release request is less than its average annual purchase of Seasonal Storage Service or Replenishment Service, whichever is applicable, of the prior four years, the General Manager may release the Program water

stored by the respective member public agency in combination with Replenishment Service sales up to the agency's four-year average Seasonal Storage Service or Replenishment Service purchase. The District shall not release more than half of the Program water stored by the respective member public agency for this purpose and shall provide the agency with a 90-day advance notice of the release.

(2) Water Delivered to Storage After 1994

(i) The General Manager may release in a fiscal year up to one-third of the total amount of Program water placed in storage by a respective member public agency in place of that agency's request for delivery of water from the District's distribution system or for Replenishment Service, in order to fill Diamond Valley Lake, meet operational requirements, or reduce or eliminate shortages. Program water used to reduce or eliminate shortages, or for operational requirements may be released during any ten months selected by the General Manager during a twelve-month period from the time of release. Program Water may be released at any time in place of the agency's request for Replenishment Service.

(ii) Upon release of Program water by District, the participating member agency shall furnish to District, within 60 days, water supply and demand data based on historical information sufficient to document that it has produced the amount of Program water released to it.

(iii) The General Manager shall release stored Program water to the respective member public agency no later than ten years after delivering it to that agency for storage.

(iv) If a member public agency receives delivery of Program water for storage after 1994, any Program water that agency has stored in previous years shall also be subject to the release provisions of this Subsection (h)(2).

(v) Participating Member Public Agencies may transfer Program water they have placed into storage under the Program into other long-term water storage programs the District may develop as part of its Integrated Resource Plan under mutually agreeable transfer terms, executed in writing by both parties.

(i) Payment

(1) The participating member public agency shall pay the District's incremental costs of delivering Program water for storage plus interest at the average yield on the District's investment portfolio, from the date of delivery to the member public agency to the date of the invoice. Pursuant to the provisions of Section 4507, the District will invoice the member public agency on or about July 10 of the calendar year following the year in which the water is delivered.

(2) At the time the General Manager releases stored Program water to the respective participating member public agency the District shall invoice the respective participating member public agency pursuant to the provisions of Section 4507, at the applicable treated or untreated Replenishment Service rate in effect when the respective

Program water was placed in storage, less any previous payment for the incremental costs of delivering the water for storage (but not including credit for the interest required by Subsection (i)(1)).

(3) Water released from storage to the participating member public agency shall be the oldest water then in storage.

(4) Readiness-to-Serve Charge Treatment.

(i) Program water delivered to storage prior to April 12, 1994 shall be exempted from the Readiness-to-Serve charge determination. Those charge determinations shall be applied to water delivered to storage after that date, except as applied in (ii) below, when the stored water is released to the participating member public agency.

(ii) The Readiness-to-Serve charge for Program water delivered for storage in 1995 shall be \$36 per acre foot and will be paid monthly as the water is released to the member public agency.

(j) Penalty - A participating member public agency shall pay the applicable treated or untreated Full Service water rates for Program water the District delivers to it for placement in storage, to the extent it fails to comply with all the requirements of this Section.

(k) Indemnification - Participating member public agencies shall indemnify and defend the District, its employees, officers and directors for any injuries or damages that may be caused as a result of placing Program water in storage, storage itself, or storage releases and related withdrawal or use of Program water.

M.I. 40969 - August 19, 1994; paragraphs (a) through (i)(4)(ii) amended and renumbered, paragraph (k) repealed and paragraph (l) renumbered by M.I. 41404 - May 9, 1995; paragraphs (h) and (j) amended by M.I. 42278 - February 11, 1997; paragraphs (f) and (h) (i) amended by M.I. 44005 - May 17, 2000; paragraph (i) (1) and (i) (4)(i) (ii) amended by M. I. 44812 - March 12, 2002; paragraphs (a), (g)(3), (h), (h)(i), (iii)-(v), (2)(i), (iv), and (i)(2) amended by M. I. 45249 - March 11, 2003.

§ 4518 Emergency Storage Program.

(a) The Emergency Storage Program is for the purpose of delivering water for emergency storage purposes. A member public agency may request delivery of water under the Emergency Storage Program. The minimum delivery of water for emergency purposes pursuant to any request is 10 acre-feet. Deliveries under the Emergency Storage Program, in the aggregate, are limited to 100,000 acre-feet annually, subject to available surplus and capacity to deliver. Water delivered under the Emergency Storage Program can be used only for Emergency Storage Program purposes. On-going operating losses such as evaporation cannot be replaced through the Emergency Storage Program. Water delivered through the Emergency Storage Program is subject to interruption by Metropolitan due to supply, water quality, or operational conditions. Water delivered pursuant to the Emergency Program may be withdrawn from emergency storage only to the extent that:

(1) The local agency's governing body declares an emergency requiring public notice and extraordinary conservation measures.

(2) The emergency requires use of stored water for a period greater than seven days; and

(3) Operational storage has been completely used.

(b) Applicable rate – Water delivered through the Emergency Storage Program will be billed at the then applicable Tier 1 cost including System Access Rate, System Power Rate, Water Stewardship Rate and Tier 1 Supply Rate. The Treatment Surcharge will apply to treated water deliveries. Water delivered through the Emergency Storage Program is not to be included in the calculation of a member agency's Readiness-to-Serve Charge or Capacity Charge.

(c) Certification

(1) Certification process is subject to the rules specified in Section 4507.

(2) On a monthly basis, a participating member public agency will certify the volume of water delivered for Emergency Storage Program purposes for billing purposes via the District's electronic certification and billing system.

(3) A member public agency that has received water under the Emergency Storage Program shall certify to Metropolitan whether water delivered through the Emergency Storage Program is maintained as emergency storage and/or indicate the emergency for which the storage water was withdrawn. In the event of an emergency where the water is unavailable due to its prior use to meet non-emergency demands, the water will be re-billed to the member agency at the then current Tier 2 cost.

M.I. 45941 – October 12, 2004; paragraph (2) amended by M.I. 47998 - August 18, 2009.

[Chapter 6 - repealed by M.I. 41468 - June 13, 1995]

Chapter 7

SERVICE CONNECTIONS

Sec.

4700. General Authorization

4701. Authority for Execution of Service Connection Agreements

4702. Special Service Connection Terms and Conditions

4703. Appeal of Decisions Regarding Service Connections

4704. Compliance with Environmental Obligations for Service Connections

4705. Fair Value of Outlet

4706. Effect of Hydroelectric Facilities on Service Connections

4707. Temporary Service Connections

4708. General Manager's Report on Service Connections

§ 4700. General Authorization.

The General Manager is authorized to construct, or have constructed, any service connection requested by a member public agency, which, in the opinion of the General Manager, should be authorized and which is not specifically precluded by resolution of the Board; subject to such terms and conditions as shall be deemed by him to be reasonable and proper, and which shall, however, include the following:

(a) The District shall cause a service connection to be constructed pursuant to a written request by a member public agency in accordance with plans and specifications approved by the General Manager and by an authorized representative of member public agency. All equipment and materials required for constructing the service connection shall be acquired by the District in its customary manner, or the District may utilize therefor suitable equipment and materials on hand.

(b) The service connection shall include the facilities for diversion of water from the District's system and for delivery of such water into the pipeline distribution system of member public agency or of member public agency's affected distributor. The service connection up to and including the fitting connecting with the pipeline through which member public agency will receive water delivered through the service connection, which shall include metering instruments and a cabinet therefor, shall be the property of the District and shall be operated, maintained and controlled by the District.

(c) The costs of constructing the service connection shall be estimated by the General Manager, who shall inform the member public agency representative regarding the amount of such estimate. The total amount of such estimate shall be deposited by member public agency in advance of any action toward construction of the service connection, including all items peculiar only to a given service connection, or it may be deposited in stages, as follows:

(1) Estimated cost of final design, prior to commencement of final design.

(2) Cost of items of equipment and material requiring long term delivery, six weeks prior to the delivery date for such items, as estimated by General Manager.

(3) All remaining costs, six weeks prior to commencement of field construction; provided, however, that if the field construction period is estimated by the General Manager to exceed 90 calendar days, then payment of the remaining costs may be staged over the construction period, if the member public agency should so choose, by a series of advance deposits in amounts estimated by the General Manager to be sufficient to cover the construction in progress, but the first such advance deposit shall be made six weeks prior to commencement of field construction.

(4) Such deposits shall be held and used to defray the costs of constructing the service connection, and until such deposits have been received, except as provided in Section 4700(c)(3) the District shall not be required to undertake the construction of the service connection.

(d) Upon completion of construction of the service connection, the District shall render to member public agency a statement of all costs, audited and certified in accordance with the customary practice of the District, incurred by the District in constructing the service connection; if such costs shall exceed the sum of money theretofore deposited by member public agency with the District as provided hereinbefore in Section 4700(c) member public agency promptly shall pay to the District the amount by which such costs shall exceed such deposit; and if such costs be less than the said sum of money so deposited, any unexpended balance of such deposit shall be returned by the District to member public agency. Said costs incurred by the District shall include the costs of general administrative service and overhead expense, determined in accordance with the methods of cost accounting customarily employed by the District.

(e) Member public agency shall cause to be granted to the District or the District shall acquire at member public agency's expense, directly from the fee owner of the affected land, such easement as may be necessary in the opinion of the General Manager for the construction, operation, maintenance and repair of the service connection. Said easement and the grant thereof shall be approved by the District's General Counsel; provided, however, that fee title to the property required for such service connection may be acquired in the same manner as an easement and in lieu of an easement if the General Manager and member public agency agree that it would be advantageous to do so. Member public agency shall provide, or the District may obtain, at member public agency's sole cost and expense, a policy of title insurance insuring that clear title to the easement, or fee, is vested in "The Metropolitan Water District of Southern California, a public corporation of the State of California," subject to any encumbrances that have been approved in writing by the General Manager. The amount of title insurance shall be determined by the acquisition cost, unless the acquisition is made without cost or for less than the amount of the coverage which will be provided for the price paid for the title report, in which case the title policy shall be in the amount of such coverage.

(f) Upon completion of the service connection, the District shall be responsible for any subsequent maintenance, alteration, reconstruction or relocation of such service connection except changes which are requested by a member public agency, which changes shall be handled as a new service connection. However, prior to the release of water by the District into the pipeline distribution system of member public agency or of member public agency's affected distributor, each agency shall install its own flow control device or devices as a means of maintaining uniform flow. Should the service connection be of the type that delivers water into an open channel or basin for groundwater replenishment use, then member public agency shall have the following options for the design, construction, ownership and maintenance of the required flow control device or devices.

(1) The District at the request of member public agency will design, construct, own, operate and maintain such flow control device or devices deemed necessary for the regulation of water deliveries, in which case the District's responsibility shall not extend beyond the ownership of the flow control facility, and any and all liabilities arising from release of water in the quantities agreed upon by member public agency and the District shall be the full responsibility of member public agency. Construction of the aforementioned facility shall be included as an additional feature of the service connection and the related cost shall be included as a part of the total cost of the service connection.

(2) Member public agency may design, construct, own, and maintain the aforementioned flow control facility, in which case the District's responsibility shall not extend beyond ownership of its meter facility, and any and all liabilities arising from release of water in the quantities agreed upon by member public agency and the District shall be the full responsibility of member public agency. However, the quantity of water delivered to member public agency through the flow control facility at any time shall be only as requested by member public agency, subject to the ability of the District to operationally meet such requests.

Section 321.1 based on Res. 7489 - April 10, 1973 amending Res. 7038 - November 14, 1967; paragraph (f) [formerly Section 321.1.6 amended by M.I. 32690 - April 10, 1979 and M.I. 33642 - March 10, 1981.
Section 321.1 repealed and Section 4700 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 4701. Authority for Execution of Service Connection Agreements.

The General Manager is authorized to execute on behalf of the District any agreement or agreements necessary or proper to be entered into between the District and a member public agency in order to provide for the construction of a service connection in the manner and subject at least in part to the terms and conditions set forth in this Chapter. Each such agreement shall be in form approved by the General Counsel of the District.

Section 321.2 based on Res. 7489 - April 10, 1973 amending Res. 7038 - November 14, 1967; amended by M.I. 32690 - April 10, 1979; amended by M.I. 35992 - March 11, 1986. Section 312.2 repealed and Section 4701 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 4702. Special Service Connection Terms and Conditions.

If a service connection is requested by a member public agency to which the terms and conditions, or any portion thereof, whether as required by the General Manager or as required by this Chapter 6, are inappropriate in either the opinion of the General Manager or the member public agency, such request may be presented to the Board for its determination of appropriate terms and conditions, together with the reasons why the required terms and conditions are claimed to be inappropriate.

Section 321.3 based on Res. 7489 - April 10, 1973 amending Res. 7038 - November 14, 1967; amended by M.I. 32690 - April 10, 1979. Section 312.2 repealed and Section 4702 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 4703. Appeal of Decisions Regarding Service Connections.

Any affected member public agency may appeal to the Board from any decision or action of the General Manager hereby authorized. The decision of the Board of Directors shall be final. Subject to Sections 4702 and 4703, the General Manager shall make all determinations of fact.

Section 321.4 based on Res. 7489 - April 10, 1973 amending Res. 7038 - November 14, 1967. Section 321.4 repealed and Section 4703 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 4704. Compliance with Environmental Obligations for Service Connections.

Member public agencies are responsible for ensuring that the obligations of lead agencies as described in the California Environmental Quality Act and its implementing guidelines are fulfilled. The District shall fulfill all other obligations that may arise from its involvement in construction of the service connections and shall provide such information as it has available which is necessary to insure compliance with the Act and its implementing guidelines.

Section 321.5 based on Res. 7489 - April 10, 1973 amending Res. 7038 - November 14, 1967. Section 321.5 repealed and Section 4704 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 4705. Fair Value of Outlet.

The fair value of an outlet installed during pipeline construction will be established by the General Manager at the time a service connection is constructed at the outlet, and the charge to a member public agency for such an outlet will be based on this fair value; provided that any outlet larger than 24 inches or any outlet installed after a pipeline is placed in operation shall be charged for its actual cost.

Section 321.7 - M.I. 27804 - October 14, 1969; amended by M.I. 32690 - April 10, 1979; renumbered 321.6 by M.I. 33596 - February 10, 1981. Section 321.6 repealed and Section 4705 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 4706. Effect of Hydroelectric Facilities on Service Connections.

(a) The operation of a hydroelectric generating facility on the District's water distribution system may result in a reduction in the District's minimum design pressure at the downstream service connection through which a member public agency has been receiving water pursuant to Section 4700(f). In that event, the District may, at its own expense, in order to facilitate its water distribution or maintain maximum generation of the hydroelectric power, take reasonable and appropriate measures, either to adjust its own system to continue to supply water to the affected member public agency at such minimum design pressure, or to enable the agency to pump the water on its system to a pressure equal to such minimum design pressure.

(b) For purposes of this section, the minimum design pressure is defined as the lessor of:

(1) The pressure resulting from the design flow hydraulic gradient, as shown on the District's hydraulic profiles or,

(2) The pressure resulting from a low-flow hydraulic gradient in a reach of pipeline which was designed for "falling head."

Section 321.8 - M.I. 33443 - October 14, 1980; renumbered 321.7 by M.I. 33596 - February 10, 1981.
Section 321.7 repealed and Section 4706 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 4707. Temporary Service Connections.

The General Manager is authorized to enter into and to perform any agreement for the construction and removal of a temporary service connection requested by a member public agency or other governmental agency to serve its needs for a limited time. Notwithstanding the provisions of Section 4700, such agreement may be upon such terms and conditions as the General Manager and the requesting entity may agree upon and may provide for payment of the cost of construction and removal of the temporary service connection based upon an estimate prepared by the General Manager.

Section 321.8 - M.I. 33596 - February 10, 1981. Section 321.8 repealed and Section 4707 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 4708. General Manager's Report on Service Connections.

The General Manager shall report quarterly to the Engineering and Operations Committee of the Board new service connections approved by him pursuant to this Chapter with the estimated cost and approximate location of each.

Section 321.6 based on Res. 7489 April 10, 1973 amending Res. 7038 November 14, 1967; amended by M.I. 32690 - April 10, 1979; renumbered 321.9 by M.I. 33596 - February 10, 1981; amended by M.I. 36065 - May 13, 1986. Section 321.9 repealed and Section 4708 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; title and Section amended by M. I. 44582 - August 20, 2001; amended by M. I. 46983 - February 13, 2007; section amended by M.I. 48081 - November 10, 2009.

Chapter 8

SYSTEM INTERCONNECTIONS - HYDRAULIC TRANSIENTS

Sec.

4800. Definitions

4801. General

4802. Notice of New Construction or Alterations

4803. Reduction or Suspension of Deliveries

§ 4800. Definitions.

(a) As used in this Chapter 8, "hydraulic transient" means a change in pressure or flow-rate resulting from the sudden stoppage or increase of flow of water in a pipeline.

(b) As used in this Chapter 8, "new construction or modification" means new construction or modification on or affecting any part of a member public agency's or subagency's distribution system which is directly connected to the District's distribution system and which could cause a hydraulic transient affecting or potentially affecting the District's system.

Section 322.5.4.1 - M.I. 34826 - August 17, 1983. Section 322.5.4.1 repealed and Section 4800 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 4801. General.

Member public agencies shall avoid, and shall cause their subagencies to avoid, the creation of conditions that could cause hydraulic transients to damage the District's facilities. Where a member public agency or a subagency installs hydroelectric or pumping facilities on a pipeline that is directly connected to the District's system such condition may be avoided by the installation of reliable protective devices including, but not limited to, surge tanks, bypass or feeder tanks, and pressure relief valves.

Section 322.5.4.2 - M.I. 34826 - August 17, 1983. Section 322.5.4.2 repealed and Section 4801 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 4802. Notice of New Construction or Alterations.

Each member public agency shall notify the District of any proposed new construction or modification and shall require each subagency to provide such notice to the District with regard to any proposed new construction or modification. Such notice shall be accompanied by project plans and specifications. Within 30 days after receipt of the notice, the District shall notify the member public agency or subagency of its comments on such plans and specifications for the purpose of minimizing the possibility of hydraulic transients that could damage the District's facilities.

Section 322.5.4.3 - M.I. 34826 - August 17, 1983; amended by M.I. 35992 - March 11, 1986. Section 322.5.4.3 repealed and Section 4802 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 4803. Reduction or Suspension of Deliveries.

The General Manager is authorized to reduce or suspend deliveries to any member public agency if he determines that a member public agency or subagency has failed to install reliable protective devices to protect the District's facilities from damage from hydraulic transients and that a substantial risk of such damage exists.

Section 322.5.4.4 - M.I. 34826 - August 17, 1983. Section 322.5.4.4 repealed and Section 4803 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

[Chapter 9 – repealed by M.I. 50323 - December 8, 2015]

Division V

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Chapter 1

ADMINISTRATIVE MATTERS

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5102.	Facsimile Signature re Banks; Authorization for Electronic Funds Transfers
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5115.	Capital Project Approval

§ 5100. General Manager.

(a) The General Manager shall make an annual report to the Board regarding financial matters and shall provide monthly a summary of revenues and expenses and variances thereof from estimates.

(b) The General Manager is authorized to publish an annual financial report and other more frequent reports as may be required to obtain and preserve District credit and as a means of keeping the financial community and investors in District securities regularly informed of the District's operations.

Section 471.1 - paragraph (a) [formerly Section 471.1.1] based on M.I. 18745 - June 10, 1958, paragraph (b) [formerly Section 471.1.2] based on M.I. 20209 - January 12, 1960; amended by M.I. 35429 - December 11, 1984. Section 471.1 repealed and Section 5100 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (a) amended by M.I. 49187 - September 11, 2012.

§ 5101. Investment of Surplus Funds.

(a) Pursuant to Government Code Section 53607, this Board shall delegate to the Treasurer of the District annually the authority to invest or to reinvest funds of the District subject to the terms and conditions set forth in this Section 5101. The Treasurer shall report each month transactions made pursuant to this delegation.

(b) The terms and conditions of this delegation to the Treasurer are as follows:

(1) The Treasurer shall assume full responsibility for all transactions hereby delegated.

(2) The Treasurer may invest such portion of any money in any sinking fund of the District, or any surplus moneys in the District's treasury not required for the immediate necessities of the District, as the Treasurer deems wise or expedient, in any of the securities authorized for investment by local agencies pursuant to Government Code Section 53601 or any successor statute; provided that such investments meet the requirements of the most current Statement of Investment Policy approved by the Board, pursuant to Section 5114 below.

(3) The Treasurer may make any investment by direct purchase of any issue of the specified securities at their original sale or after they have been issued.

(4) The available cash amount and maximum period for any such investment by the Treasurer shall be determined by the General Manager. The Treasurer shall not liquidate any such investment except:

(i) To meet the District's cash requirements, which shall be determined by the General Manager; or

(ii) To generate cash for reinvestment whenever the General Manager determines that such reinvestment is in the District's interest.

The Treasurer shall not exchange any such investment unless the General Manager determines that such exchange is in the District's interest.

Subject to the above provisions of this subsection 5101(b)(4), the Treasurer may enter into a reverse repurchase agreement, so long as the proceeds of the reverse repurchase agreement are invested solely to supplement the income normally received from the securities involved in the agreement.

(5) The General Counsel shall review monthly and, if appropriate, approve as to eligibility the securities invested in by the Treasurer in the preceding month and report the determinations to the Board.

(6) Investment of Deferred Compensation Fund.

(i) The Treasurer may invest funds held by the District pursuant to the District's deferred compensation plan in accordance with this Section 5101, and may liquidate such investments to comply with the provisions of the plan in accordance with the determinations of the General Manager.

(ii) The Treasurer may also deposit for purposes of investment funds held by the District, pursuant to the District's deferred compensation plans, in the Metropolitan Water District Federal Credit Union to the limit insured by the National Credit Union Share Insurance Fund.

(c) The Treasurer is authorized to enter into safekeeping agreements, in form approved by the General Counsel, and thereafter may deposit for safekeeping the bonds, notes, bills, debentures, obligations, certificates of indebtedness, warrants or other evidences of indebtedness in which the money of the District is invested pursuant to the terms and conditions of this Section 5101 with any state or national bank with which there is a safekeeping agreement and which has sufficient security, as required by law, to secure the amount of any collections. All net collections which may be made by the bank from time to time pursuant to said safekeeping agreement shall immediately be deposited in a deposit account held by a state or national bank within this state which is supported by sufficient security, as required by law, to secure the amount of such collections. The Treasurer shall take from such bank a receipt for securities so deposited either in definitive form in such bank or held in book-entry form on the books of the Federal Reserve Bank. All securities purchased shall be held in safekeeping under such agreements and shall only be released from safekeeping pursuant to such agreements.

Res. 7695 - December 7, 1976; Section 471.2 amended by M.I. 33083 - January 15, 1980; paragraph (b)(6) [formerly Section 471.2.2.6] amended by M.I. 33208 - April 18, 1980; paragraph (b)(2)(vi) [formerly Section 471.2.2.2.6] added by M.I. 34811 - August 17, 1983; paragraph (b)(2) [formerly Section 471.2.2.2] amended by M.I. 35122 - May 8, 1984; paragraph (b)(5) [formerly Section 471.2.2.5] amended by M.I. 35462 - January 8, 1985; paragraphs (b)(2)(vii) and (b)(2)(viii) [formerly Sections 471.2.2.2.7 and 471.2.2.2.8] and paragraph (b)(6)(ii) [formerly Section 471.2.2.6.2] added and paragraph (b)(6) renumbered by M.I. 35555 - March 12, 1985; paragraph (b)(2)(iv) [formerly Section 471.2.2.2.4] amended and paragraph (b)(2)(ix) [formerly Section 471.2.2.2.9] added by M.I. 36272 - September 9, 1986. Section 471.2 repealed and Section 5101 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (b)(2)(vii) amended by M.I. 36492 - February 10, 1987 and by M.I. 36761 - August 18, 1987; amended by M.I. 36811 - September 22, 1987; amended by M.I. 38234 - May 8, 1990; paragraph (B)(2) amended by M.I. 38577 - November 20, 1990; paragraph (B)(2) amended by M.I. 39171 - August 20, 1991; paragraph (B)(2)(vi) amended by M.I. 39497 and (B)(2)(x) added by M.I. 39496 - March 10, 1992; paragraph (B)(2) amended by M.I. 39785 - August 20, 1992; paragraph (b)(2) amended and subparagraphs of (b)(2)(i) through (x) repealed by M.I. 40682 - February 8, 1994; paragraph (a) amended by M.I. 42275 - February 11, 1997; paragraph (c) amended by M.I. 42559 - August 19, 1997.

§ 5102. Facsimile Signature re Banks; Authorization for Electronic Funds Transfers.

Any state or national bank designated by the Treasurer as an official depository for funds of this District (including their respective correspondent banks) may be requested, authorized and directed to honor all checks, drafts or other orders for the payment of money drawn in this District's name on its accounts (including those drawn to the individual order of any person whose name appears thereon as signer) when bearing the facsimile signature of the Treasurer, the Assistant Treasurer, or a Deputy Treasurer, and the said banks (including their respective correspondent banks) shall be entitled to honor and to charge this District for all such instruments, regardless of by whom or by what means the actual facsimile signature thereon may have been affixed thereto, if such facsimile signature is identical to one of the specimen facsimile signatures filed with the said banks. Each of said banks shall also be entitled to honor instructions for funds transfers or electronic payments given in accordance with the security procedures set forth in an agreement for electronic payments services between such bank and the Treasurer, and the Treasurer, the Assistant Treasurer, and Deputy Treasurer and any other person designated by the Treasurer pursuant to such an agreement is authorized to initiate, amend, cancel, confirm or verify the authenticity of such instructions.

Res. 7271 - July 14, 1970; Section 471.3 amended by M.I. 32426 - September 19, 1978; amended by M.I. 32460 - October 10, 1978. Section 471.3 repealed and Section 5102 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 40463 - September 21, 1993.

§ 5103. Treasury.

(a) There is established an official depository of the District which shall be known as the District treasury and which shall be under the direction and control of the Treasurer. The Treasurer shall, as far as practicable, deposit the money under the Treasurer's supervision and control in such institutions and upon such terms as the laws of the State of California may permit, and evidence of such deposits shall be counted and considered the same as cash in the District treasury.

(b) Qualifications of a New Treasurer. - Any new Treasurer of the District shall not assume office except at the end of a business day, so that the outgoing Treasurer's accountability can be established by audit thereof.

Section 471.4.2 based on M.I. 23649 - February 11, 1964; renumbered and paragraph (a) [formerly Section 471.4.1] added, as amended, by M.I. 32690 - April 10, 1979; paragraph (b) [formerly Section 471.4.2] amended by M.I. 35592 - April 9, 1985. Section 471.4 repealed and Section 5103 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 5104. Payment After Loss of Bond Interest Coupon.

(a) The Treasurer of the District is authorized to effectuate payment, without action of the Board, of a claim arising from the loss of a bond interest coupon that has been detached from a District bond or from the destruction of a bond interest coupon at any time after the date of its maturity, and the Treasurer has received:

(1) An affidavit or affidavits establishing the ownership of the coupon and reciting therein the circumstances under which it was lost or destroyed; and

(2) An indemnity bond in a penal sum which is at least the amount of the claim, said sum being specifically stated in said bond, said bond to be approved by the General Counsel and then filed with the Treasurer. The indemnity bond must include a rider substantially in the form hereinafter set forth:

(i) Rider.

This Rider is attached to and is a part of the Bond of Indemnity executed by the (enter name of insurance company) respecting the loss of coupons due _____ coupons at \$ _____ per coupon - total \$ _____, detached from \$ _____ Bonds of THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, numbered _____ to _____, %, maturing _____, at \$ _____ each bond in bearer form.

It is understood and agreed that in the event the balance in the coupon account respecting the above-described issue of bonds, maintained by the Treasurer of said District, should hereafter not be sufficient as a result of the payment of coupon(s) to provide for outstanding unpaid coupons, (enter name of insurance company) will reimburse The Metropolitan Water District of Southern California, up to the face amount of the coupon(s) paid under this indemnity contingent upon presentation by said District of (a) evidence that said District has paid the afore-described coupon(s) or (b) a certificate from the Treasurer of said District that there is a deficiency in said coupon account balance.

It is understood that within the first year after the due date of the afore-described coupon(s) that (enter name of insurance company) may request that the Treasurer of said District search the District's records to ascertain if in fact the afore-described coupon(s) have been paid, but any such request shall only be honored by said Treasurer upon payment by (enter name of insurance company) of any fee required by said Treasurer to cover costs of such search.

Executed this _____ day of _____, 19 _____.

(enter _____ name of insurance company)

(b) The Treasurer shall report to the Finance and Insurance Committee all payments made pursuant to this Section 5104.

Section 471.5 based on Res. 7687 - November 16, 1976; paragraph (a) [formerly Section 471.5.1] amended by M.I. 35996 - March 11, 1986. Section 471.5 repealed and Section 5104 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (2) amended by M.I. 40584 - December 14, 1993; paragraph (b) amended by M.I. 42193 - December 10, 1996; paragraph (b) amended by M.I. 44582 - August 20, 2001; paragraph (b) amended by M. I. 46064 - January 11, 2005; paragraph (b) amended by M. I. 46148 - March 8, 2005; paragraph (b) amended by M.I. 46983 - February 13, 2007; paragraph (b) amended by M.I. 48534 - January 11, 2011.

§ 5105. Lost or Destroyed Bonds.

(a) The Treasurer of the District is authorized to issue a new District bond or bonds similar to the original to replace it if the Treasurer has received:

(1) Proof satisfactory to the Treasurer that the bond has been lost or destroyed;
and

(2) Security approved by the Treasurer and the General Counsel from the owner indemnifying the District against any loss incurred on account of the bond, such security to be equal to the principal amount of the bond and plus the aggregate amount of any attached interest coupons; and

(3) The costs for issuance of the new bond.

(b) The Treasurer shall report to the Finance and Insurance Committee of the Board all issuances of duplicate bonds made pursuant to this Section 5105.

Section 471.6 - M.I. 32109 - January 10, 1978; paragraph (a) [previously Section 471.6.1] amended by M.I. 35996 - March 11, 1986. Section 471.6 repealed and Section 5105 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (2) amended by M.I. 40584 - December 14, 1993; paragraph (b) amended by M.I. 42193 - December 10, 1996; paragraph (b) amended by M. I. 44582 - August 20, 2001; paragraph (b) amended by M. I. 46148 - March 8, 2005; paragraph (b) amended by M. I. 46838 - October 10, 2006; paragraph (b) amended by M.I. 46983 - February 13, 2007; paragraph (b) amended by M.I. 48534 - January 11, 2011.

§ 5106. Accounting System.

The General Manager shall prescribe the method of installing, keeping and rendering all accounts of the several officers and employees of the District; provided that any material change in the general system of accounting shall be authorized by the Board.

Ord. 127; repealed by Ord. 146; Section 471.7 added, as amended, by M.I. 32690 - April 10, 1979.
Section 471.7 repealed and Section 5106 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 5107. Biennial Budget Process.

(a) There shall be prepared each even-numbered year, under the direction of the General Manager, a proposed biennial budget covering District operations for the following two fiscal years. The proposed biennial budget shall be submitted to the Board no later than the date of the regular Board meeting in June immediately preceding the first fiscal year of the biennium to which the budget applies. The proposed biennial budget shall indicate by fund all anticipated expenses and required reserves and the source of revenues to be used to meet such expenses and provide such reserves. The proposed biennial budget will at a minimum include a five-year financial forecast. At least one Board Workshop on the proposed biennial budget will be conducted prior to submission of the proposed biennial budget for Board approval. The Finance and Insurance Committee shall review the proposed biennial budget in its entirety, together with the recommendations from the Board workshop, and report its recommendations to the Board.

(b) After considering the proposed biennial budget and making any revisions thereto that it may deem advisable, the Board shall adopt the biennial budget before the beginning of the biennial period to which the budget applies. The amounts provided in the adopted budget for the biennial period for total expenses for operations and maintenance, including minimum and variable operations and maintenance charges under water or power contracts with the State, for capital charges under such contracts, and for debt service shall be deemed to be appropriated from the funds indicated in the budget.

(c) The adoption of the budget shall have no effect upon appropriations for capital projects and continuing expenditures not susceptible to immediate direct allocation, as described in Section 5108 hereof, and shall not establish any limitations on expenditures for such purposes.

(d) The total operations and maintenance budget shall be measured against the regional rate of inflation as measured by the five-year rolling average change in the Consumer Price Index (CPI) for the Los Angeles-Riverside-range County area, not seasonally adjusted, for all items as reported by the U. S. Bureau of Labor Statistics. The budget will include explanations of increases greater than the CPI due to unique conditions, growth or expansion of services.

Ords. 127 and 129; repealed by Ord. 146; Section 471.8 added, as amended, by M.I. 32690 - April 10, 1979; amended by M.I. 36110 - June 10, 1986. Section 471.8 repealed and Section 5107 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (a) amended by M.I. 36535 - March 10, 1987; paragraph (a) amended by M.I. 40231 - May 11, 1993; paragraph (a) amended by M.I. 41755 - February 13, 1996; paragraphs (a) and (b) amended by M.I. 42060 - September 10, 1996; paragraph (a) amended by M.I. 42193 - December 10, 1996; paragraph (a) amended by M. I. 44095 - July 11, 2000; paragraph (a) amended by M. I. 44582 - August 20, 2001; paragraph (a) amended and paragraph (d) added by M. I. 45904 - September 14, 2004; paragraph (a) amended by M. I. 46064 - January 11, 2005; paragraph (a) amended by M.I. 46148 - March 8, 2005; paragraph (a) amended by M.I. 46983 - February 13, 2007; paragraph (a) amended by M.I. 48534- January 11, 2011; section title and paragraphs (a)-(b) amended by M.I. 48800 - September 13, 2011; paragraphs (a), (b), and (d) amended by M.I. 49187 - September 11, 2012.

§ 5108. Appropriations.

(a) No expenditure shall be made unless an appropriation has been approved by the Board for the purpose intended.

(b) Appropriations shall from time to time be authorized by the Board for capital projects and for funding of continuing expenditures not susceptible to immediate direct allocation, including those for undistributed payroll and fringe benefits, for operating equipment, and for materials and equipment inventories. Appropriations for all other purposes shall be authorized on a biennial basis in accordance with Section 5107 hereof.

(c) Appropriations, whether made hereunder or under any other section of this Code, may be amended or closed by the Board provided such action does not impair any obligation which has been incurred by the District. Upon completion of a project for which an appropriation exists, the General Manager shall close that appropriation after all work, except for preparing "as-built" drawings, has been completed and all other costs have been paid. Unused appropriation balances shall be returned to funds available for appropriation. All appropriations shall be reviewed at least quarterly to determine the status of work and charges. The General Manager shall report annually to the Board on the status of appropriations for which no activity is being recorded to permit the Board to consider which, if any, of such appropriations should remain open or be closed.

(d) The General Manager is authorized to designate the source of funds for appropriations to pay capital program expenditures. Such funding shall comply with the MWD Act; Board resolutions authorizing security sales; Federal tax laws and U.S. Treasury regulations; tax and nonarbitrage certificates; and letters of instruction from bond counsel. The General Manager shall report quarterly to the Board all changes in sources of funding from those designated at time of approval of the appropriation.

Ords. 29, 113, and 129; repealed by Ord. 146; Section 471.9 added, as amended, by M.I. 32690 - April 10, 1979; amended by M.I. 36110 - June 10, 1986; paragraphs (b) and (c) amended by M.I. 36367 - November 18, 1986. Section 471.9 repealed and Section 5108 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (c) amended by M.I. 38739 - February 12, 1991; paragraph (d) added by M.I. 39209 - September 17, 1991; paragraph (b) amended by M.I. 47636 - September 9, 2008; paragraph (b) amended by M.I. 49187 - September 11, 2012.

§ 5109. Capital Funding from Current Revenues.

To preserve debt capacity for evolving or unexpected financial needs Metropolitan shall fund replacements and refurbishments, capital projects costing less than \$1 million, or capital projects with useful lives less than the typical bond terms, and reimbursable capital projects from annual revenues. The Board's objective shall be to fund annually on a pay-as-you-go basis these elements of the capital investment plan to maintain stable water rates and charges, strong financial ratios, debt capacity and appropriate reserve levels. The amount of annual expenses paid from current revenues shall be determined by the Board as part of the biennial budget process and shall include the costs of:

(a) Capital facilities or projects totaling \$1,000,000 or less.

(b) Capital assets with estimated payback periods or useful lives shorter than the calculated average life of alternative long-term bond financing.

(c) Capital improvement program studies.

(d) Replacements and refurbishment of Metropolitan facilities or portions thereof.

(e) Reimbursable capital projects.

The costs relating to provisions (a) through (c) above shall be paid from operating revenues, including revenues derived from water standby or availability service charges or benefit assessments, and proceeds from disposals of surplus property made available for expenditure by the Board.

M.I. 37449 - December 13, 1988; paragraph (c) added and renumbered (d) by M.I. 37530 - February 14, 1989; amended by M.I. 37679 - May 9, 1989; amended by M.I. 41580 - September 12, 1995; first paragraph and (d) amended by M.I. 43434 - March 9, 1999; paragraph (d) amended by M. I. 44907 - June 11, 2002; Section renamed, paragraph (d) amended and paragraph (e) added by M. I. 45904 - September 14, 2004; paragraph amended by M.I. 48800 - September 13, 2011; unnumbered introductory paragraph, and item(d) amended by M.I. 49187 - September 11, 2012.

§ 5110. Asset Lease Versus Purchase.

The District will hold title to all acquired assets, except in those instances where the General Manager finds that it would be both appropriate and cost-beneficial to acquire assets under lease-purchase contracts or to lease or rent assets under operating leases. In evaluating lease financing alternatives, the financial analysis shall include a comparison of the lessor's implicit rate of return to either the District's rate of return on its investments or to its alternative financing costs, as appropriate. Equipment rentals or leases, unless such leases are capitalized in accordance with applicable accounting standards, shall be treated as operation and maintenance expenses to be paid from the Operation and Maintenance Fund, subject to appropriation by the Board each fiscal year. The costs of operating equipment acquisitions shall be paid from the General Fund.

M.I. 37449 - December 13, 1988.

[§ 5111 repealed by M.I. 49187 - September 11, 2012.]

§ 5112. State Water Contract Payments.

The General Manager shall from time to time present to the Board recommendations as to payment of billings received under the State Water Contract, and shall not make such payments without approval of the Board.

Section 471.11 - M.I. 34184 - April 13, 1982. Section 471.11 repealed and Section 5110 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; renumbered by M.I. 37449 - December 13, 1988.

§ 5113. Escheat to District of Unclaimed Funds.

Subject to prior approval by the Board, the Treasurer is authorized from time to time to cause a notice to be published, pursuant to Government Code Sections 50050 et seq., whereby money unclaimed in the District treasury for three years prior to such publication, including unredeemed bonds and coupons, shall become the property of the District. Such money shall then be transferred to the District's general fund. Unclaimed funds in an amount less than \$15 per individual item which remain unclaimed for one year may be transferred to the general fund, subject to prior approval by the Board, as provided in Government Code Section 50055.

Section 471.12 - M.I. 34816 - August 17, 1983; amended by M.I. 36270 - September 9, 1986. Section 471.12 repealed and Section 5111 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; renumbered by M.I. 37449 - December 13, 1988; amended by M.I. 43275, November 10, 1998.

§ 5114. Reporting Requirements of the Treasurer.

The Treasurer shall:

(a) Render, not later than the June Board meeting, a Statement of Investment Policy for the following fiscal year, to be considered for approval by the Board.

(b) Render a monthly report to the General Manager, the General Auditor and to the Board, showing the type of investment, issuer, date of maturity, par and dollar amount invested, current market value and source of such valuation, and rate of interest. The report shall additionally include a description of the funds, investments or investment programs of this District under the management of contracted parties (including lending programs), if any. The report shall also state compliance of the portfolio with the statement of investment policy, or the manner in which the portfolio is not in compliance. A subsidiary ledger of investments may be used in the report in accordance with accepted accounting practices.

Section 471.13 - M.I. 35463 - January 8, 1985. Section 471.13 repealed and Section 5112 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; renumbered by M.I. 37449 - December 13, 1988; amended by M.I. 40682 - February 8, 1994; paragraph (b) amended by M.I. 41717 - January 9, 1996; paragraph (a) amended by M.I. 42275 - February 11, 1997; paragraph (b) amended by M.I. 43968 - April 11, 2000; paragraph (a) amended by M.I. 50498 - June 14, 2016.

§ 5115. Capital Project Approval.

The General Manager shall request the Board to appropriate amounts for initial planning and feasibility studies for all capital projects. Following completion of all environmental documentation, the General Manager shall request a total appropriation for all remaining work. If the costs of a capital project exceeds the appropriation, the General Manager shall request additional funding and submit a report supporting said request. Notwithstanding the foregoing, the Board at its discretion may appropriate only such amounts as it deems necessary for the completion of each separate phase of a project.

M.I. 39036 - June 11, 1991.

Chapter 2

FINANCIAL POLICIES

Sec.

5200. Funds Established

5201. Restricted Funds

5202. Fund Parameters

5203. Indirect Credit of District

5204. Compliance with Fund Requirements and Bond Indenture Provisions

§ 5200. Funds Established.

To provide for accountability of public moneys in accordance with applicable federal and state law and regulations and Board policies, the following funds active or prospectively active have been established in the Treasury of the District:

(a) General Fund (Fund No. 1001, established 1929). Moneys not specifically allocated or appropriated may be placed in this fund and used for general purposes of the District. Expenditures for reimbursable work and water conservation capital and indirect costs under the contract with Imperial Irrigation District are paid from this fund.

(b) Replacement and Refurbishment Fund (Fund No. 5001, established 1988). Used to finance certain capital program expenditures from current revenues in accordance with Section 5109, subject to the conditions contained in Section 5202(b).

(c) State Contract Fund (Fund No. 5701, established 1960). Used for the payment of capital charges under the State Water Contract, including the capital charges for off-aqueduct power facilities, subject to the conditions contained in Section 5201(d).

(d) Special Tax Fund (Fund No. 5702, established 1951). Annexation fees (cash payments and special tax collections) are deposited in this fund and transferred to the State Contract Fund to pay a portion of State Water Contract capital charges.

(e) Water Revenue Fund (Fund No. 1002, established 1975). Receipts from water sales are deposited in this fund and are transferred to various other funds in accordance with revenue bond covenants and Board resolutions to pay in order of priority:

(1) Operation and maintenance expenditures;

(2) The interest on and bond obligation of Water Revenue Bonds and Parity Obligations issued pursuant to Master Resolution 8329 (the Master Resolution or Senior Debt Resolution) adopted by the Board on July 9, 1991 and any Supplemental Resolutions thereto, and any other obligations on a parity with the Water Revenue Bonds;

(3) All other payments required for compliance with the Master Resolution, and any Supplemental Resolutions;

(4) The interest on and bond obligation of Subordinate Water Revenue Bonds and Parity Obligations issued pursuant to Master Subordinate Resolution 9199 (the Master Subordinate Resolution) adopted by the Board on March 8, 2016 and any Supplemental Resolutions thereto, and any other obligations on a parity with the Subordinate Water Revenue Bonds;

(5) All other payments required for compliance with the Master Subordinate Resolution, and any Supplemental Resolutions;

(6) Principal of and interest on Commercial Paper Notes and other amounts due a provider of a liquidity facility;

(7) Deposits into the Water Standby Charge Fund in accordance with resolutions imposing such charges; and

(8) Any other obligations which are charges, liens, or encumbrances upon or payable from net operating revenues.

Moneys remaining at the end of each month, after the foregoing transfers, are transferred to the Revenue Remainder Fund.

(f) Operation and Maintenance Fund (Fund No. 1003, established 1975). Used to pay all operation and maintenance expenditures, including State Water Contract operation, maintenance, power and replacement charges, subject to the conditions contained in Section 5201(f).

(g) Revenue Remainder Fund (Fund No. 1004, established 1975). Used to maintain working capital and may be used for any lawful purpose by the District, subject to the conditions contained in Section 5202.

(h) Water Rate Stabilization Fund (Fund No. 5501, established 1987). Used to reduce future water revenue requirements or, as directed by the Board, for other lawful purposes, in accordance with Section 5202.

(i) Water Treatment Surcharge Stabilization Fund (Fund No. 5502, established 1988). Used to mitigate required increases in the surcharge for water treatment or, as directed by the Board, for other lawful purposes, in accordance with Section 5202.

(j) Revolving Construction Fund (Fund No. 5003, established 1988). Capital expenditures made from this fund are to be reimbursed from proceeds of security sales to the extent such expenditures are authorized uses of debt proceeds under the Act, subject to the conditions and restrictions contained in Section 5201(g).

(k) Employee Deferred Compensation Fund (Fund No. 6003, established 1976). Compensation deferred by employees under Section 457 of the Internal Revenue Code of 1986, as amended, is deposited in this fund and is withdrawn in accordance with Articles 2 and 3 of Chapter 7 of Division VI of this Administrative Code.

(l) Iron Mountain Landfill Closure/Postclosure Maintenance Trust Fund (Fund No. 6005, established 1990). Used as a trust fund to maintain moneys sufficient to cover the costs of closure and postclosure maintenance of the District's solid waste landfill facility at Iron Mountain, in accordance with regulations of the California Integrated Waste Management Board, and subject to the conditions contained in Section 5201(l).

(m) Water Standby Charge Fund (Fund No. 1005, established 1992). Used to separately hold revenues attributable to water standby charges; amounts deposited in this fund are used exclusively for the purpose for which the water standby charge was authorized.

(n) Water Transfer Fund (Fund No. 1007, established 1995). Used for moneys set aside for the purchase of water through transfers or similar arrangements, and for the costs of filling the Eastside Reservoir Project.

(o) Self-Insured Retention fund (Fund No. 1008, established 1999). Used to separately hold amounts set aside for emergency repairs and claims against the District as provided in Section 5201(o).

(p) Lake Mathews Multi Species Reserve Trust fund (Fund 6101, established 1997.) Used as set forth in agreement between Metropolitan and the Riverside County Habitat Conservation Agency for the Multi Species Reserve.

(q) There shall be established in the Treasury of the District such funds and accounts as are required pursuant to bond covenants, tax and non-arbitrage certificates, bond counsel letters of instruction and related documents, to provide for accountability of District funds and compliance with applicable federal and state law and regulations. Such funds and accounts shall be established for each issue of bonds, notes or other obligations of the district as required in the respective bond or note resolution and closing documents.

(r) Water Stewardship Fund (Fund No. 1009 established 2005). Used to collect revenue from the Water Stewardship Rate and to pay costs associated with water recycling, seawater desalination, conservation, brackish water desalination, or other demand management programs. These funds can also be used to fund administrative costs associated with these programs. Funds may be used as directed by the Board, for other lawful purposes, in accordance with Section 5201(p) and Section 5202(d).

38241 - May 8, 1990; amended and paragraph (bb) added by M.I. 38305 - June 12, 1990; paragraphs (cc), (dd) and (ee) added by M.I. 38999 - June 11, 1991; amended and paragraphs (ff), (gg), (hh) and (ii) added by M.I. 39171 - August 20, 1991; paragraphs (jj), (kk), and (ll) added by M.I. 39785 - August 20, 1992; paragraph (k)(6) added, paragraph (jj) added, paragraphs (kk) - (mm) renumbered by M.I. 39925 - November 10, 1992; new paragraphs (nn) through (uu) added by M.I. 40272 - June 15, 1993; paragraph (bb) amended by M.I. 40273 - June 15, 1993; paragraphs (vv) through (bbb) added by M.I. 40388 - August 24, 1993; paragraphs (i) and (q) amended, paragraph (r) deleted and remainder of section renumbered by M.I. 40443 - September 21, 1993; paragraph (q) amended by M.I. 40976 - August 19, 1994; paragraph (bbb) added by

M.I. 41581 - September 12, 1995; paragraphs (a) through (bbb) amended and new paragraphs (bbb) through (sss) added by M.I.42817 - February 10, 1998; paragraphs (ttt) through (aaaa) added April 1998, by authority granted to the General Counsel by M.I. 42817 - February 10, 1998; paragraphs (bbbb) through (jjjj) added September 1998, by authority granted to the General Counsel by M.I. 42817 - February 10, 1998; paragraph (kkkk) added by M.I. 43434 - March 9, 1999; paragraph (a) amended, old paragraphs (c), (g)-(J), (m), (n), (p), (q), (u)-(x), (z), (bb)-(hh), (jj)-(aaa), and (ccc)-(jjjj) deleted, remaining paragraphs renumbered, and new paragraphs (q) and (r) added by M. I. 45249 - March 11, 2003; paragraph (b) amended, paragraph (e) repealed and paragraphs (f) – (r) renumbered by M. I. 45904 – September 14, 2004; new paragraph (r) added by M. I. 46266 - June 14, 2005; paragraph (g) amended by M. I. 46838 – October 10 2006; deleted previous paragraph (e)(2), added paragraphs (e)(4) and (e)(5), and renumbered paragraphs (e)(2) through (e)(8) by M.I. 50498 – June 14, 2016.

§ 5201. Restricted Funds.

Cash and securities to be held in the various ledger funds shall be as follows:

(a) General Obligation Bond Interest and Principal Funds and the Waterworks General Obligation Refunding Bonds Interest and Principal Funds, the cash and securities in each as of June 30, shall be at least equal to the debt service for the ensuing 18 months, less revenues anticipated to be derived from the next succeeding tax levy specifically for such debt service.

(b) For the Water Revenue Bonds Interest and Principal Funds, the Water Revenue Bonds Reserve Funds, the Water Revenue Refunding Bonds Interest and Principal Funds and the Water Revenue Refunding Reserve Bonds, the cash and securities in each shall be at least equal to the minimums required by the resolutions of issuance for such bonds.

(c) For the Subordinate Bonds Interest and Principal Funds, the Subordinate Water Revenue Bonds Reserve Funds, the Subordinate Water Revenue Refunding Bonds Interest and Principal Funds and the Subordinate Water Revenue Refunding Reserve Funds, the cash and securities in each shall be at least equal to the minimums required by the resolutions of issuance for such bonds.

(d) For the Bond Construction Funds there shall be no minimum requirements; provided that any cash and securities in such funds shall be restricted to use for the purposes such finances were required.

(e) For the State Contract Fund, cash and securities on hand June 30 and December 31 shall equal the capital payments to the State Department of Water Resources that are due on July 1 of the same year and January 1 of the following year, respectively.

(f) For the Special Tax Fund, there shall be no minimum requirement.

(g) For the Operation and Maintenance Fund, cash and securities shall be at least equal to the minimum required by the resolutions of issuance for revenue bonds.

(h) For the Revolving Construction Fund, there shall be no minimum requirement. Cash and securities in this fund, unless restricted as to use by resolution of the Board, shall be available for transfer to the Water Rate Stabilization Fund and the Water Treatment Surcharge Stabilization Fund at the discretion of the Board.

(i) For the Commercial Paper, Series A, Note Payment Fund, and the Commercial Paper, Series B, Note Payment Fund, the District shall deposit amounts sufficient to pay principal of, and interest on, such Commercial Paper Notes in an amount at least equal to one-half of the projected interest payments due on such notes in the subsequent fiscal year.

(j) For the Water Standby Charge Fund, there shall be no minimum requirement; provided that any cash and securities in such fund shall be restricted to use for the purposes such moneys were authorized.

(k) For the General Obligation Bond Excess Earnings Funds, the Waterworks General Obligation Refunding Bond Excess Earnings funds, the Water Revenue Bond Excess Earnings Funds and the Water Revenue Refunding Bond Excess Earnings Funds, the minimum requirement shall be the amounts deposited into this fund in accordance with the provisions of the Tax and Nonarbitrage Certificates and Resolutions for the Bonds.

(l) For the Waterworks General Obligation Refunding Bonds, 1993 Series A1 and A2, Escrow Account Fund, the minimum requirement shall be the amounts necessary to pay the principal, if any, and the interest on the Series A1 and A2 Bonds to the crossover date, and to defease certain maturities of outstanding prior general obligation bonds.

(m) For the Iron Mountain Landfill Closure/Postclosure Maintenance Trust Fund, cash and securities as of June 30, shall be at least equal to the General Manager's latest estimates of closure and postclosure maintenance costs.

(n) For the Optional General Obligation Bond Redemption Fund and the Optional Revenue Bond Redemption Fund, the minimum requirement shall be the amount necessary to redeem such untendered, refunded bonds which have been called for redemption.

(o) For the Water Transfer Fund, all amounts budgeted or pledged for purchase of water through transfers or similar arrangements, and for the costs of filling the Eastside Reservoir Project, shall be set aside in such fund and used solely for such purpose.

(p) For the Self-Insured Retention fund, all amounts in such fund shall be set aside and used solely for emergency repairs and claims against the District. The minimum cash and securities to be held in such fund as of June 30 of each year shall be \$25 million.

(q) For the Water Stewardship Fund, there shall be no minimum requirement; all amounts in such fund shall be used to fund the Conservation Credit Program, Local Resources Program, seawater desalination, brackish water desalination, and similar demand management programs, including the departmental operations and maintenance costs for administering these programs.

Section 331.1 - M.I. 32735 - May 8, 1979, effective July 1, 1979 [Supersedes M.I. 30984 - August 19, 1975; M.I. 31826 - June 14, 1977 and M.I. 32292 - June 13, 1978]; paragraph (f) [formerly Section 331.1.6] added by M.I. 35309 - September 11, 1984. Section 331.1 repealed and Section 5200 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 36676 - June 9, 1987; paragraph (g) added by M.I. 37449 - December 13, 1988; renumbered to Section 5201 and paragraphs (a) and (c) amended by M.I. 38241 - May 8, 1990; paragraph (c) amended and paragraph (h) added by M.I. 38999 - June 11, 1991; paragraphs (b) and (c) amended by M.I. 39171 - August 20, 1991; paragraphs (b) and (c) amended by M.I. 39785 - August 20, 1992; paragraph (i) added by M.I. 39925 - November 10, 1992; paragraphs (a)(b)(c) amended and

paragraph (j)(k) added by M.I. 40272 - June 15, 1993; paragraph (h) amended and paragraph (l) added by M.I. 40273 - June 15, 1993; paragraphs (a), (b), and (j) amended by M.I. 40388 - August 24, 1993; paragraph (j) amended and paragraph (m) added by M.I. 40443 - September 21, 1993; paragraph (n) added by M.I. 41581 - September 12, 1995; paragraphs (b)(c)(h)(j)(k)(l)(n) amended by M.I. 42817-- February 10, 1998; paragraphs (b), (c), and (j) amended April 1998 by authority granted the General Counsel by M.I. 42817 - February 10, 1998; paragraph (o) added by M.I. 43434 - March 9, 1999; paragraphs (a)-(c), and (j) amended by M. I. 45249 - March 11, 2003; paragraph (n) amended by M. I. 45775 - June 8, 2004; paragraph (p) added by M. I. 46266 - June 14, 2005; amended paragraph (b), added paragraph (c), and renumbered paragraphs (d) through (q) by M.I. 50498 - June 14, 2016.

§ 5202. Fund Parameters.

The minimum cash and securities to be held in the various ledger funds as of June 30 of each year shall be as follows:

(a) For the Revenue Remainder Fund cash and securities on hand of June 30 of each year shall be equal to the portion of fixed costs of the District estimated to be recovered by water sales revenues for the eighteen months beginning with the immediately succeeding July. Such funds are to be used in the event that revenues are insufficient to pay the costs of the District.

(b) For the Replacement and Refurbishment Fund, any unexpended monies shall remain in the Fund for purposes defined in Section 5109, or as otherwise determined by the Board. The end-of-year fund balance may not exceed \$160 million. Available monies in excess of \$160 million at June 30 shall be transferred to the Water Rate Stabilization Fund, unless otherwise determined by the Board.

(c) Amounts remaining in the Revenue Remainder on June 30 of each year after meeting the requirements set forth in Section 5202(a) shall be transferred to the Water Rate Stabilization Fund and to the extent required under Section 5202(d), to the Water Treatment Surcharge Stabilization Fund.

(d) After making the transfer of funds as set forth in Section 5202(c), a determination shall be made to substantially identify the portion, if any, of such transferred funds attributable to collections of treatment surcharge revenue in excess of water treatment cost and to collections of water stewardship rate revenue in excess of costs of the Conservation Credits Program, Local Resources Program seawater desalination and similar demand management programs, including the departmental operations and maintenance costs of administering these programs. Such funds shall be transferred to the Water Treatment Surcharge Stabilization Fund and the Water Stewardship Fund, respectively, to be available for the principal purpose of mitigating required increases in the treatment surcharge and water stewardship rates. If such determination indicates a deficiency in treatment surcharge or water stewardship rate revenue occurred during the fiscal year, a transfer of funds shall be made from the Water Treatment Surcharge Stabilization Fund or the Water Stewardship Fund, as needed and appropriate, to reimburse funds used for the deficiency. Notwithstanding the principal purpose of the Water Treatment Surcharge Stabilization Fund and the Water Stewardship Fund, amounts assigned to these fund shall be available for any other lawful purpose of the District.

(e) Amounts in the Water Rate Stabilization Fund shall be held for the principal purpose of maintaining stable and predictable water rates and charges. The amount to be held in the

Water Rate Stabilization fund shall be targeted to be equal to the portion of the fixed costs of the District estimated to be recovered by water sales revenues during the two years immediately following the eighteen-month period referenced in Section 5202(a). Funds in excess of such targeted amount shall be utilized for capital expenditures of the District in lieu of the issuance of additional debt, or for the redemption, defeasance or purchase of outstanding bonds or commercial paper of the District as determined by the Board. Provided that the District's fixed charge coverage ratio is at or above 1.2 amounts in the Water Rate Stabilization Fund may be expended for any lawful purpose of the District, as determined by the Board of Directors, provided that any funds distributed to member agencies shall be allocated on the basis of all water sales during the previous fiscal year, such sales to include sales under the Interim Agricultural Water Program, Replenishment Service Program and all Full Service water sales.

Notwithstanding the fund parameters set forth in this Section 5202, including, but not limited to, any minimum fund balances or specified uses and purposes, all amounts held in the foregoing funds shall be available to pay interest on and Bond Obligation (including Mandatory Sinking Account Payments) of Water Revenue Bonds issued pursuant to Resolution 8329 adopted by the Board on July 9, 1991, as amended and supplemented (the Master Resolution), and Parity Obligations, and Subordinate Water Revenue Bonds, issued pursuant to Resolution 9199 adopted by the Board on March 8, 2016, as amended and supplemented (the Master Subordinate Resolution). Capitalized terms not defined in this paragraph shall have the meanings assigned to such terms in the Master Resolution and the Master Subordinate Resolution.

Section 331.2 - M.I. 32735 - May 8, 1979, effective July 1, 1979 [Supersedes M.I. 30984 - August 19, 1975; M.I. 31826 - June 14, 1977 and M.I. 32292 - June 13, 1978]; amended by M.I. 35309 - September 11, 1984; amended by M.I. 35730 - July 9, 1985. Section 331.2 repealed and Section 5201 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (a) amended and paragraph (b) added by M.I. 36676 - June 9, 1987; paragraph (a) amended by M.I. 36731 - July 14, 1987; paragraph (b) amended and paragraph (c) added by M.I. 37007 - February 9, 1988; amended by M.I. 37449 - December 13, 1988; paragraph (a) amended by M.I. 37679 - May 9, 1989; renumbered to Section 5202 by M.I. 38241 - May 8, 1990; paragraphs (c) and (d) amended by M. I. 38304 - June 12, 1990; paragraph (a) amended by M.I. 39794 - August 20, 1992; paragraph (e) added by M.I. 41581 - September 12, 1995; Section renamed and paragraphs (a)-(c) and (e) amended by M.I.43434 - March 9, 1999; paragraph (e) amended by M.I. 43587 - June 8, 1999; paragraph (b), (c) and (e) amended by M. I. 44907 - June 11, 2002; paragraph (b) amended by M. I. 45904 - September 14, 2004; paragraph (d) amended by M. I. 46266 - June 14, 2005; Paragraph (e) amended by M. I. 46838 - October 10, 2006; final paragraph added by M.I. 47286 - November 20, 2007; amended paragraph (e) by M.I. 50498 - June 14, 2016.

§ 5203. Indirect Credit of District.

The General Manager may negotiate with the Department of Water Resources on the basis of using the indirect credit of the District to finance State Revenue Bonds so long as the obligation of the District thereunder does not exceed the obligation required under the State Contract.

Section 331.2 renumbered 331.3. Section 331.3 repealed and Section 5202 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; renumbered to Section 5203 by M.I. 38241 - May 8, 1990.

§ 5204. Compliance with Fund Requirements and Bond Indenture Provisions.

As of June 30 of each year, the General Manager shall make a review to determine whether the minimum fund requirements outlined in this Chapter have been met and whether the

District has complied with the provisions of the articles and covenants contained in the resolutions of issuance for all outstanding District bond issues during the preceding fiscal year. The General Manager, after consulting with the General Counsel, shall report the results of his review in writing to the Board of Directors annually.

Section 331.4 - M.I. 34190 - April 13, 1982. Section 331.4 repealed and Section 5203 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 36676 - June 9, 1987; renumbered to Section 5204 by M.I. 38241 - May 8, 1990.

Chapter 3

SHORT-TERM REVENUE CERTIFICATES

Sec.

5300. Authorization to General Manager

5301. Dealer-Manager

5302. Credit Facility

5303. Issuing and Paying Agent

5304. Method and Procedures for Sale of Certificates

5305. Report of Exercise of Authority

§ 5300. Authorization to General Manager.

The General Manager is authorized to perform any and all functions that may be delegated by the Board in Chapter 7 of Part 5 (commencing with Section 296) of the Metropolitan Water District Act (hereinafter referred to as the "Act"), in connection with the sale and issuance thereunder of short-term revenue certificates of the District (hereinafter referred to as "certificates"), such certificates being commonly referred to in financial markets as "commercial paper."

Section 475.1 - M.I. 35477 - January 8, 1985. Section 475.1 repealed and Section 5300 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 5301. Dealer-Manager.

(a) The General Manager may solicit proposals based on specifications prepared by him from any person or firm to act as dealer-manager that, as a minimum:

(1) Has served as a dealer-manager, marketing agent, or in some comparable capacity, within the last two years for a governmental issuer of commercial paper exempt from taxation under Section 103 of the Internal Revenue Code.

(2) Shall be able to demonstrate substantial knowledge of available marketing alternatives, financing options and capital markets.

(3) Shall identify one or more individuals, at least one of whom shall be experienced in the marketing of commercial paper for a governmental entity, who would be personally assigned to perform the services under the contract.

(b) The General Manager shall make a recommendation for award of contract for the services of a dealer-manager based on his review of the proposals and on interviews of persons or firms offering proposals which he may have conducted. In making that recommendation, he may give consideration to any factor he deems relevant, including, but not limited to, the experience, reputation and resources of any person or firm offering a proposal and the charges for the services set forth in the proposal.

(c) A contract for the services of a dealer-manager shall be awarded by the Board based on the recommendation of the General Manager; provided, however, that the Board may reject all proposals.

(d) Any contract with a dealer-manager shall be for a period no longer than 48 months but may be subject to extension upon mutual agreement of the District and the dealer-manager; shall be subject to termination without cause by either party upon 60 days' notice; and shall be subject to immediate termination by either party in the event of a significant change in the credit rating of either party or of the credit facility, as determined by any national rating organization, or in the event of a significant change in the tax-exempt status of the District's certificates.

(e) The District's financial consultant may, if selected by the Board, enter into a contract with the District to serve as the dealer-manager; provided, however, that if the financial consultant elects to so contract, its services as financial consultant may be terminated by the General Manager to remove any possible conflict of interest that might arise from such dual employment.

Section 475.2 - M.I. 35477 - January 8, 1985. Section 475.2 repealed and Section 5301 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 5302. Credit Facility.

(a) The General Manager may solicit proposals based on specifications prepared by him from financial institutions to provide a credit facility securing the payment of principal and interest on the certificates. To the extent permitted by the Act, such credit facility may be an insurance policy issued by a reputable municipal bond insurance company, a letter of credit issued by a commercial bank or savings and loan association, a line of credit, or a standby purchase agreement with a financial institution.

(b) The General Manager shall make a recommendation for award of contract to provide a credit facility based on his review of the proposals and on any interviews of representatives of financial institutions offering proposals which he may have conducted. In making that recommendation, he may give consideration to any factor he deems relevant in addition to the qualifications set forth in the specifications for proposals.

(c) A contract to provide a credit facility shall be awarded by the Board; provided, however, that the Board may reject all proposals.

(d) Any contract to provide a credit facility shall be for a period no longer than 48 months but may be subject to extension upon mutual agreement of the District and the financial institution, and shall be subject to termination by either party upon 60 days' notice. Such contract shall further provide that if the credit rating of such financial institution, as determined by any national rating organization, is at any time withdrawn, suspended or otherwise modified in such a manner as to impair, in the judgment of the General Manager, the marketability of certificates, it may be terminated by the General Manager immediately on written notice to such financial institution. The General Manager may contract with another financial institution having a satisfactory credit rating to provide a substitute credit facility or a

temporary overlapping credit facility if he determines that such an arrangement best serves the interests of the District. Any extension or termination of a contract to provide a credit facility shall be subject to the District's obligations to the holders of outstanding certificates.

Section 475.3 - M.I. 35477 - January 8, 1985. Section 475.3 repealed and Section 5302 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 5303. Issuing and Payment Agent.

The General Manager is authorized to execute a contract with a financial institution to act as issuing and paying agent of certificates to be marketed or redeemed from time to time. Such contract, as a minimum, shall be terminable by either party without cause upon 30 days' notice and by the General Manager immediately on written notice to such financial institution if, in his judgment, good cause exists; shall provide for monthly accounting of all transactions; shall provide for insurance or a surety bond protecting the District against theft or fraudulent use of blanks or certificates in the custody of the agent; and shall provide for prompt delivery to a party to be designated by the District of any canceled certificates or blanks upon expiration or termination of the contract.

Section 475.4 - M.I. 35477 - January 8, 1985. Section 475.4 repealed and Section 5303 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 5304. Method and Procedures for Sale of Certificates.

(a) Board Action by Resolution. - Sale and issuance of the District's certificates shall be authorized by the Board by resolution which, as a minimum, shall specify the matters required by Section 298 of the Act and which may contain any other terms and conditions which the Board determines to be in the best interests of the District.

(b) Standards for Issuance of Certificates. - Subject to the terms of the resolution of sale and issuance adopted by the Board pursuant to Section 5304(a), the General Manager may sell and issue certificates in the name of the District when required to meet cash requirements of the District when he determines that the cost of funds resulting from the sale of certificates would be less than the cost of funds that would be incurred if alternative sources of financing were utilized.

(c) Sale of Certificates. - Subject to any limitations which the Board may impose in the resolution adopted pursuant to Section 5304(a), such certificates shall be sold by the General Manager at such time as may be fixed by him and upon such notice as he may deem advisable, either at public sale, upon sealed bids, to the bidder whose bid will result in the lowest interest cost to the District determined in the manner prescribed by said resolution, or by negotiated sale. Under either method, the sale shall be for cash, payable upon delivery of the certificates by the issuing and paying agent to the dealer-manager thereof.

Section 475.5 - M.I. 35477 - January 8, 1985. Section 475.5 repealed and Section 5304 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 5305. Report of Exercise of Authority.

The General Manager shall report to the next following meeting of the Finance and Insurance Committee of the Board any exercise of authority pursuant to this Chapter.

Section 475.6 - M.I. 35477 - January 8, 1985. Section 475.6 repealed and Section 5305 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 42193 - December 10, 1996; amended by M. I. 44582 – August 20, 2001; amended by M. I. 46064 – January 11, 2005; amended by M .I. 46148 - March 8, 2005; amended by M.I. 46983 - February 13, 2007; amended by M.I. 48534 - January 11, 2011.

Division VI

PERSONNEL MATTERS

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Chapter 1

EMPLOYEE RELATIONS

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Article 1

GENERAL PROVISIONS

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§ 6100. Statement of Purpose.

This Chapter implements Chapter 10, Division 4, Title 1 of the Government Code of the State of California (Sections 3500 *et seq.*) known as the “Meyers-Milias-Brown Act,” by providing orderly procedures for the administration of employer-employee relations between the District and its employee organizations. This Chapter is intended to strengthen the method of administering employer-employee relations through the establishment of uniform and orderly methods of communications between employees, employee organizations and the District. It is the purpose of this Chapter to provide procedures for meeting and conferring in good faith with Recognized Employee Organizations regarding matters that directly and significantly affect and

primarily involve the wages, hours and other terms and conditions of employment of employees in appropriate units. However, nothing herein shall be construed to restrict the District rights identified in this Chapter.

Section 430.1 based on Res. 7525 - August 14, 1973. Section 430.1 repealed and Section 6100 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987. Section 6100 amended in entirety by M.I. 48418 - September 14, 2010.

§ 6101. Definitions.

The words and terms defined in this section shall have the following meanings throughout this Chapter. Any term not defined herein, which is defined in Sections 3500 to 3510, inclusive, of the California Government Code, or which is defined in this Administrative Code shall have the meaning therein.

- (a) “Appropriate Unit” - means a unit established pursuant to Article 2 of this Chapter.
- (b) “Confidential Employee” – means an employee who, in the course of his or her duties, has access to confidential information relating to the decisions of District management affecting employer-employee relations.
- (c) “Consult/Consultation in Good Faith” - means to communicate orally or in writing with all affected employee organizations, whether exclusively or not, for the purpose of presenting and obtaining views or advising of intended actions in good faith effort to reach a consensus; and, as distinguished from meeting and conferring in good faith regarding matters within the required scope of such meet and confer process, does not involve an exchange of proposals and counterproposals with an exclusively recognized employee organization in an endeavor to reach agreement in the form of a Memorandum of Understanding, nor is it subject to Article 4 hereof.
- (d) “Day” – means calendar day unless expressly stated otherwise.
- (e) “District” – means The Metropolitan Water District of Southern California, the Board of Directors, or any duly authorized management employee as herein defined.
- (f) “Employee Relations Officer” - means the Manager of the Employee Relations Section of the Human Resources Group.
- (g) “Exclusively Recognized Employee Organization” – means an employee organization which has been formally acknowledged by the District as the sole employee organization representing the employees in an appropriate representation unit pursuant to Article 2 hereof, having the exclusive right to meet and confer in good faith concerning statutorily required subjects pertaining to unit employees, and thereby assuming the corresponding obligation of fairly representing such employees.
- (h) “Impasse” - means that the representatives of the District and a Recognized Employee Organization have reached a point in their meeting and conferring in good faith where their differences on matters to be included in a Memorandum of Understanding, and concerning which they are required to meet and confer, remain so substantial and prolonged that further meeting and conferring would be futile.

(i) “Management Employee” – means an employee having responsibility for formulating, administering or managing the implementation of the District’s policies and programs.

(j) “Mediation” – means the efforts by an impartial third party or person to assist as an intermediary between the Employee Relations Officer and representatives of a recognized employee organization, through interpretation, suggestion and advice, in reaching a voluntary resolution to an impasse. Nothing contained herein shall preclude said mediator from making recommendations to the interested parties.

(k) “Meet and Confer in Good Faith” - (sometimes referred to herein as “meet and confer” or “meeting and conferring”) means performance by duly authorized District representatives and duly authorized representatives of an employee organization recognized as the majority representative of their mutual obligation to meet at reasonable times and to confer in good faith regarding matters within the scope of representation, including wages, hours, and other terms and conditions of employment, in an effort to: (1) reach agreement on those matters within the authority of such representatives and (2) reach agreement on what will be recommended to the Board of Directors on those matters within the decision making authority of the Board of Directors. This does not require either party to agree to a proposal or to make a concession, or to continue to negotiate when either party declares an impasse.

(l) “Memorandum of Agreement” – means a written memorandum incorporating agreements reached through negotiation on matters within the jurisdiction of the General Manager, and signed by the General Manager and a duly authorized representative of a recognized employee organization.

(m) “Memorandum of Understanding” – means a written document, signed by the General Manager and a duly authorized representative of recognized employee organization, incorporating agreement between the General Manager and representatives of recognized employee organizations whereby the General Manager binds himself to recommend to the Board of Directors action on matters within the scope of representation.

(n) “Negotiation” – means the act of meeting and discussing issues or proposals by the Employee Relations Officer and representatives of recognized employee organizations with the purpose of reaching binding agreement concerning matters within the jurisdiction of the General Manager; discussions leading to preparation of written memoranda of agreement which are to be binding upon both parties.

(o) “Professional Employee” – means any employee engaged in work requiring specialized knowledge and skills normally attained through completion of a recognized course of instruction, including, but not limited to, accountants, architects, attorneys, chemists, engineers, geologists, and various types of physical, chemical and biological scientists.

(p) “Proof of Employee Support” – means (1) an authorization card recently signed and personally dated by an employee, or (2) a verified authorization petition or petitions recently signed and personally dated by an employee, or (3) employee dues deduction authorization, using the payroll register for the period immediately prior to the date a petition is filed hereunder, except that dues deduction authorizations for more than one employee organization for the account of any one employee shall not be considered as proof of employee support for

any employee organization. The only authorization which shall be considered as proof of employee support hereunder shall be the authorization last signed by an employee. The words “recently signed” shall mean within six (6) months prior to the filing of a petition.

(q) “Scope of Representation” – means all matters relating to employment conditions and employer-employee relations including, but not limited to, wages, hours and other terms and conditions of employment; except that consideration of the merits, necessity, or organization of any service or activity required by law or executive order shall be excluded from the scope of representation; and except that employee rights, as described in Section 6102, and District rights as described in Section 6103, shall be excluded from the scope of representation.

(r) “Supervisory Employee” – means any employee having authority in the interest of the District to hire, assign, transfer, promote, demote, suspend, discharge, reward or discipline other employees, or having the responsibility to direct them or to adjust their grievances, or effectively to recommend such action in connection with the foregoing, when the exercise of such authority is not of a merely routine or clerical nature, but requires the use of independent judgment.

Section 430.2 based on Res. 7525 - August 14, 1973; amended by M.I. 32690 - April 10, 1979. Section 430.2 repealed and Section 6101 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraphs (e) and (g) amended by M.I. 45943 – October 12, 2004. Section 6101 paragraphs (a)-(c), (e)-(f), (h)-(o) and (q)-(r) amended; paragraphs (d), (g) and (p) added; old paragraphs (n) and (o) deleted by M.I. 48418 - September 14, 2010.

§ 6102. Employee Rights.

Employees of the District shall have the right to form, join and participate in the activities of employee organizations of their own choosing for the purpose of representation on matters of employer-employee relations including wages, hours and other terms and conditions of employment. Employees of the District also shall have the right to refuse to join or participate in the activities of employee organizations and shall have the right to represent themselves individually in their employment relations with the District, but may not enter into any arrangements that are contrary to, modify or abridge any understanding reached between the District and the employee organization certified as exclusive representative for the unit in which the individual is included. Neither the District nor any employee organization shall interfere with, intimidate, restrain, coerce or discriminate against any District employee because of his exercise of these rights.

Section 430.3 based on Res. 7525 - August 14, 1973. Section 430.3 repealed and Section 6102 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 6103. District Rights.

The rights of the District shall include, but are not limited to, the exclusive right to determine the mission of its constituent departments; set standards of service; determine the procedures and standards of selection for employment, promotion and transfer; direct its employees; take disciplinary action for proper cause; relieve its employees from duty because of lack of work or for other legitimate reasons; maintain the efficiency of District operations; determine the methods, means and personnel by which District operations are to be conducted; determine the content of job descriptions and specifications; take all necessary action to carry out its mission in emergencies; and exercise complete control and discretion over its organization and the technology of performing its work; provided, however, that the exercise of

such rights does not preclude employees or their representatives from consulting with the Employee Relations Officer about the practical consequences that decisions on these matters may have on wages, hours, and other terms and conditions of employment.

Section 430.4 based on Res. 7525 - August 14, 1973. Section 430.4 repealed and Section 6103 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 6104. Advance Notice to Employee Organizations.

(a) Except in case of emergency, reasonable written notice shall be given to each recognized employee organization affected by any ordinance, resolution, or regulation, or any change in any existing ordinance, resolution, or regulation, relating to matters within the scope of representation that is proposed to be adopted by the Board of Directors or the General Manager. Each such employee organization shall be given the opportunity to meet with the Employee Relations Officer prior to adoption of such ordinance, resolution, or regulation, or adoption of such change in any existing ordinance, resolution, or regulation.

(b) In case of emergency, when an ordinance, resolution, or regulation, or a change in any existing ordinance, resolution, or regulation, must be adopted immediately and without prior notice, recognized employee organizations affected shall be given notice by and opportunity to meet with the Employee Relations Officer at the earliest practicable time following adoption of such ordinance, resolution, or regulation, or such change in any existing ordinance, resolution, or regulation.

Section 430.5 based on Res. 7525 - August 14, 1973. Section 430.5 repealed and Section 6104 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987. Section 6104 paragraphs (a)-(b) amended by M.I. 48418 - September 14, 2010.

Article 2

REPRESENTATION PROCEEDINGS

Sec.

6105. Filing of Recognition Petition by Employee Organization

6106. District Response to Recognition Petition

6107. Open Period for Filing Challenging Petition

6108. Election Procedure

6109. Procedure for Decertification of Exclusively Recognized Employee Organization

6110. Policy and Standards for Determination of Appropriate Units

6111. Procedure for Modification of Established Appropriate Units

6112. Procedure for Processing Severance Requests

6113. Appeals

§ 6105. Filing of Recognition Petition by Employee Organization.

(a) An employee organization that seeks to be formally acknowledged as an exclusively Recognized Employee Organization representing the employees in an appropriate unit shall file a petition with the Employee Relations Officer containing the following information and documentation:

(1) The name and address of the employee organization.

(2) The names and titles of its officers.

(3) A statement that the employee organization has, as one of its primary purposes, representing employees in their employment relations with the District.

(4) Certified copies of the employee organization's constitution and existing by-laws.

(5) The names of employee organization representatives who are authorized to speak on behalf of its members.

(6) A designation of those persons, not exceeding two in number, and their addresses, to whom notices sent by regular United States mail will be deemed sufficient notice on the employee organization for any purpose.

(7) A statement whether the employee organization is a chapter or local of or affiliated directly or indirectly in any manner with a regional, state, national or international organization and, if so, the name and address of each such organization.

(8) A statement that the organization has no restriction on membership based upon race, sex (gender or pregnancy), creed, national origin, color, disability (physical or mental), protected veteran status, religion, age, health impairment related to or associated with a

diagnosis of cancer, genetic characteristics or information, marital status, ancestry, sexual orientation, or other characteristic protected by law.

(9) The job classifications or titles of employees in the unit claimed to be appropriate and the approximate number of member employees therein.

(10) A statement that the employee organization has in its possession Proof of Employee Support as herein defined to establish that a majority of the employees in the unit claimed to be appropriate have designated the employee organization to represent them in their employment relations with the District. Such written proof shall be submitted for confirmation to the Employee Relations Officer or to a mutually agreed upon disinterested third party.

(11) A request that the Employee Relations Officer formally acknowledge the petitioner as the Exclusively Recognized Employee Organization representing the employees in the unit claimed to be appropriate for the purpose of meeting and conferring in good faith.

(b) The petition, including the Proof of Employee Support and all accompanying documentation, shall be declared to be true, correct and complete, under penalty of perjury, by the duly authorized officer(s) of the employee organization executing it.

Section 430.6 based on Res. 7525 - August 14, 1973; paragraph (g) [formerly Section 430.6.7] amended by M.I. 35592 - April 9, 1985. Section 430.6 repealed and Section 6105 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987. Section 6105 Title and paragraph (a) amended; former subparagraphs (a)-(i) renumbered as (1)-(10); new paragraphs (10)-(11) added by M.I. 48418 - September 14, 2010.

§ 6106. District Response to Recognition Petition.

(a) Upon receipt of the petition, the Employee Relations Officer shall determine whether:

(1) There has been compliance with the requirements of the recognition petition,
and

(2) The proposed representation unit is an appropriate unit in accordance with Section 6110 of this Article 2.

(b) If an affirmative determination is made by the Employee Relations Officer on the foregoing two matters, he/she shall so inform the petitioning employee organization, shall give written notice of such request for recognition to the employees in the unit and shall take no action on said request for thirty (30) days thereafter. If either of the foregoing matters are not affirmatively determined, the Employee Relations Officer shall offer to consult thereon with such petitioning employee organization and, if such determination thereafter remains unchanged, shall inform that organization of the reasons therefore in writing. The petitioning employee organization may appeal such determination in accordance with Section 6113 of this Chapter.

Section 430.7 based on Res. 7525 - August 14, 1973; paragraph (c)(2) [formerly Section 430.7.3.2] amended by M.I. 34309 - July 13, 1982. Section 430.7 repealed and Section 6106 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraphs (a) and (b) amended by M. I. 44582 - August 20, 2001; paragraph (b) amended by M. I. 46064 - January 11, 2005; paragraph (b) amended by M.I. 46983 - February 13, 2007; paragraph (b) amended by M.I. 48081 - November 10, 2009. Section 6106 Title and paragraphs (a)-(b) amended; paragraphs (a)(1)-(a)(2) amended; paragraphs (a)(3)-(a)(4) deleted; paragraphs (c)-(d) deleted in entirety; [some of the existing provisions, with amendments, moved to Section 6110] by M.I. 48418 - September 14, 2010.

§ 6107. Open Period for Filing Challenging Petition.

Within thirty (30) days of the date written notice was given to affected employees that a valid recognition petition for an appropriate unit has been filed (“open period”), any other employee organization may file a competing request to be formally acknowledged as the Exclusively Recognized Employee Organization of the employees in the same or in an overlapping unit (one which corresponds with respect to some, but not all the classifications or positions set forth in the recognition petition being challenged), by filing a petition evidencing Proof of Employee Support in the unit claimed to be appropriate of at least thirty (30) percent and otherwise in the same form and manner as set forth in Section 6105 of this Article 2. If such challenging petition seeks establishment of an overlapping unit, the Employee Relations Officer shall call for a hearing on such overlapping petitions for the purpose of ascertaining the more appropriate unit, at which time the petitioning employee organizations shall be heard. Thereafter, the Employee Relations Officer shall determine the appropriate unit or units in accordance with the standards in Section 6110 of this Article 2. The petitioning employee organizations shall have fifteen (15) days from the date notice of such unit determination is communicated to them by the Employee Relations Officer to amend their petitions to conform to such determination or to appeal such determination pursuant to Section 6113 of this Article 2.

Section 430.8 based on Res. 7525 - August 14, 1973. Section 430.8 repealed and Section 6107 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987. Section 6107 amended in entirety and existing provisions, with amendments, moved to Section 6106 and 6108 by M.I. 48418 - September 14, 2010.

§ 6108. Election Procedure.

(a) The Employee Relations Officer shall arrange for a secret ballot election to be conducted by a party agreed to by the Employee Relations Officer and the concerned employee organization(s), in accordance with such party’s rules and procedures subject to the provisions of this Chapter. All employee organizations who have duly submitted petitions which have been determined to be in conformance with this Article 2 shall be included on the ballot. The ballot shall also reserve to employees the choice of representing themselves individually in their employment relations with the District. Employees entitled to vote in such election shall be those persons employed in regular permanent positions within the designated appropriate unit who were employed during the pay period immediately prior to the date which ended at least fifteen (15) days before the date the election commences, including those who did not work during such period because of illness, vacation or other authorized leaves of absence, and who are employed by the District in the same unit on the date of the election. An employee organization shall be formally acknowledged as the Exclusively Recognized Employee Organization for the designated appropriate unit following an election or run-off election if it received a numerical majority of all valid votes cast in the election. In an election involving three or more choices, where none of the choices receives a majority of the valid votes cast, a run-off election shall be conducted between the two choices receiving the largest number of valid votes cast; the rules governing an initial election being applicable to a run-off election.

(b) There shall be no more than one valid election under this Chapter pursuant to any petition in a twelve (12) month period affecting the same unit.

(c) In the event that the parties are unable to agree on a third party to conduct an election, the election shall be conducted by the California State Mediation and Conciliation Service.

(d) Costs of conducting elections shall be borne in equal shares by the District and by each employee organization appearing on the ballot.

Section 430.9 based on Res. 7525 - August 14, 1973. Section 430.9 repealed and Section 6108 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (c) amended by M.I. 38304 - June 12, 1990; paragraph (c)(2) amended and paragraph (c)(5) added by M. I. 45943 - October 12, 2004. Section 6108 Title and paragraphs (a)-(c) amended and paragraph (d) added by M.I. 48418 - September 14, 2010.

§ 6109. Procedure for Decertification of Exclusively Recognized Employee Organization.

(a) A Decertification Petition alleging that the incumbent Exclusively Recognized Employee Organization no longer represents a majority of the employees in an established appropriate unit may be filed with the Employee Relations Officer. A Decertification Petition may be filed by two or more employees or their representative, or an employee organization, and shall contain the following information and documentation declared by the duly authorized signatory under penalty of perjury to be true, correct and complete:

(1) The name, address and telephone number of the petitioner and a designated representative authorized to receive notices or requests for further information.

(2) The name of the established appropriate unit and of the incumbent Exclusively Recognized Employee Organization sought to be decertified as a representative of that unit

(3) An allegation that the incumbent Exclusively Recognized Employee Organization no longer represents a majority of the employees in the appropriate unit, and any other relevant and material facts relating thereto.

(4) Proof of Employee Support that at least thirty (30) percent of the employees in the established appropriate unit no longer desire to be represented by the incumbent Exclusively Recognized Employee Organization. Such proof shall be submitted for confirmation to the Employee Relations Officer or to a mutually agreed upon disinterested third party within the time limits specified in the first paragraph of this Section.

(b) An employee organization may, in satisfaction of the Decertification Petition requirements hereunder, file a petition under this Section in the form of a Recognition Petition that evidences Proof of Employee Support of at least thirty (30) percent, that includes the allegation and information required under paragraph (a) of this Section, and otherwise conforms to the requirements of Section 6105 of this Article.

(c) The Employee Relations Officer shall initially determine whether the Petition has been filed in compliance with the applicable provisions of this Article 2. If his/her determination is in the negative, he/she shall offer to consult thereon with the representative(s) of such petitioning employees or employee organization and, if such determination thereafter remains unchanged, shall return such petition to the employees or employee organization with a statement of the reasons therefore in writing. The petitioning employees or employee organization may appeal such determination in accordance with Section 6113 of this Article 2. If the determination of the Employee Relations Officer is in the affirmative, or his/her negative determination is reversed on appeal, he/she shall give written notice of such Decertification or Recognition Petition to the incumbent Exclusively Recognized Employee Organization and to unit employees.

(d) The Employee Relations Officer shall thereupon arrange for a secret ballot election to be held on or about twenty (20) days after such notice to determine the wishes of unit employees as to the question of decertification and, if a Recognition Petition was duly filed hereunder, the question of representation. Such election shall be conducted in conformance with Section 6108 of this Article 2.

(e) If, pursuant to this Section, a different employee organization is formally acknowledged as the Exclusively Recognized Employee Organization, such organization shall be bound by all the terms and conditions of any Memorandum of Understanding then in effect for its remaining term.

Section 430.10 based on Res. 7525 - August 14, 1973. Section 430.10 repealed and Section 6109 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987. Section 6109 Title, paragraphs (a), (a)(1)-(a)(2) amended; paragraphs (a)(3)-(a)(4) added; paragraph (b) amended; paragraphs (c)-(e) added by M.I. 48418 - September 14, 2010.

§ 6110. Policy and Standards for Determination of Appropriate Units.

(a) The policy objectives in determining the appropriateness of units shall be the effect of a proposed unit on (1) the efficient operations of the District and its compatibility with the primary responsibility of the District and its employees to effectively and economically serve the public, and (2) providing employees with effective representation based on recognized community of interest considerations. These policy objectives require that the appropriate unit shall be the broadest feasible grouping of positions that share an identifiable community of interest. Factors to be considered shall be:

(1) Similarity of the general kinds of work performed, types of qualifications required, and the general working conditions.

(2) History of representation in the District and similar employment; except however, that no unit shall be deemed to be an appropriate unit solely on the basis of the extent to which employees in the proposed unit have organized.

(3) Consistency with the organizational patterns of the District.

(4) Effect of differing legally mandated impasse resolution procedures.

(5) Number of employees and classifications, and the effect on the administration of employer-employee relations created by the fragmentation of classifications and proliferation of units.

(6) Effect on the classification structure and impact on the stability of the employer-employee relationship of dividing a single or related classifications among two or more units.

(b) Notwithstanding the foregoing provisions of this Section, managerial, supervisory and confidential responsibilities, as defined in Section 6101 of this Chapter, are determining factors in establishing appropriate units hereunder, and therefore managerial, supervisory and confidential employees may only be included in a unit consisting solely of managerial, supervisory and confidential employees respectively. Managerial, supervisory and confidential employees may not represent any employee organization which represents other employees.

Section 430.11 based on Res. 7525 - August 14, 1973. Section 430.11 repealed and Section 6110 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987. Section 6110 Title and paragraph (a) amended; paragraphs (a)(1)-(a)(6) added; paragraph (b) amended; paragraphs (b)(1)-(b)(4) deleted; paragraph (c)-(f) deleted; section includes provisions in former Section 6106 by M.I. 48418 - September 14, 2010.

§ 6111. Procedures for Modification of Established Appropriate Units.

(a) Requests by employee organizations for modifications of established appropriate units may be considered by the Employee Relations Officer only during the period specified in Section 6109 of this Article 2. Such requests shall be submitted in the form of a Recognition Petition and, in addition to the requirements set forth in Section 6105 of this Article, shall contain a complete statement of all relevant facts and citations in support of the proposed modified unit in terms of the policies and standards set forth in Section 6110 hereof. The Employee Relations Officer shall process such petitions as other Recognition Petitions under this Article 2.

(b) The Employee Relations Officer may by his own motion propose that an established unit be modified. The Employee Relations Officer shall give written notice of the proposed modification(s) to any affected employee organization and shall hold a meeting concerning the proposed modification(s), at which time all affected employee organizations shall be heard. Thereafter the Employee Relations Officer shall determine the composition of the appropriate unit or units in accordance with Section 6110 of this Article 2, and shall give written notice of such determination to the affected employee organizations. The Employee Relations Officer's determination may be appealed as provided in Section 6113 of this Article. If a unit is modified pursuant to the motion of the Employee Relations Officer hereunder, employee organizations may thereafter file Recognition Petitions seeking to become the Exclusively Recognized Employee Organization for such new appropriate unit or units pursuant to Section 6105 hereof.

Section 430.12 based on Res. 7525 - August 14, 1973; paragraph (c)(1) [formerly Section 430.12.3.1] amended by M.I. 32690 - April 10, 1979. Section 430.12 repealed and Section 6111 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraphs (a), (b)(2), (c)(1), and (c)(2) amended by M.I. 44582 - August 20, 2001 paragraphs (b)(2), (c)(1) and (2) amended by M. I. 46064 - January 11, 2005; paragraphs (b)(2), (c)(1)(2) amended by M.I. 46983 - February 13, 2007; paragraph (b)(2) amended, paragraph (c)(1) and (2) amended by M.I. 48081 - November 10, 2009. Section 6111 Title, paragraphs (a)-(b) amended; paragraphs (b)(1)-(b)(2) deleted; paragraph (c) deleted in entirety; section's existing provisions moved to Sections 6117, 6118 and 6119 by M.I. 48418 - September 14, 2010.

§ 6112. Procedure for Processing Severance Requests.

An employee organization may file a request to become the recognized employee organization of a unit alleged to be appropriate that consists of a group of employees who are already a part of a larger established unit represented by another recognized employee organization. The timing, form and processing of such request shall be as specified in Section 6111 for modification requests.

Section 430.13 based on Res. 7525 - August 14, 1973; paragraph (e) [formerly Section 430.13.5.1] renumbered and amended and paragraph (f) [formerly Section 430.13.5.2] added by M.I. 35166 - June 12, 1984. Section 430.13 repealed and Section 6112 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (d) amended by M. I. 45943 - October 12, 2004. Section 6112 Title amended, paragraphs (a)-(f) deleted in entirety; new paragraph added by M.I. 48418 - September 14, 2010.

§ 6113. Appeals.

(a) An employee organization aggrieved by an appropriate unit determination of the Employee Relations Officer; or an employee organization aggrieved by a determination of the Employee Relations Officer that a Recognition Petition (Section 6105), Challenging Petition (Section 6107), Decertification Petition (Section 6109), Unit Modification Petition (Section 6111) --- or employees aggrieved by a determination of the Employee Relations Officer that a Decertification Petition (Section 6109) --- has not been filed in compliance with the applicable provisions of this Article, may, within twenty (20) days of notice of the Employee Relations Officer's final decision request to submit the matter to mediation by the State Mediation and Conciliation Service, or may, in lieu thereof or thereafter, appeal such determination to the Organization, Personnel and Technology Committee for final decision within fifteen (15) days of notice of the Employee Relations Officer's determination or the termination of mediation proceedings, whichever is later.

(b) Appeals to the Organization, Personnel and Technology Committee shall be filed in writing with the Board's Executive Secretary, and a copy thereof served on the Employee Relations Officer. The Organization, Personnel and Technology Committee shall commence to consider the matter within thirty (30) days of the filing of the appeal. The Organization, Personnel and Technology Committee may, in its discretion, refer the dispute to a third party hearing process. Any decision of the Organization, Personnel and Technology Committee on the use of such procedures, and/or any decision of the Organization, Personnel and Technology Committee determining the substance of the dispute shall be final and binding.

Section 430.14 based on Res. 7525 - August 14, 1973. Section 430.14 repealed and Section 6113 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (b) amended by M.I. 44582 - August 2001; paragraph (b) amended by M.I. 46064 - January 11, 2005; amended by M.I. 46983 - February 13, 2007; paragraph (b) amended by M.I. 48081 - November 10, 2009. Existing Section 6113 repealed and new provisions added; Section 6113 Title, paragraph (a) amended; paragraphs (a)(1)-(a)(5) deleted; paragraph (b) amended by M.I. 48418 - September 14, 2010; paragraphs (a)-(b) amended by M.I. 48800 - September 13, 2011.

Article 3

ADMINISTRATION

Sec.

- 6114. Submission of Current Information by Recognized Employee Organization
- 6115. Employee Organization Activities – Use of District Resources
- 6116. Administrative Rules and Procedures

§ 6114. Submission of Current Information by Recognized Employee Organization.

All changes in the information filed with the District by an Exclusively Recognized Employee Organization under items (1) through (8) of its Recognized Petition under Section 6105 of this Chapter shall be submitted in writing to the Employee Relations Officer within fourteen (14) days of such change.

Section 430.15 based on Res. 7525 - August 14, 1973. Section 430.15 repealed and Section 6114 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (b) amended by M. I. 44582 – August 20, 2001; paragraph (b) amended by M. I. 46064 – January 11, 2005; paragraph (b) amended by M.I. 46983 - February 13, 2007; paragraph (b) amended by M.I. 48081 – November 10, 2009. Existing Section 6114 repealed and new provision added by M.I. 48418 - September 14, 2010.

§ 6115. Employee Organization Activities – Use of District Resources.

Access to District work locations and use of District paid time, facilities, equipment and other resources by employee organizations and those representing them shall be authorized only to the extent provided for in Memorandum of Understanding and/or administrative procedures, shall be limited to lawful activities consistent with the provisions of this Chapter that pertain directly to the employer-employee relationship and not such internal employee organization business such as soliciting membership and campaigning for office, and shall not interfere with the efficiency, safety and security of District operations.

Section 430.16 based on Res. 7525 - August 14, 1973; paragraph (c) [formerly Section 430.16.3] amended by M.I. 34309 - July 13, 1982. Section 430.16 repealed and Section 6115 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987. Existing Section 6115 repealed and new provision added by M.I. 48418 - September 14, 2010.

§ 6116. Administrative Rules and Procedures.

The General Manager is hereby authorized to establish such rules and procedures as appropriate to implement and administer the provisions of this Chapter after consultation with affected employee organizations.

Section 430.17 based on Res. 7525 - August 14, 1973; paragraph (b) [formerly Section 430.17.2] amended by M.I. 35166 - June 12, 1984. Section 430.17 repealed and Section 6116 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (a) amended by M. I. 44582 – August 20, 2001; paragraph (a) amended by M. I. 46064 – January 11, 2005; paragraph (a) amended by M.I. 46983 - February 13, 2007; paragraph (a) amended by M.I. 48081 – November 10, 2009. Existing Section 6116 is repealed and new provision added by M.I. 48418 - September 14, 2010.

Article 4

IMPASSE PROCEDURES

Sec.

6117. Initiation of Impasse Procedures

6118. Impasse Procedures

6119. Cost of Impasse Procedures

§ 6117. Initiation of Impasse Procedures.

If the meet and confer process has reached impasse as defined in Section 6101 of this Chapter, either party may initiate the impasse procedures by filing with the other party a written request for an impasse meeting, together with a statement of its position on all issues. An impasse meeting with the General Manager shall then be scheduled promptly by the Employee Relations Officer. The purpose of such meeting shall be:

(a) To review the position of the parties in a final effort to reach agreement on a Memorandum of Understanding; and

(b) If the impasse is not resolved, to discuss arrangements for the utilization of the impasse procedures provided herein.

Existing provisions of Section 6117 amended and moved to Section 6120 and new provisions added to Section 6117 by M.I. 48418 - September 14, 2010.

§ 6118. Impasse Procedures.

Impasse procedures are as follows:

(a) If the parties agree to submit the dispute to mediation, and agree on the selection of a mediator, the dispute shall be submitted to mediation. All mediation proceedings shall be private. The parties shall mutually select one mediator. In the event the parties are unable to agree on a mediator, the mediator shall be selected and furnished by the California State Mediation and Conciliation Service. The mediator shall make no public recommendations, nor take any public position at any time concerning the issues. Mediation may be considered to have failed by any party only after that party has given reasonable time and effort to the mediation proceeding.

(b) If the mediator is unable to effect settlement of the controversy within 30 days after his or her appointment, the Exclusively Recognized Employee Organization may request that the parties' differences be submitted to a fact-finding panel for written findings of fact and recommended terms of settlement pursuant to Government Code sections 3505.4 and 3505.5.

(c) If there is no settlement of the controversy after the mediation and fact-finding procedures have been exhausted, but no earlier than 10 days after the fact-finders' written findings of fact and recommended terms of settlement have been submitted to the parties

pursuant to Government Code Section 3505.5, the Board may, after holding a public hearing regarding the impasse, implement its last, best, and final offer.

(d) If the parties did not agree on mediation, or having so agreed, the impasse has not been resolved, and if the employee organization does not request fact finding, the Board may take such action regarding the impasse as it in its discretion deems appropriate as in the public interest. Any legislative action by the Board on the impasse shall be final and binding.

(e) Any legislative action by the Board on the impasse shall be final and binding.

Existing provisions of Section 6118 moved to Section 6121 and new provisions added to Section 6118 by M.I. 48418 - September 14, 2010; amended paragraph (a), amended and renumbered former paragraph (b) to paragraph (d), added paragraphs (b), (c), and (e) by M.I. 49187 - September 11, 2012.

§ 6119. Costs of Impasse Procedures.

The cost for the services of a mediator, and other mutually incurred costs of mediation, shall be borne equally by the District and the Exclusively Recognized Employee Organization. The costs for the services of the fact-finding panel chairperson and any other mutually incurred costs of fact finding, shall be borne equally by the District and the Exclusively Recognized Employee Organization.

Existing provisions of Section 6119 amended and moved to Section 6122 and new provisions to Section 6119 added by M.I. 48418 - September 14, 2010; amended by M.I. 49187 - September 11, 2012.

Article 5

MISCELLANEOUS PROVISIONS

Sec.

6120. Construction

6121. Interpretation and Administration

6122. Severability

§ 6120. Construction.

(a) Nothing in this Chapter shall be construed to deny any person, employee, organization, the District, or any authorized officer, body or other representative of the District, the rights, powers and authority granted by Federal and State laws and by this Administrative Code.

(b) The rights, powers and authority of the Board of Directors in all matters, including the right to maintain any legal action, shall not be modified or restricted by this Chapter.

(c) The provisions of this Chapter shall be construed in accordance with the provisions of Chapter 10, Division 4, Title 1 of the Government Code of the State of California (Section 3500 et seq.). A complaint alleging any violation of Chapter 10, Division 4, Title 1 of the Government Code of the State of California (Section 3500 et seq.) or any section of this Chapter shall be processed as mandated by state law.

Section 430.18 based on Res. 7525 - August 14, 1973; paragraph (a) [formerly Section 430.18.1] amended by M.I. 32690 - April 10, 1979. Section 430.18 repealed and Section 6117 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M. I. 46838 - October 10, 2006. Old Section 6117 is moved and amended to new Section 6120 by M.I. 48418 - September 14, 2010.

§ 6121. Interpretation and Administration.

The General Manager shall have authority to interpret and administer provisions of this Chapter, subject to appeal to the Organization, Personnel and Technology Committee.

Section 430.19 based on Res. 7525 - August 14, 1973. Section 430.19 repealed and Section 6118 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M. I. 44582 - August 20, 2001; amended by M. I. 46064 - January 11, 2005; amended by M.I. 46983 - February 13, 2007; amended by M.I. 48081 - November 10, 2009. Old Section 6118 is moved to new Section 6121 by M.I. 48418 - September 14, 2010; paragraph amended by M.I. 48800 - September 13, 2011.

§ 6122. Severability.

If any provision of this Chapter, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this Chapter, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

Section 430.20 based on Res. 7525 - August 14, 1973. Section 430.20 repealed and Section 6119 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987. Old Section 6119 is amended and moved to new Section 6122 by M.I. 48418 - September 14, 2010.

Chapter 2

PERSONNEL REGULATIONS

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6266. Insurance Pertaining to Employees

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§ 6200. Definitions.

(a) "Employee" shall, except as otherwise provided, mean and include all officers and employees of the District.

(b) "Unclassified service" shall mean and include all unrepresented employees, including the officers and positions as listed in Section 6500 of this Code.

Unclassified employees shall mean officers and employees in the unclassified service.

(c) "Classified service" shall mean and include all positions not specifically designated as being in the unclassified service. "Classified employees" shall mean employees in the classified service.

(d) "Exempt employees" shall mean and include all employees holding positions not subject to overtime pay as indicated on the current pay rate schedule approved by the Board or in this Code.

(e) "Hours" shall mean working hours. Unless otherwise specified, the term "hours" shall be construed to include hours of paid leave and exclude hours paid at an overtime pay rate, compensatory time earned, and no pay hours.

(f) Biweekly period of service means any fourteen-day pay period commencing on 12:01 a.m., of alternate Sundays during which an employee works a majority of the scheduled working hours in such period; provided that for the purposes of this section hours of leave with pay shall be considered working hours and scheduled working hours shall mean hours scheduled for the position held by the employee.

(g) "Annual payroll cycle" means 26 biweekly pay periods. The first pay period shall be assumed to have commenced as of January 1, 1984.

(h) The "hourly pay rate" or "hourly rate" as used in this Code with reference to an employee exempt from overtime is the hourly equivalent of an employee's salary, exclusive of any special or premium pay, whether the employee is compensated on an hourly, weekly, monthly or any other basis and is established for the purpose of all salary and benefit computations.

(i) "Workweek" shall mean a fixed and regularly recurring period of 168 hours (seven consecutive 24-hour periods), commencing for each employee or group of employees at a time and on a day designated by the General Manager.

(j) "Regular full-time employees" shall mean employees who are employed to work an average of 40 hours per week for an indefinite period of time.

(k) "Regular part-time employees" shall mean employees who are employed to work a regular schedule of at least 20 hours per week but less than 40 hours per week for an indefinite period of time.

(l) "Temporary full-time employees" shall mean employees whose employment carries a time limitation and who are employed to work an average of 40 hours per week.

(m) "Temporary part-time employees" shall mean employees whose employment carries a time limitation and who are employed to work less than 40 hours per week.

(n) "Recurrent employees" shall mean employees hired for an indefinite period of time on an irregular basis, such as intermittent, emergency, or on-call.

(o) "Promotion" shall mean the movement of an employee to a position in a higher salary grade.

(p) "Demotion" shall mean the movement of an employee to a position in a lower salary grade.

Ords. 113, 114, 120 and 127; repealed by Ord. 145; Section 433.1.1 added, as amended by M.I. 32297 - June 13, 1978; amended by M.I. 32690 - April 10, 1979; M.I. 32869 - August 17, 1979; amended and paragraphs (c) and (h) [formerly Sections 433.1.1.3 and 433.1.1.8] added by M.I. 35166 - June 12, 1984; paragraphs (a) and (b) [formerly Sections 433.1.1.1 and 433.1.1.2] amended by M.I. 35347 - October 9, 1984; paragraph (i) [formerly Section 433.1.1.9] added by M.I. 35726 - July 9, 1985; paragraphs (a) and (b) amended by M.I. 35765 - August 20, 1985, paragraph (b) amended by M.I. 36221 - August 19, 1986. Section 433.1.1 repealed and Section 6200 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (b) amended by M.I. 38750 - February 12, 1991; paragraph (j) added by M.I. 39176 - August 20, 1991; paragraph (b) amended by M.I. 39314 - November 19, 1991; paragraph (b) amended by M.I. 40872 - June 14, 1994; paragraph (b) amended by M.I. 41652 - November 14, 1995; paragraph (b) amended by M.I. 41845 - April 9, 1996; paragraph (a) amended, paragraphs (b)-(i) renumbered and paragraphs (j)-(p) added by M.I. 42500 - July 8, 1997; paragraph (b) amended by M. I. 45943 - October 12, 2004.

§ 6201. Benefits Paid Temporary Employees.

(a) Temporary employees shall be entitled only to be paid an hourly rate determined in accordance with this Code.

(b) An eligible temporary employee shall be entitled to personal leave. A temporary full-time employee employed by the District for more than 1,044 hours of current full-time service is eligible for forty-eight (48) hours of personal leave per calendar year. A temporary part-time employee employed by the District for more than 1,044 hours of current service is eligible for twenty-four (24) hours of personal leave per calendar year. Personal leave must be used in the calendar year in which it is received. Personal leave shall not be carried over into the year following year in which it is received nor will it be paid upon separation from District employment. The District shall be responsible for scheduling personal leave periods of temporary employees in such a manner as to achieve the most efficient functioning of the

District. The District shall determine whether or not a request for personal leave will be granted; however, an employee's timely request for personal leave shall only be denied for good and sufficient business reasons.

(c) Temporary employees shall not be entitled to any benefits or rights of any nature whatsoever provided for under this Code, except as provided by subsections (a) and (b) above and as specifically required by applicable law.

Section 433.1.2.1 - M.I. 35166 - June 12, 1984. Section 433.1.2.1 repealed and Section 6201 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 42455 - June 10, 1997, effective January 1, 1998; paragraph (b) amended by M.I. 43275 - November 10, 1998.

§ 6202. Hourly Pay Rate Calculations.

The hourly pay rate at which an employee is paid shall be used for purposes of all pay rate calculations, including but not limited to calculations of pay and leave.

Section 433.1.2.2 - M.I. 35166 - June 12, 1984. Section 433.1.2.2 repealed and Section 6202 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 6203. Leave Accrual and Usage.

Hours of service shall be recorded to the nearest half hour. Leave shall not be used before it is earned.

Section 433.1.2.3 - M.I. 35166 - June 12, 1984. Section 433.1.2.3 repealed and Section 6203 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 6204. Merit System.

All employees in the classified service shall be selected from the available applicants by means of a merit system promulgated by the General Manager, the purpose of which shall be to determine the fitness of each applicant for the work to be performed. Employees shall be considered probationary until completion of 1,044 hours current service. If a probationary employee uses leave during the period of probation, the probationary period shall be extended by an amount of time equal to the leave used. If a probationary employee is promoted or transferred during the period of probation as a result of competitive job bidding procedures adopted by the General Manager, the probationary period shall recommence. Probationary employees shall serve at the pleasure of the Department Head.

Ords. 113, 114 and 120; repealed by Ord. 145; Section 433.2 added by M.I. 32297 - June 13, 1978; amended by M.I. 33384 - August 19, 1980; amended by M.I. 34309 - July 13, 1982; amended by M.I. 35166 - June 12, 1984. Section 433.2 repealed and Section 6204 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 6205. Eligibility and Qualifications for Employment.

Eligibility for employment shall be limited as follows:

(a) All classified employees shall be selected from available applicants under the merit system outlined below, the purpose of which is to determine the fitness of the applicant to do the work and to comply with Sections 6300 through 6305 of this Code.

(b) An applicant to be given favorable consideration shall be of good habits and, to the extent consistent with Sections 6300 through 6305, of sound health. Preference may be given to ex-service persons. No employee shall serve under the supervision of a relative.

(c) After completing the District's "Application for Employment," with the exception of applicants filling nonsupervisory positions at remote field locations, each applicant shall be interviewed initially in the Human Resources Group unless otherwise specified by the Department Head. The Human Resources Group will make a preliminary evaluation of education and professional qualifications, experience, character, and personality. Applicants selected by the Human Resources Group shall then be interviewed by the supervisor initiating the personnel requisition. In remote locations, the preliminary interviews may be conducted by supervisory personnel.

(d) Prior to accepting any applicant for employment, the Human Resources Group shall:

(1) If applicable, determine the applicant's aptitude to perform the duties of the position, arrange for oral, written or manual examination, including machine or equipment operation, as appropriate.

(2) Perform a reference check with at least two previous employers if applicable, or obtain a military service record for recently separated servicemen.

(3) Obtain a motor vehicle driving record from the State Department of Motor Vehicles if the position involves or could involve the use of a District vehicle.

(4) Arrange for preemployment physical examination to determine physical fitness to perform the duties required. Temporary personnel need not be physically examined.

(e) Upon completion of the processing described in Sections 6205(c) and 6205(d) and approval by the supervisor, the Human Resources Group shall forward the application and all pertinent documents to the Department Head for approval of employment.

(f) Upon authorization by the Department Head, the Human Resources Group will complete processing of the applicant for employment.

Ords. 113, 116, and 130; repealed by Ord. 145; Section 433.3 based on Res. 7246 - February 10, 1970, added, as amended, by M.I. 32297 - June 13, 1978; amended by M.I. 34309 - July 13, 1982; amended by M.I. 35166 - June 12, 1984. Section 433.3 repealed and Section 6205 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraphs (c)-(f) amended by M.I. 41652 - November 14, 1995; paragraphs (c)-(f) amended by M. I. 45943 - October 12, 2004.

§ 6206. Appointments and Removals.

(a) Manner of Maintenance of Records. - All appointments and removals shall be in writing. With respect to Department Heads, the original shall be delivered to the executive officer appointed or removed and a signed copy shall be filed in the office of the Board Executive Secretary. With respect to other employees, the records of appointments and removals shall be maintained by the Director of Human Resources.

(b) Oath or Affirmation. - Before entering upon the duties of the respective office or position, each person appointed to an office or position shall take and subscribe an oath or

affirmation conforming to that prescribed by Section 3 of Article XX of the Constitution of California. Each said oath of the Board Executive Secretary, and any other employee's oath or affirmation shall be filed as directed by the General Manager.

(c) Fingerprinting of Employees. - All employees of the District shall be fingerprinted.

Ords. 113, 114 and 120; repealed by Ord. 145; paragraph (c) [formerly 439.1] added by M.I. 13036 - August 25, 1950; paragraphs (a) and (b) [formerly Sections 433.3.7.1 and 433.3.7.2] added, as amended, by M.I. 32690 - April 10, 1979. Sections 439.1 and 433.3.7 repealed and Section 6206 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (a) amended by M. I. 45943 - October 12, 2004.

§ 6207. Positions Authorized.

Positions in the District service are authorized as follows:

(a) Positions in the classified and unclassified service shall be as set forth in pay rate schedules adopted by the Board showing the salary grade, salary range and title. The number of employees in any position may exceed the number authorized for that position provided the total number of employees authorized in the departmental payroll budget is not exceeded.

Department Heads are authorized to move a title to a different salary grade in accordance with practices, policies and procedures promulgated by the General Manager.

(b) The General Manager is authorized to employ, for work related to construction, such additional temporary employees as the General Manager deems necessary in positions set forth in the schedules adopted.

(c) For construction work authorized by the Board and performed by District forces, the General Manager is authorized to employ temporary employees in any of the job classifications named in resolutions adopted from time to time by the Board to ascertain and determine the general prevailing rate of wages under contracts awarded by the Board.

(d) Department Heads are authorized to hire such additional temporary employees as may be necessary to (1) provide substitutes for employees on leave; and (2) perform part-time, periodic or emergency work.

(e) Department Heads are authorized to employ such additional employees, consistent with applicable procedures, as may be necessary to fill positions in advance of termination of the incumbents.

(f) The Department Heads are authorized to employ temporary employees provided the total number of employees authorized in the pay rate schedules is not exceeded and may employ for part-time or short periods persons with special qualifications who cannot be classified under the approved job descriptions.

Ords. 113, 114, 117, 130 and 138; repealed by Ord. 145; Section 433.4 added by M.I. 32297 - June 13, 1978; paragraph (d) [formerly Section 433.4.4] amended and renumbered 433.4.4.1 by M.I. 35166 - June 12, 1984; paragraph (e) [formerly Section 433.4.4.2] added by M.I. 35166 - June 12, 1984; paragraph (f) [formerly Section 433.4.5] amended by M.I. 35166 - June 12, 1984. Section 433.4 repealed and Section 6207 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (a) amended by M. I. 47636 - September 9, 2008.

§ 6208. Pay Rate Administration.

(a) Pay rate schedules, as approved by the Board, shall include pay rate grades and pay rate ranges consisting of minimum and maximum rates of pay for each position. Except by action of the Board, or as provided in Section 6208(d), the hourly pay rate paid each employee shall be at least the minimum but not in excess of the maximum hourly pay rate prescribed for the applicable position. Notwithstanding any other provision of this section, the salaries of the department heads shall be fixed as a flat rate.

(b) Pay rates for Department Heads shall be individually fixed by the Board. Pay rates for all employees shall be fixed by their respective Department Heads within the ranges fixed by the Board for such positions in accordance with practices, policies and procedures promulgated by the General Manager. The Board at its August meeting will review each Department Head's salary and compensation after determining an overall performance rating for each Department Head, and make adjustments as appropriate, if any, based on salary comparisons, pay rate survey and/or performance, with any change to be effective at the beginning of the pay period that includes the prior July 1.

(c) Job descriptions in terms of duties and responsibilities shall be prepared by the Director of Human Resources for each position. Job descriptions for positions requiring appointment or approval of appointment by the Board shall be submitted to the Board for approval. Job descriptions for positions peculiar to the Legal or Audit Departments or Ethics Office shall be subject to approval of the General Counsel, General Auditor, or Ethics Officer as appropriate. It shall be the duty of Human Resources to insure that all employees are properly classified.

(d) The General Manager is authorized to provide for payment at a "Y" rate to any employee whose position is reclassified to a position in a lower pay rate or the pay rate of whose position is reduced and the General Manager may maintain the employee at a "Y" rate until such time as the General Manager deems the "Y" rate to be no longer justified. As used herein, "Y" rate means a pay rate higher than the highest rate applicable to the employee's position.

(e) New employees, upon entering District service, will be placed by the Director of Human Resources at a salary grade and step within the salary range appropriate for the position available and the applicant's qualifications. Employees who are promoted to a position in a higher range shall be paid at least the minimum of such range but not more than four steps over their prior rate or the fifth step of the higher pay rate range, whichever is higher, but not in excess of the maximum rate specified for the position to which promoted. New employees are eligible for a merit increase after completion of a six-month probationary period. The eligibility date for subsequent merit reviews shall be 12 months from the most recent merit increase, promotion or demotion, whichever is later. Employees at the top step of the pay range will not be eligible for any merit increase. Merit increases will be awarded as provided for by Section 6211.

(f) Pay rates for temporary employees in District service are the rates paid to regular employees in the same classifications.

(g) Subject to Section 6211, the performance of regular employees other than Department Heads, will be annually reviewed by their Department Heads to determine eligibility for merit increases under evaluation procedures, guidelines and rules developed by the General Manager. Changes in pay rate ranges approved by the Board have no effect upon these limitations.

(h) Pay Rate Survey.

(1) As needed, the General Manager has the authority to cause a survey to be made of rates of pay and benefits of employees of other organizations specified by the Board, and may thereafter recommend to the Board revisions in the pay rate structure and benefits for employees. The survey need not include positions for which pay rates are established pursuant to a memorandum of understanding approved by the Board which is in effect for the entire calendar year. Action, if any, on the pay rate survey may be taken at the same meeting the survey information is presented or at a subsequent meeting. The General Counsel, General Auditor and Ethics Officer may also recommend to the Organization, Personnel and Technology Committee revisions regarding positions peculiar to their own departments.

(2) The list of agencies to be used in the District's pay rate survey may include the following:

County of Los Angeles
East Bay Municipal Utility District
Los Angeles Metropolitan Transportation Authority
Los Angeles County Sanitation District
Los Angeles Department of Water & Power
Orange County Water District
San Diego County Water Authority
San Francisco Public Utilities Commission
State Department of Water Resources

The nine comparator agencies were selected by comparing the following factors: Industry (type of utility), total number of units managed, population served, total number of employees, total assets, net operating income, gross revenue, and total service area (square miles).

(i) For temporary construction personnel employed under authority of Section 6207(c), the General Manager is authorized to fix the hourly rates of pay at least equal to, but not more than 20 percent higher than, those so determined by the Board to be prevailing in the county in which such personnel primarily will be engaged.

Ords. 113, 114, 117, 127 and 138; repealed by Ord. 145; Section 433.5 added, as amended, by M.I. 32297 - June 13, 1978; paragraphs (a) through (h)(1) [formerly Sections 433.5.1 through 433.5.8.1] amended and paragraph (h)(2) [formerly 433.5.8.3] added by M.I. 35166 - June 12, 1984; paragraph (h)(2) renumbered 433.5.8.2 - January 8, 1985; paragraph (b) [formerly Section 433.5.2.1] amended by M.I. 36132 - June 10, 1986. Section 433.5 repealed and Section 6208 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 37492 - January 10, 1989; paragraphs (c), (e)-(h) amended by M.I. 42500 - July 8, 1997; paragraphs (b) and (h) (1) amended by M.I. 43968 - April 11, 2000; paragraphs (b) - (e), (g), (h)(1), and (i) amended by M. I. 44582 - August 20, 2001; paragraphs (b), (c), (e) and (h) amended by M. I. 45943 - October 12, 2004; paragraph (h) (1) amended by M. I. 46064 - January 11, 2005; paragraph (h)(1) amended by M.I. 46983 - February 13, 2007; paragraph (c), (e), (h)(1)(2) amended by M.I. 47636 - September 9, 2008; paragraph (1) amended by M.I. 48081 - November 10, 2009; paragraph (h) amended by M.I. 48800 - September 13, 2011; paragraph (b) amended by M.I. 50156 - June 9, 2015.

§ 6209. Discharge.

(a) Unclassified employees, other than executive officers and their principal assistants, may be removed by their respective Department Heads, but may appeal such removal to the Organization, Personnel and Technology Committee. The decision of the Committee will be final unless the Committee chooses to refer the appeal to the Board.

(b) Probationary employees serve at the pleasure of their respective Department Heads. Classified employees may be discharged, for cause, immediately by their respective Department Heads. When immediate discharge is not deemed appropriate, written notice shall be given at least 14 calendar days in advance of discharge for probationary employees and at least 30 calendar days in advance of discharge for other classified employees.

(c) Regular non-probationary classified employees who are discharged are afforded the due process rights provided under Section 6218 of this Code or as provided in the applicable memorandum of understanding.

Ords. 113, 114 and 120; repealed by Ord. 145; Section 433.6 added, as amended, by M.I. 32297 - June 13, 1978; paragraphs (b) and (c) [formerly Sections 433.6.2 and 433.6.3] amended by M.I. 33384 - August 19, 1980; paragraph (c) amended by M.I. 33451 - October 14, 1980. Section 433.6 repealed and Section 6209 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (c) amended by M.I. 42500 - July 8, 1997; paragraph (a) amended by M. I. 44582 - August 20, 2001; paragraph (b) amended by M. I. 45943 - October 12, 2004; paragraph (a) amended by M. I. 46064 - January 11, 2005; paragraph (a) amended by M.I. 46983 - February 13, 2007; paragraph (a) amended M.I., 48081 - November 10, 2009; paragraph (a) amended by M.I. 48800 - September 13, 2011.

§ 6210. Employee Evaluation.

(a) Employee evaluation is a continuous process of rating an employee's work performance, based on a supervisor's appraisal of the employee's job performance, including but not limited to the employee's productivity, quality of work product, values, knowledge, skills, initiative, work habits, adaptability, human relations and communications skills. The employee evaluation form is a permanent record of trends in employee behavior, during a designated period.

(b) District requirements:

(1) Probationary employees. The evaluation process should be completed at least 30 days prior to the end of the employee's six-month probationary period.

(2) Regular employees. The evaluation process should be completed on an annual basis, even if the employee is at the top step of his or her classification and therefore is ineligible for a merit increase.

(3) Temporary employees. An evaluation should be submitted to the Human Resources Group at the end of the employee's service, if that service is for a period of one month or more.

(4) Department Heads (General Manager, General Counsel, Auditor and Ethics Officer). Each Department Head shall provide a narrative summary and presentation to the Board at its July meeting concerning accomplishments in performance areas deemed relevant by the Board, including but not limited to strategic leadership, operational leadership, Board relationships and results. In July, each member of the Board shall submit an evaluation form for each Department Head. At its August meeting, the Board shall discuss the evaluation results and determine an overall performance rating for each Department Head. Each member of the Board shall properly execute his or her right and duty to actively participate in the annual evaluation of each Department Head.

(c) An employee must sign the evaluation and note the date received. The signature indicates only that the evaluation form and any accompanying documents were received; it is not a statement that the employee agrees with the ratings. The employee may attach a rebuttal to the evaluation.

M.I. 42500 - July 8, 1997; paragraph (b)(3) and paragraph (c) amended by M. I. 45943 – October 12, 2004; paragraph (b)(4) added by M.I. 50156 - June 9, 2015.

§ 6211. Merit Increases.

(a) A merit increase is a salary increase of one or more steps within the salary range of a specified classification. This increase may be awarded to employees who have performed their job duties in an acceptable manner that, in the discretion of their supervisors, justifies such a merit increase.

(b) A regular employee's eligibility date for a merit increase is the first day of the pay period following his or her satisfactory completion of the six-month probationary period and, thereafter, one year from the date of the previous merit review, merit increase, demotion or promotion, whichever is later.

(c) Determination of Amount:

(1) If the employee receives an evaluation with an overall rating of "Outstanding," a merit increase of three or four steps may be given. A four-step increase requires the approval of the Department Head.

(2) If the employee receives an evaluation with an overall rating of "Exceeds Standards," a merit increase of two or three steps may be given.

(3) If the employee receives an evaluation with an overall rating of "Meets Standards," a merit increase of one or two steps may be given.

(4) If the employee receives an evaluation with an overall rating of "Improvement Needed," no merit increase is given.

(5) If the employee receives an evaluation with an overall rating of "Unsatisfactory," no merit increase is given.

(6) Special merit increases may be awarded for extraordinary job performance within lesser time frames with the approval of the Department Head. A special merit increase will establish a new eligibility date.

(7) A pay increase within the same salary grade may not exceed more than four steps in any six-month period nor more than eight steps in any twelve-month period. Changes in salary range rates approved by the Board have no effect upon these limitations.

M.I. 42500 - July 8, 1997.

[§ 6212 - 6216 reserved for future use]

§ 6217. Disciplinary Procedure.

If a regular employee is to be suspended for forty (40) hours or more, demoted, i.e., moved from one classification to another classification having a lower salary grade, or discharged, the employee shall:

(a) Receive written notice of the proposed action stating the date it is intended to become effective, the specific grounds and the particular facts upon which the action is based.

(b) Receive copies of any known materials, reports or other documents upon which the action is based.

(c) Be accorded the right to respond in writing within 14 days to the proposed charges; or, in the alternative, be accorded the right to meet within a reasonable period of time with the Group Manager or designee who has the authority to recommend modification or elimination of the proposed disciplinary action.

(d) Be given the results of Section 6217(c) above in writing within a reasonable period of time.

(e) Be advised of his or her appeal rights as provided in Section 6218.

(f) Be advised of the District's rules providing due process rights for non-probationary classified employees who are disciplined.

M.I. 41454 - June 13, 1995; beginning paragraph and paragraph (c) amended by M.I. 45943 – October 12, 2004.

§ 6218. Appeal Procedure.

(a) Any regular non-probationary employee who is suspended for forty (40) hours or more, demoted, i.e., moved from one classification to another classification having a lower salary grade, or discharged shall be entitled to select one of the alternatives listed in Section 6218(b):

(b) Alternatives:

(1) *Hearing* - The Department Head shall select a Hearing Officer from a list of names provided by the State Mediation Service, or from an individual from outside the District, to hear the dispute and present a recommendation to the Department Head.

(2) *Consultation* - The grievant, the grievant's representative, if any, the grievant's second level manager and a representative of the Employee Relations Team of Human Resources Group shall meet in an attempt to resolve the problem.

(3) *Mediation* - The grievant, the grievant's representative, if any, the grievant's second level manager and a representative of the Employee Relations Team Human

Resources shall meet with the assistance of a Mediator from the State Department of Industrial Relations Section in an attempt to resolve the problem.

(c) Appeal Process:

(1) A written request specifying one of the alternatives listed in Section 6218(b) must be filed by the employee with the Director of Human Resources within fifteen (15) days of the date of the notice of disciplinary action.

(2) Within ten (10) days of an employee filing a request with the Director of Human Resources, the employee shall receive written notice of the particulars concerning the alternative selected.

(3) The results of the alternative selected by the grievant shall be advisory to the Department Head.

(4) The Department Head shall either accept, reject or modify such result. The Department Head's decision shall be communicated in writing to the parties and shall be final and binding.

M.I. 41454 - June 13, 1995; paragraphs (a), (b)(1)-(b)(3), and (c)(1)-(c)(2) amended by M. I. 45943 – October 12, 2004.

§ 6219. Disciplinary Actions.

(a) Disciplinary actions should be designed to fit the problem and may include warning, demotion, suspension, reduction in pay, discharge, or other appropriate action. The particular action imposed shall depend on the severity of the misconduct and the particular factual circumstances involved.

(b) Misconduct that may result in disciplinary action, up to and including discharge includes, but is not limited to, the following examples:

A. Insubordination, including: (a) refusal to follow a work order; (b) insulting or demeaning the authority of a supervisor or manager; or, (c) foul or abusive language directed at a supervisor or manager

B. Intentional or negligent conduct that damages District property or the property of another employee, a customer, a vendor, or a visitor

Note: property includes, but is not limited to, records, supplies, materials, equipment, land or facilities

C. Intentional or negligent misuse of District property, or the property of another employee, a customer, a vendor, or a visitor

D. Removing from the premises without authorization, the property of the District, a District employee, customer, vendor, or visitor

- E. Theft
- F. Fighting or provoking a fight on District time or property
- G. Engaging in horseplay or other action that endangers District property or disrupts work
- H. Harassing, threatening, intimidating, or coercing any other employee, customer or visitor, including any violation of District Harassment Policy
- I. Violation of District's Equal Employment Opportunity Policy
- J. Failure to work cooperatively with others
- K. Bringing or possessing weapons or any other dangerous device onto District property without authorization
- L. Violation of the District's Alcohol and Controlled Substance Policy and Testing Program or the Drug Free Workplace Section in the applicable MOU
- M. Disregarding any safety, fire prevention or security rule or practice, or engaging in activity that creates a safety, fire, or security hazard
- N. Smoking in restricted areas or where "No Smoking" signs are posted or otherwise violating District's "No Smoking" Policy
- O. Sleeping during work time
- P. Failing to report a work-related accident or injury immediately
- Q. Soliciting or accepting reimbursement or gratuities for services from customers or any other person during working hours or while on District premises
- R. Unauthorized vending, solicitation or sales of goods or services from customers or any other person during working hours or while on District premises
- S. Entering an unauthorized area at any time
- T. Excessive tardiness or unscheduled absenteeism for any reason whether or not reported
- U. Failing to notify one's supervisor of absence and the reason for absence prior to the start of a shift
- V. Leaving District premises or one's assigned work area during working hours without permission

- W. Failure to abide by lunch or break periods or working unauthorized overtime
- X. Failing to meet acceptable performance standards
- Y. Recording another employee's time
- Z. Submitting an employment application containing false or misleading information
- AA. Falsifying or destroying any District records, including, but not limited to, any timekeeping records or customer records
- BB. Failure to perform assigned duties
- CC. Unauthorized dissemination of proprietary information
- DD. Unauthorized dissemination of employee records or files
- EE. Conviction of a felony or conviction of a misdemeanor involving moral turpitude which relates to the employee's ability to perform the duties of his position. For purposes of these rules, a plea of "nolo contendere" or "no contest" will constitute conviction
- FF. Refusing to take or subscribe to any oath or affirmation which is required by law in connection with employment
- GG. Failing to obtain or maintain any required license, registration, certifications, or permit
- HH. Incompetency
- II. Dishonesty
- JJ. Abuse of sick leave
- KK. Violation of properly adopted rules and regulations set forth in writing by the employee's department/group
- LL. Performance of non-District work on work time
- MM. Any other misconduct which affects the work environment or the quality customer relations or any other violation of established District policy

M.I. 42500 - July 8, 1997; paragraph KK amended by M. I. 45943 – October 12, 2004.

§ 6220. Suspension.

(a) The Department Head may temporarily suspend any employee for a maximum of 30 calendar days without pay. Suspensions of classified employees shall be for cause. Other leave with pay may not be applied to time under suspension.

(b) Regular classified employees who are suspended are afforded the due process rights provided under Section 6218 of this Code or as provided in the applicable memorandum of understanding.

Ords. 114 and 120; repealed by Ord. 145; Section 433.7 added, as amended, by M.I. 32297 - June 13, 1978; amended by M.I. 33451 - October 14, 1980; paragraph (b) [formerly Section 433.7.2] amended by M.I. 35166 - June 12, 1984. Section 433.7 repealed and Section 6220 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (b) amended by M.I. 42500 - July 8, 1997.

§ 6221. Demotion.

(a) An employee may be demoted to a lower level position either voluntarily or involuntarily.

(b) Voluntary demotion shall be requested in writing for approval by the Department Head. All forms approving or recording such demotion shall indicate that the demotion is voluntary. When an employee on a “Y” rate takes a voluntary demotion, the employee’s salary after such demotion shall be no greater than the maximum salary of the salary range of the new classification.

(c) Unclassified employees, other than Department Heads, may be involuntarily demoted by their respective Department Heads. Classified employees may be involuntarily demoted for cause or in connection with a reduction in force.

(d) Regular classified employees who are demoted are afforded the due process rights provided under Section 6218 of this Code or as provided in the applicable memorandum of understanding.

Ords. 114 and 120; repealed by Ord. 145; Section 433.8 added, as amended, by M.I. 32297 - June 13, 1978; paragraphs (c) and (d) [formerly Sections 433.8.3 and 433.8.4] amended by M.I. 33451 - October 14, 1980; paragraph (a) [formerly Section 433.8.1] amended by M.I. 35166 - June 12, 1984. Section 433.8 repealed and Section 6221 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraphs (b) and (d) amended by M.I. 42500 - July 8, 1997; paragraph (c) amended by M. I. 45943 – October 12, 2004.

§ 6222. Reduction in Force.

Subject to Chapter 1, the General Manager shall adopt rules governing reductions in force. If a layoff due to a reduction in force is found to be necessary by a Department Head, 30 calendar days' notice in writing shall be given each individual to be laid off. Priority shall be given to reemployment of such individual during any subsequent increase in force within the two years following the date the employee was laid off.

Ords. 114 and 120; repealed by Ord. 145; Section 433.9 added by M.I. 32297 - June 13, 1978; amended by M.I. 35166 - June 12, 1984. Section 433.9 repealed and Section 6222 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 6223. Hours of Work.

(a) Except for exempt employees and for employees who have been placed on a work schedule other than the schedule specified in this section pursuant to section 6263, eight hours shall constitute the work day and five days worked followed by two days off shall constitute the work week. Where continuous operations are required, nonexempt employees may be assigned to work schedules providing for the deferment of days off, provided that no more than 10 consecutive working days may be scheduled in any 14-day period and that within any 28-day period such schedules must provide for 20 days worked and eight days off.

(b) Exempt employees shall be paid for 40 hours each week on a biweekly basis without regard to hours worked. Such persons are expected to render such services as may be necessary to meet the tasks assigned to them, and are expected to average at least 40 hours per week. Vacation, sick, special and other leaves shall be recorded if the leave taken is a full workday or more.

Ords. 113 and 120; repealed by Ord. 145; Section 433.10 added by M.I. 32297 - June 13, 1978; amended by M.I. 35166 - June 12, 1984. Section 433.10 repealed and Section 6223 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (a) amended by M.I. 39176 - August 20, 1991; paragraph (b) amended M.I. 42500 - July 8, 1997.

§ 6224. Overtime.

Overtime work shall be subject to the following regulations:

(a) Non-exempt employees shall be paid at the rate of one and one-half times the regular rate for overtime worked or when they are entitled to overtime pay. Overtime shall be paid for work in excess of 40 hours in one workweek, for work in excess of eight hours in one day, for work on scheduled days off, and for work on days observed by the District as Holidays, except that any overtime paid for work in excess of eight hours, on a scheduled day off or on a Holiday, shall be credited to any overtime owed for work in excess of 40 hours in the same workweek.

(b) Temporary employees shall be paid at the rate of one and one-half times the regular rate for overtime worked or when they are entitled to overtime pay. Overtime shall be paid for work in excess of eight hours in one day and in excess of 40 hours (exclusive of work in excess of eight hours in each day) during any workweek established for the individual temporary employee.

(c) The employee's "regular rate" for overtime computation shall be the sum of the compensation paid an employee for hours actually worked at the employee's hourly rate, plus any premium pay, except overtime, earned by the employee, divided by the hours actually worked during the workweek. The regular rate shall be used only for computing overtime due under this Code.

Ords. 113, 114, 118, and 120; repealed by Ord. 145; Section 433.11 added by M.I. 32297 - June 13, 1978; amended M.I. 32401 - August 31, 1978 and M.I. 35166 - June 12, 1984; amended and paragraph (c) [formerly Section 433.11.3] added by M.I. 35726 - July 9, 1985. Section 433.11 repealed and Section 6224 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 6225. Holidays.

(a) Except as provided in Section 6225(b), employees shall be entitled to leave of absence without loss of pay on all Holidays. When a Holiday falls on an employee's scheduled day off, the Holiday shall be deemed to fall on the employee's next scheduled working day if the Holiday is on a Sunday or Monday. Otherwise, the Holiday shall be deemed to fall on the employee's last scheduled working day preceding the Holiday.

(b) When an employee is on leave without pay on both the scheduled working day preceding and the scheduled working day following a Holiday, the employee shall not be entitled to be paid for the Holiday.

Ords. 113, 114, 120, 138 and 142; repealed by Ord. 145; Section 433.12 added, as amended by M.I. 32297 - June 13, 1978; amended by M.I. 32690 - April 10, 1979; amended by M.I. 35166 - June 12, 1984; paragraph (e) [formerly Section 433.12.2] amended by M.I. 35992 - March 11, 1986. Section 433.12 repealed and Section 6225 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (b) amended by M.I. 37218 - July 12, 1988; paragraph (a) amended, paragraphs (b), (c), (d) and (f) deleted, and paragraph (e) renumbered (b) by M. I. 46036 - December 14, 2004.

§ 6226. Annual Leave.

(a) Subject to any applicable memorandum of understanding, or employment agreement, employees shall accumulate annual leave with full pay at the following rates for each hour of total service:

Range of Hours From Through		Accumulation Factor For Each Hour Within Range	Approx. Vac. Hrs	Maximum Accumulation
1	8,352	.0386250	80	161.28
8,353	18,792	.0574720	120	240
18,793	20,880	.0616100	128	257.28
20,881	22,968	.0652880	136	272.64
22,969	25,056	.0689660	144	288
25,057	27,144	.0731040	152	305.28
27,145	39,762	.0767817	160	320.64
39,763	41,760	.0804597	168	336.00
41,761	43,848	.0842911	176	352.00
43,849	45,936	.0881226	184	368.00
45,937	48,024	.0919540	192	384.00
48,025	Last hour of total service	.0957854	200	400.00

Notwithstanding the above, the maximum accumulation for those classifications listed in Section 6500, shall be 1.25 times the maximum accumulation that would otherwise be applicable.

(b) Subject to the restrictions contained in subsection (d) and any applicable memorandum of understanding, annual leave usage will be authorized as it is earned up to the maximum permitted by subsection (a). The District shall be responsible for scheduling annual leave periods of employees in such a manner as to achieve the most efficient functioning of the

District. The District shall determine whether or not a request for annual leave will be granted. However, an employee's timely request for annual leave shall only be denied for good and sufficient business reasons.

(c) Subject to any applicable memorandum of understanding, if on the last day of the payroll cycle that includes November 15 of any year, the total of accumulated annual leave exceeds the limitation on accumulation applicable to the hours of total service, the excess accumulated annual leave may not be used but shall, as soon as practicable after the end of the twenty-fourth pay period of the annual payroll cycle, be paid to the employee entitled thereto at the employee's hourly pay rate in effect at the end of said twenty-fourth pay period for one hundred percent of the excess accumulated hours of such annual leave.

(d) No vacation may be granted, or paid for, unless the employee has completed 1,044 hours current service, including military leave. No vacation may be extended past an employee's date of termination.

(e) Employees returning from leave for military service shall earn vacation at the rate appropriate to the total time of District employment plus military service.

(f) Notwithstanding any provision of this Section 6226 to the contrary, a Department Head may approve the accumulation of annual leave at a rate of .0574720 hours for each hour of service for the first through the fourth year of service for an employee recruited by that Department Head.

Ords. 113, 114, 120, 123, 130, 138, and 142; repealed by Ord. 145; Section 433.13 added, as amended, by M.I. 32297 - June 13, 1978; amended by M.I. 34309 - July 13, 1982; and by M.I. 35166 - June 12, 1984; paragraph (c) [formerly Section 433.13.3] amended by M.I. 36119 - June 10, 1986. Section 433.13 repealed and Section 6226 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 36719 - July 14, 1987; paragraph (c) amended by M.I. 37218 - July 12, 1988; paragraph (f) amended by M.I. 37405 - November 8, 1988; paragraph (a) amended by M.I. 40545 - November 9, 1993; paragraphs (a), (b), (c), (d) and (f) amended by M.I. 42500 - July 8, 1997; paragraph (c) amended by M.I. 43275 - November 10, 1998; paragraph (a) amended by M.I. 45943 - October 12, 2004.

§ 6227. Sick Leave.

(a) Employees shall accumulate sick leave with full pay at the rate of .0459780 hours for each hour of service.

(b) Such leave may be taken for absences from duty made necessary by:

(1) Incapacity due to illness.

(2) Incapacity due to injury incurred in line of duty with the District to the extent provided in Section 6244 of this Code, or to injury not incurred in line of such duty.

(3) A female employee's incapacity due to pregnancy, childbirth, miscarriage, or abortion.

(4) Medical, dental or ocular examination or treatment of an employee, without incapacity, for which appointment cannot be made outside working hours, but limited to four hours for each appointment.

(c) Physician Certification.

(1) A physician's certification or other proof of incapacity or treatment may be required if an employee's supervisor believes that a medical verification is justified in order for the employee to fulfill his or her job requirements or if the employee has a leave abuse problem. Notice of this requirement shall be given in advance in all cases of prior leave abuse. A physician's certification shall be required for all sick leave absences exceeding 10 working days.

(2) A physician's certification authorizing an employee's return to work from serious illness or injury shall be reviewed by the District's medical support in Workplace Health & Safety prior to the employee's return to work. An illness or injury may require additional medical examinations/testing in order to determine whether the employee can safely perform his or her duties, or to determine appropriate work restrictions. Such examination/testing will be done at District expense and on District time if the District requires that it be conducted by District-selected medical personnel.

(3) In the event sick leave is requested while an employee is on vacation, a physician's certification by an attending physician is required for the granting of sick leave.

(d) Accumulation of Sick Leave.

(1) Accumulation of sick leave as of the end of the twenty-fourth pay period of each annual payroll cycle shall be limited to the total of sick leave accumulated as of November 30, 1979, or not in excess of 1,000 hours of sick leave, whichever is greater.

(2) Sick leave taken shall be charged first against sick leave accumulated on or after December 1, 1979, if any, and thereafter against sick leave accumulated as of November 30, 1979, if any.

(3) If an employee takes sick leave which is charged against sick leave accumulated as of November 30, 1979, any subsequently accumulated sick leave shall be credited first towards restoring the total of sick leave accumulated as of November 30, 1979, and any additional accumulated sick leave shall be treated as sick leave accumulated on or after December 1, 1979.

(4) If at the end of the twenty-fourth pay period of any annual payroll cycle the total of accumulated sick leave exceeds the limitation on accumulation stated in Section 6227(d)(1), the excess accumulated sick leave shall, as soon as practicable after the end of the payroll period, be paid to the employee entitled thereto at the employee's hourly pay rate at the end of said payroll period for 52.2 percent of the excess accumulated hours of such sick leave.

(5) Except as provided in Section 6248 and Section 6227, there shall be no cancellation of earned but unused sick leave.

(e) Employees on military leave, either reserve, National Guard, or extended military service do not lose their accumulated sick leave credit.

(f) The unauthorized use of sick leave may result in disciplinary action.

Ords. 113, 114, 118, 120, 130, 132 and 142; repealed by Ord. 145; Section 433.14.1 added, as amended, by M.I. 32297 - June 13, 1978; further amended by M.I. 32343 - July 11, 1978; paragraph (b)(3) [formerly Section 433.14.1.2.3] amended by M.I. 32401 - August 31, 1978; amended and paragraph (d) [formerly Section 433.14.1.4] added by M.I. 32814 - July 10, 1979; paragraphs (d)(1) and (d)(4) [formerly Sections 433.14.1.4.1 and 433.14.1.4.4] amended by M.I. 34309 - July 13, 1982; amended by M.I. 35166 - June 12, 1984; paragraph (d)(5) [formerly Section 433.14.1.4.5] added by M.I. 36119 - June 10, 1986. Section 433.14.1 repealed and Section 6227 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (c) amended, paragraphs (e) and (f) added by M.I. 42500 - July 8, 1997.

§ 6228. Disability Leave.

(a) Subject to the maximum accumulation stated below, employees shall accumulate disability leave with partial pay equal to the number of hours hereinafter indicated.

Working Hours Credited Not to Exceed the Maximums Hereinafter Stated		
	At 75 Percent of Hourly Pay Rate	At 50 Percent of Hourly Pay Rate
At each of 1,040 hours; 2,080 hours; 4,160 hours and 6,240 hours of total service,	48	48
At 8,320 hours of total service,	88	88
At 10,400 hours at each subsequent 2,080 hours of total service,	40	40

The total number of hours of accumulated disability leave shall not exceed 800 hours at 75 percent of full pay and 800 hours at 50 percent of full pay. Total service shall include all time spent in the employ of the District, excluding time spent on disability leave and leave without pay.

(b) Disability leave may be taken only after exhaustion of all accumulated sick leave and subject to the following conditions:

(1) Disability leave may be taken only in the event of the employee's disability due to illness, injury, pregnancy, childbirth, miscarriage, or abortion.

(2) Except as provided for in Section 6244, an employee shall not be entitled to disability leave until 40 hours shall have elapsed following the exhaustion of accumulated sick leave.

(3) Medical or other certification in form acceptable to the employee's Department Head shall be furnished within five working days of the commencement of a period of claimed disability leave and shall be renewed at intervals not exceeding 30 calendar days after the date of the initial or any subsequent certification until termination of the disability leave, or as otherwise determined by the Department Head.

(4) Disability leave shall be taken by first exhausting disability leave payable at the rate of 75 percent of full pay and thereafter exhausting disability leave payable at the rate of 50 percent of full pay.

(5) No added disability leave shall be credited during any period when an employee is on disability leave.

(6) Disability leave shall terminate on the date of retirement or on the date employment is terminated, whichever comes first.

(7) Except as provided for in Section 6244, an employee who is on disability leave shall not be entitled to take annual leave until the exhaustion of disability leave or the termination of disability, whichever comes first.

(c) An employee who has taken less than all the accumulated disability leave and then returns to work, may, after using any accumulated sick leave and subject to the conditions of Section 6228(b), take the remaining disability leave together with any disability leave credited since returning to work for a recurrence of the same disability or for any other disability.

(d) An employee who has taken any part or all of accumulated leave shall, upon returning to work, accumulate disability leave as if the employee's total service, as that term is defined in Section 6228(a), commenced on the date of return to work. In no event shall accumulated disability leave earned either at the rate of 75 percent of the hourly rate or at the rate of 50 percent of the hourly rate exceed the amount of accumulated disability leave in either category determined with regard to an employee's total service from the date of first employment with the District. Nevertheless, in the event that any employee with 4,160 or more hours of total service returns having exhausted all 75 percent and 50 percent disability leave allotment, said employee shall be credited with 48 hours disability leave payable at the rate of 75 percent of the hourly rate and 48 hours disability leave payable at the rate of 50 percent of the hourly rate on the day of returning to work provided such crediting of disability leave occurs only once in any 1,040 hours.

(e) An employee who has been employed by the District and is re-employed shall not be entitled to disability leave prior to completion of 1,040 hours of total service after such reemployment. The employee shall then be credited with accumulated disability leave corresponding to the employee's total service, and shall thereafter accumulate disability leave

corresponding to the employee's total service. In no event shall such employee have accumulated disability leave exceeding that which would have accumulated as determined under Section 6228(d).

(f) An employee who is on annual leave or leave without pay and who is authorized to take sick leave and who thereafter exhausts accumulated sick leave shall be entitled to disability leave in the same manner as if the employee had been on working status at the time sick leave commenced.

(g) An employee who has taken disability leave in excess of 30 calendar days will be required to provide a physician's statement attesting to the employee's fitness, based upon the employee's normal duties stated in the job description, before returning to work, and may be subject to medical examination. Such examination will be done at District expense and on District time if the District requests that it be conducted by District-selected medical personnel.

(h) For the purpose of this Section 6228, a District Holiday falling within any period of disability leave shall be deemed to be a working day.

(i) Annual and sick leave shall not accrue during periods of disability leave.

Ords. 113, 114, 118, 120, 130, 132 and 142; repealed by Ord. 145; Section 433.14.2 added, as amended, by M.I. 32297 - June 13, 1978; amended by M.I. 32343 - July 11, 1978; paragraph (b)(1) [formerly Section 433.14.2.3.1] amended by M.I. 32401 - August 31, 1978; paragraph (d) [formerly Section 433.14.2.5] amended by M.I. 33823 - July 14, 1981; amended by M.I. 35166 - June 12, 1984. Section 433.14.2 repealed and Section 6228 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (j) repealed by M.I. 36719 - July 14, 1987; paragraphs (a), (b), (d), (e), (f), (g) and (i) amended by M.I. 42500 - July 8, 1997.

§ 6229. Special Leave.

(a) Special leave with pay may be taken and charged against sick leave credits, subject to the limitations provided in this section, to attend to an illness in the employee's immediate family other than the employee's own illness. Such leave shall be permitted in the case of an operation, birth of the employee's child, or during an illness of a member of the immediate family, but the total such special leave with regard to a single operation, birth, or illness shall not exceed 48 hours in a calendar year. For purposes of this section, "immediate family" means spouse, domestic partner, child, parent, brother or sister.

(b) Satisfactory justification for the granting of special leave shall be as required by the Department Head.

Ords. 113, 114, 118, 120, 130, 132 and 142; repealed by Ord. 145; Section 433.14.3 added, as amended, by M.I. 32297 - June 13, 1978; amended by M.I. 32343 - July 11, 1978; amended by M.I. 35166 - June 12, 1984. Section 433.14.3 repealed and Section 6229 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (a) amended by M.I. 42500 - July 8, 1997; paragraph (a) amended by M.I. 43185 - September 15, 1998; paragraph (a) as amended by M.I. 47998 - August 18, 2009.

§ 6230. Employee Leave Transfers.

Employees shall be entitled to voluntarily transfer accrued leave hours to other District employees who may need such leave in certain hardship or emergency situations. The General

Manager shall be responsible for establishing administrative procedures to accommodate voluntary transfers of leave time between employees under specified conditions.

M.I. 41164 - December 13, 1994.

§ 6231. Family and Medical Leave.

(a) The District will provide family and medical leave for an employee as required by state and federal law.

(b) For purposes of this section, employee shall mean an employee who has at least one year of service with the District and at least 1,250 hours active service during the one year period immediately preceding the commencement of the request for a family and medical leave.

(c) The following provisions set forth certain of the rights and obligations with respect to family and medical leave. Rights and obligations which are not specifically set forth or defined below are contained in the U.S. Department of Labor regulations implementing the federal Family and Medical Leave Act of 1993 ("FMLA") and the California Fair Employment and Housing Commission regulations implementing the California Family Rights Act ("CFRA")(Government Code 12945.2).

(d) Unless otherwise provided by this section, "Family and Medical Leave" and "Leave" shall mean leave pursuant to the FMLA and CFRA.

(e) An employee is entitled to a total of 12 weeks of Leave during any 12-month period to care for a newborn child, due to the placement of an adopted or foster child, to care for a son or daughter (as defined by the Department of Labor), parent, spouse or domestic partner who has a serious health condition, or because of the employee's own serious health condition that prevents the employee from performing any one or more of the essential functions of the employee's position. The 12-month period for calculating Leave entitlement will be the 12-month period measured backward from the date an employee uses any Leave.

(f) An employee's entitlement to Leave for the birth or placement of a child for adoption or foster care expires 12 months after the birth or placement.

(g) Parents who are both employed by the District shall be limited to a combined total of 12-weeks of Leave during any 12-month period for the birth and care of a newborn child, for the placement of a child for adoption or foster care, and care of the newly placed child or for a parent with a serious health condition.

(h) An employee shall provide at least 30 calendar days written advance notice for foreseeable events. For events which are not foreseeable, the employee shall notify the District as soon as the employee learns of the need for the Leave. To be eligible for a Leave, the employee must follow the District's usual and customary call-in procedures for reporting an absence as detailed in section 6241.

(i) An employee who takes a Leave for his or her own serious health condition is required to submit a Return to Work / Doctor's Release prior to returning to work.

(j) When the Leave is due to the health condition of the employee, the employee shall utilize Leave in the following order:

- (1) All sick leave.
- (2) Forty hours of annual leave. If annual leave is exhausted, the employee must choose to use other paid or unpaid leave to complete the 40 hour.
- (3) The employee has the option of using additional paid leave at full pay. If the employee chooses to use additional paid leave at full pay, it must be used in the following order:
 - (i) The balance of the employee's annual leave;
 - (ii) Other paid leave;
- (4) If the employee elects to not use additional paid leave at full pay, then the employee shall utilize leave in the following order:
 - (i) 75% disability;
 - (ii) 50% disability;
 - (iii) Annual leave;
 - (iv) Other paid leave at the employee's option;
 - (v) Unpaid leave.
- (5) The exhaustion of the paid leave shall run concurrently with the Leave.

(k) When the Leave is taken for the birth of a child of the employee, for the placement of a child with the employee for adoption or foster care, or to care for the employee's spouse, domestic partner, son or daughter (as defined by the Department of Labor) or parent who has a serious health condition or a Military Family Leave, the employee shall utilize Leave in the following order:

- (1) Special leave.
- (2) Annual leave.
- (3) After exhausting special and annual leave, the employee has the option of using any additional paid leave for which the employee is qualified.
- (4) Unpaid leave.
- (5) The exhaustion of the paid leave shall run concurrently with the Leave.

(l) If an employee takes sick leave or partial pay disability leave without requesting Family and Medical Leave, within five days of the employee's return to work and advisement of the District concerning the purpose of the sick leave, the District shall make a determination as to whether the sick leave shall be considered Family and Medical Leave.

(m) The District shall maintain coverage under any group health plan for the duration of the Leave at the level and under conditions that would have been provided had the employee been working. However, the District shall only maintain such group health plan coverage for such employee for up to 12 weeks within a 12-month period commencing with the start of the Leave.

(n) An employee has the right to reinstatement to the same or a comparable position unless the employee is exempted from such right under the provisions of the FMLA or CFRA.

(o) Any leave taken by an employee under the Fair Employment and Housing Act's provisions applicable to pregnancy-related disabilities cannot be counted against the 12-week limitation on family and medical leaves authorized under the CFRA.

(p) **Military Family Leave:**

The two types of Military Family Leave available are:

- (1) **Qualifying Exigency Leave.** An employee is entitled to a total of 12 weeks of Leave during any 12-month period to help manage family affairs due to a reservist or retired military member who is their spouse, son, daughter or parent being on active duty or being called to active duty in support of a contingency operation.
- (2) **Injured Service Member Care Leave.** An employee is entitled to a total of 26 weeks of Leave during any 12-month period to care for a covered service member with a serious injury or illness incurred in the line of duty while on active duty. Employees entitled to this Leave are the spouse, parent, child or next of kin of the injured or ill service member.

M.I. 42500 - July 8, 1997; paragraph (b), (c), (e), and (i) amended by M.I. 43275 - November 10, 1998; paragraphs (b), (e) amended, new paragraphs (g) and (i) added; former paragraph (g) renumbered as (h) and amended; former paragraphs (h-m) renumbered as paragraphs (j-o); paragraphs (k-l) amended; paragraph (p)(1)and(2) added by M.I. 47998 - August 18, 2009.

§ 6232. Paid Leave While Caring For A Newly Born Or Newly Adopted Child.

(a) A regular employee who is on family and medical leave pursuant to the Family and Medical Leave Act and/or California Family Rights Act to care for a newly born or newly adopted child may use up to 160 hours of accumulated sick leave subject to the restrictions listed below.

(b) The employee who desires to use sick leave while on family and medical leave to care for a newly born or newly adopted child shall exhaust his or her leave credits in the following order:

- (1) Special leave.
- (2) Annual leave.
- (3) Personal leave.
- (4) Compensatory time off.
- (5) Section 6225(b) holiday leave.

(c) The employee, at his or her option, may use up to 160 hours of accumulated sick leave while on family and medical leave to care for a newly born or newly adopted child after the exhaustion of the leave credits listed in subdivision (b). A request to use sick leave for this purpose shall be accompanied by a medical certification substantiating the need for caring for the

newly born or newly adopted child. This provision does not affect the use of sick leave pursuant to section 6227.

(d) If both parents are District employees, the total amount of paid leave available under this section to both parents is limited to 12-workweeks for caring for a newly born or newly adopted child.

M.I. 42500 - July 8, 1997; paragraph (d) amended by M.I. 43275 - November 10, 1998.

§6233 Benefits Paid Regular Part-Time Employees

(a) Regular Part-time employees shall be entitled only to be paid an hourly rate determined in accordance with this Code.

(b) An eligible regular part-time employee shall be entitled to twenty-four (24) hours of personal leave per calendar year. A regular part-time employee employed by the District for more than 1,044 hours of current part-time service is eligible for personal leave. Personal leave must be used in the calendar year in which it is received. Personal leave shall not be carried over into the year following the year in which it is received nor will it be paid upon separation from District employment. The District shall be responsible for scheduling personal leave periods of regular part-time employees in such a manner as to achieve the most efficient functioning of the District. The District shall determine whether or not a request for personal leave will be granted. However, an employee's timely request for personal leave shall only be denied for good and sufficient business reasons.

(c) Regular part-time employees shall not be entitled to any benefits or rights of any nature whatsoever provided for under this Code, except as provided by subsections (a) and (b) above and as specifically required by applicable law.

M.I. 42455 - June 10, 1997, effective January 1, 1998.

§6234. Domestic Partners

(a) A domestic partnership exists when all of the following occur:

- (1) Both persons are involved together in a committed and mutually exclusive relationship with each other;
- (2) Both persons are of the age of legal consent (at least age 18);
- (3) The two persons are not blood relatives;
- (4) Both persons are living together in the same residence;
- (5) The two persons are sharing the common necessities of life and have a joint responsibility for each other's welfare and living expenses;
- (6) Both persons are not currently married to another person nor involved in another domestic partner relationship;
- (7) Both persons have signed a Declaration of Domestic Partnership;

(8) Both persons have not signed a Declaration of Domestic Partnership with another individual within the past six-month period.

(b) A domestic partnership shall terminate when any of the following occurs:

- (1) One of the domestic partners dies;
- (2) One of the domestic partners marries;
- (3) The domestic partners no longer have a common residence
 - (a) A temporary separation resulting from work, education, or health related requirements shall not constitute the cessation of a common residence.

(c) Upon establishment or termination of the domestic partnership, the employee shall notify the Director of Human Resources by filing a form designated by the Human Resources Group.

(d) A domestic partner shall be considered a family member for the purposes of Section 6229, Special Leave; Section 6231, Family and Medical Leave; and Section 6243, Bereavement Leave.

M.I. 431845 - September 15, 1998; paragraph (c) amended by M. I. 45943 – October 12, 2004.

[§ 6235 - §6239 reserved for future use]

[§ 6240 - repealed by M.I. 40726 - March 8, 1994.]

§ 6241. Notice of Absence.

An employee who is absent because of illness, injury, disability, or special leave shall notify his or her immediate supervisor, or such other person as department rules may provide, promptly on the first day of absence, of the reason for requiring such leave, and the estimated length of absence. If the length of the absence exceeds the original estimate, the employee shall promptly notify his or her immediate supervisor, or such other person as department rules may provide, of the need for and length of additional leave. The failure to provide such notice may be grounds for denial of such leave for the period of absence. An employee who intends to be absent from duty on personal leave shall obtain the approval of his or her immediate supervisor, or such other person as department rules may provide, before beginning personal leave.

Ords. 113, 114, 118, 120, 130, 132 and 142; repealed by Ord. 145; Section 433.14.4 added, as amended, by M.I. 32297 - June 13, 1978; amended by M.I. 32343 - July 11, 1978; renumbered Section 433.14.5 and amended by M.I. 32401 - August 31, 1978; amended by M.I. 35166 - June 12, 1984. Section 433.14.5 repealed and Section 6241 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended M.I. 42500 - July 8, 1997.

§ 6242. Reinstatement Upon Return From Leave Necessitated by Pregnancy, Childbirth, Miscarriage, or Abortion.

An employee returning from leave necessitated by pregnancy, childbirth, miscarriage, or abortion shall be entitled to reinstatement to the employee's position held at the time the leave status began or, if the position has been deleted, to a position of like status in the same

geographic area. Except as otherwise specifically provided by this Code or by rule of the District, such an employee shall, while on leave status, accumulate seniority credit for the purpose of determining ranking in the event of a reduction in force, but shall accumulate other benefits only as specifically provided for the type of leave taken by the employee.

Ords. 113, 114, 118, 120, 130, 132 and 142; repealed by Ord. 145; Section 433.14.5 added, as amended, by M.I. 32297 - June 13, 1978; amended by M.I. 32343 - July 11, 1978; renumbered Section 433.14.6 by M.I. 32401 - August 31, 1978; amended by M.I. 35166 - June 12, 1984. Section 433.14.6 repealed and Section 6242 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 6243. Bereavement Leave.

Upon the death of a member of an employee's immediate family, the employee shall be allowed such bereavement leave with pay as is actually necessary to take care of funeral arrangements or to attend the funeral, but not to exceed three (3) working days with regard to any such death within the State of California and not to exceed forty (40) working hours if the death occurs outside the State of California. For the purposes of this section, "immediate family" means spouse, domestic partner, or the employee's or spouse's/domestic partner's child, parent, brother, sister, stepparent, stepchild, grandparent, grandchild, aunt or uncle.

Ords. 114, 120, 130 and 142; repealed by Ord. 145; Section 433.15 added by M.I. 32297 - June 13, 1978; amended by M.I. 33384 - August 19, 1980; amended by M.I. 35166 - June 12, 1984. Section 433.15 repealed and Section 6243 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 43185 - September 15, 1998; paragraph amended by M. I. 45943 - October 12, 2004.

§ 6244. Use of Accumulated Leave - Industrial Injury.

An employee injured in the scope and course of employment with the District may elect to take as much of accumulated sick leave, or accumulated vacation leave, or disability leave, as when added to disability indemnity under Division 4 of the State Labor Code will result in a payment to the employee of not more than the hourly rate for 40 hours each week provided that sick leave shall be applied first, and that the order of application of vacation leave and disability leave shall be at the option of the employee. An employee using disability leave because of such an injury shall not be subject to Section 6228(b)(2). When an employee uses such accumulated leave because of such an injury and the District is reimbursed by a third person for its damages by reason of such use, there shall be granted, for credit to the employee's sick leave, vacation leave, or disability leave, such sick leave, vacation leave, or disability leave equivalent to the amount so used or proportionately if each is reimbursed only in part. If the District does not collect from the third person the full amount of the compensation paid and other damages for which it is liable to the employee and if the amount collected is not itemized so that there may be ascertained the amount collected in reimbursement for the sick leave, vacation leave, or disability leave used, the amount received shall be credited to vacation leave, sick leave, and disability leave in that order.

Ords. 113, 120 and 132; repealed by Ord. 145; Section 433.16 added by M.I. 32297 - June 13, 1978; amended by M.I. 35166 - June 12, 1984. Section 433.16 repealed and Section 6244 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 41652 - November 14, 1995.

§ 6245. Use of Accumulated Leave - Quarantine.

An employee who is quarantined may elect to take as much of the employee's accumulated sick leave or accumulated vacation leave or accumulated compensating time off as is necessary to avoid loss of pay. Should the time lost exceed the sick leave, vacation leave, and accumulated compensating time off, such excess shall be leave without pay.

Ords. 113 and 120; repealed by Ord. 145; Section 433.17 added by M.I. 32297 - June 13, 1978; amended by M.I. 35166 - June 12, 1984. Section 433.17 repealed and Section 6245 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 36811 - September 22, 1987.

§ 6246. Military Leave.

(a) Every employee who is a member of the National Guard or Naval Militia, or a member of the reserve corps or force in the Federal military, naval or marine service, shall be entitled to military leave in accordance with the applicable provisions of the Military and Veterans Code of the State of California. The present law provides, in general, that a person having one year or more of service with the District is entitled to military leave with pay for a period not exceeding 30 calendar days per fiscal year. The military service time of a new employee who comes to the District directly from military service may be applied to the one year employment requirement necessary to the granting of military leave.

(b) Veterans are entitled to reemployment if they serve not more than four years in the military (or longer if involuntarily retained). The veteran must satisfactorily complete the period of active duty and have a certificate to that effect and apply within 90 days after completion of military service. If the military service was initial active-duty-for-training for a period of not less than three months, the veteran must apply for reemployment within 31 days. Employees on military leave do not lose their accumulated sick leave credits. The District will restore the veteran to employment as though no interruption of District service has occurred. The District will apply all general pay adjustments enacted by the Board to the old base salary as though the veteran had not been absent. The veteran need not be returned to the former position but will be given a position of status and pay equivalent to the former position. Although the veteran earns no leave while absent on military leave, neither does the veteran lose any leave balances while absent on military leave. Military service time is added to the length of District service for purpose of computing the rate at which a returning veteran will earn annual leave.

(c) Military Spousal Leave - Every employee who has worked at least an average of 20 hours a week in the last 6 months and is married to a service member is entitled to 10 days leave when his or her spouse returns from active duty. Employees must notify the District of their intention to take this leave within two business days of receiving official notice that the spouse will be on leave from military deployment.

Ord. 113; repealed by Ord. 145; Section 433.18 added by M.I. 32297 - June 13, 1978; amended by M.I. 35166 - June 12, 1984. Section 433.18 repealed and Section 6246 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (a) amended and paragraph (b) added by M.I. 42500 - July 8, 1997; paragraph (c) added by M.I. 47998 - August 18, 2009.

§ 6247. Leave Without Pay.

(a) Leave without pay, except when necessitated by illness, injury, pregnancy, childbirth, miscarriage or abortion, may be granted by a Department Head to an employee only after exhaustion of all accumulated vacation leave. The General Manager may promulgate regulations pursuant to Administrative Code Section 6115(c) which permit leave without pay without exhaustion of accumulated vacation leave. Leave without pay granted pursuant to this Section may not exceed 120 consecutive calendar days unless authorized by the Board for a longer period. Such leave may be terminated at any time by the employee's returning to work. An employee on such leave is entitled to the benefits of sick leave accumulated prior to his absence.

(b) An employee that qualifies for Military Spousal Leave, as defined by the applicable law and as set forth in section 6246(c), can take leave without pay for a period of up to 10 days.

(c) Leave without pay, when necessitated by illness, injury, pregnancy, childbirth, miscarriage or abortion, may be granted by a Department Head to an employee for a period which, when added to the period of disability leave and to the interval between the exhaustion of accumulated sick leave and the beginning of disability leave, shall not exceed 3,132 hours, unless authorized by the Board for a longer period. Such leave shall be granted only after exhaustion of accumulated sick and disability leave, except that disability leave need not be exhausted prior to the taking of leave without pay for the 40 hours specified in Section 6228(b)(2). An employee who, due to illness or injury, has taken leave without pay under this Section 6247(b) in excess of 30 consecutive calendar days will be required to provide a physician's statement attesting to his fitness, based upon his normal duties pursuant to his job description, before returning to work.

(d) Insurance Coverage for Leave Without Pay.

(1) Any employee who is on leave without pay for a period of 30 or more consecutive calendar days will be permitted to continue coverage under a group insurance program if permitted under the terms of the program and if the employee pays the premiums required to maintain coverage for the duration of the absence.

(2) Notwithstanding Section 6247(d)(1), the District shall pay the premiums it would otherwise pay for any employee who is on leave without pay and is receiving temporary disability indemnity under Division 4 of the State Labor Code as a result of an injury incurred in the course and scope of District employment provided, however, said employee continues to pay his portion of said premiums. Any payment of premiums pursuant to this subsection shall terminate 30 calendar days after the final temporary disability indemnity payment is made.

Ords. 113, 117, 120, 123, 132, 138, and 141; repealed by Ord. 145; Section 433.19 added, as amended, by M.I. 32297 - June 13, 1978; paragraphs (a) and (c) [formerly Sections 433.19.1 and 433.19.3] amended by M.I. 32401 - August 31, 1978; amended by M.I. 32814 - July 10, 1979; former Section 433.19.3 renumbered as Section 433.19.3.1 and paragraph (c)(2) [formerly Section 433.19.3.2] added by M.I. 33823 - July 14, 1981; paragraph (a) amended by M.I. 34309 - July 13, 1982; amended by M.I. 35166 - June 12, 1984. Section 433.19 repealed and Section 6247 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; new paragraph (b) added; former paragraph (b-c) renumbered as paragraph (c-d); subparagraph (2) amended by M.I. 47998 - August 18, 2009.

§ 6248. Severance Pay.

(a) Any employee who resigns, is laid off for lack of work, is removed for cause, retires under the provisions of the Public Employees' Retirement Law, or enters upon an extended military leave without pay, shall be paid for all of his accumulated vacation leave and earned compensatory time, if any, as soon as practicable after separation from active employment. If the employee should die, his estate shall be entitled to his pay for accumulated vacation and earned compensatory time.

(b) Any employee who resigns, is laid off for lack of work, is removed for cause, or retires under the provisions of the Public Employees' Retirement Law, shall be paid at his hourly pay rate for 52.2 percent of his accumulated hours of sick leave, if any, at the time of separation.

If the employee should die before or after separation from employment, his estate shall be entitled to any unpaid remainder of the severance value of his accumulated sick leave as determined above.

In lieu of the foregoing, effective December 1, 1990, or as soon thereafter as practicable, an employee eligible to obtain service credit under Government Code Section 20862.8 may elect to have all of the accumulated hours of sick leave credited as service for retirement purposes.

(c) If any employee with more than 10,440 hours without an interruption in District service, as defined in Section 6248(e), is laid off from District employment because of a reduction in the work force, the employee shall, in addition to any other payments to which he may be entitled, receive a payment of 40 times his current hourly rate. The amount will be paid as if earned during the payroll period in effect on the last day the employee was employed by the District.

(d) Notwithstanding Section 6227(d) and Section 6248(b), employees employed after January 1, 1983, shall not be eligible for compensation for unused sick leave until they have completed 10,440 hours without an interruption in District service as defined in Section 6248(e).

(e) For purposes of this Section, an interruption in service occurs if an employee is terminated from employment.

Ords. 113, 118, 120 and 134; repealed by Ord. 145; Section 433.20 added by M.I. 32297 - June 13, 1978; paragraph (c) [formerly Section 433.20.3] added by M.I. 32401 - August 31, 1978; paragraphs (a) and (b) [formerly Sections 433.20.1 and 433.20.2] amended by M.I. 32814 - July 10, 1979; paragraph (b) amended by M.I. 33247 - May 13, 1980; paragraphs (a) and (b) amended by M.I. 33384 - August 19, 1980; paragraph (d) [formerly Section 433.20.4] added by M.I. 34309 - July 13, 1982; amended and paragraph (e) [formerly Section 433.20.5] added by M.I. 35166 - June 12, 1984; paragraph (b)(2)(ii) [formerly Section 433.20.2.2.2] amended by M.I. 35853 - November 19, 1985; paragraphs (c) and (d) amended by M.I. 35992 - March 11, 1986. Section 433.20 repealed and Section 6248 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (b) amended by M.I. 38460 - September 11, 1990; paragraph (3) added by M.I. 40545 - November 9, 1993; paragraph (b) amended, paragraph (b)(1) through (2)(i) repealed by M.I. 40726 - March 8, 1994.

§ 6249. Jury Duty Leave.

(a) All regular full-time employees are eligible for jury duty leave with pay when required by any legally constituted court to appear for examination or jury service.

(b) In order to qualify for paid jury duty leave, employees are required to furnish proof of attendance in a manner prescribed by the General Manager.

(c) An amount equal to the per diem or fees paid by the court to the employee will be deducted from the employee's pay. No deduction will be made for the value of mileage allowances, meals or lodging furnished by the court.

(d) In the absence of proof of attendance, an employee will be required to use such other leave as is prescribed by his Department Head.

Ords. 113 and 120; repealed by Ord. 145; Section 433.21 added by M.I. 32297 - June 13, 1978; amended by M.I. 35166 - June 12, 1984. Section 433.21 repealed and Section 6249 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (a) amended by M.I. 43275 - November 10, 1998.

[§6250 - 6259 reserved for future use]

§ 6260. Shift Pay and Diving Pay.

(a) In addition to other compensation, differential hourly rates, hereinafter referred to as "shift pay," may be paid to employees who are assigned to work outside normal day shift working hours, and to employees while performing work under water.

(b) Employees indicated on the approved pay rate schedule as being exempt from overtime pay shall be exempt from shift pay and diving pay.

(c) Shift pay may be granted only for actual hours worked and shall not be applied to earned compensatory time, leave or Holidays not worked.

(d) Procedures necessary for the implementation of the foregoing shift pay and diving pay provisions shall be established by the General Manager, provided that in computing hours of diving pay, any fraction of an hour will be deemed to constitute a full hour.

Ords. 113, 120, 123 and 138; repealed by Ord. 145; Section 433.22 added by M.I. 32297 - June 13, 1978; amended by M.I. 35166 - June 12, 1984; paragraph (c) [formerly Section 433.22.3] amended by M.I. 35726 - July 9, 1985. Section 433.22 repealed and Section 6260 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 6261. Time Off for Voting.

The General Manager is authorized to allow employees to absent themselves from duty with pay for not more than two hours during such times as he shall prescribe for the purpose of voting at any statewide election. Employees who do not avail themselves of this privilege shall not thereby become entitled to overtime pay.

Ords. 114 and 120; repealed by Ord. 145; Section 433.23 added by M.I. 32297 - June 13, 1978; amended by M.I. 35166 - June 12, 1984. Section 433.23 repealed and Section 6261 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 6262. Leave for Subpoenaed Employees.

When an employee is served with a subpoena which compels his presence as a witness, unless he is a party or an expert witness, he shall be granted a leave of absence. If the amount the employee receives for his appearance is less per day than his regular pay for that day, such leave shall be with pay in the amount of the difference for each day served.

Ords. 117 and 120; repealed by Ord. 145; Section 433.24 added by M.I. 32297 - June 13, 1978; amended by M.I. 35166 - June 12, 1984. Section 433.24 repealed and Section 6262 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 49187 - September 11, 2012.

§ 6263. Modification of Work Schedules.

(a) The General Manager is authorized to establish work schedules in lieu of the schedule set out in Section 6223(a) for such employees as the General Manager shall specify and to make other adjustments in the work schedules of such employees as the General Manager deems appropriate.

(b) The General Manager is authorized to substitute for any Administrative Code provision based on a work schedule complying with Section 6223(a) regulations which provide, to the extent feasible, compensation similar to the compensation based on a work schedule complying with Section 6223(a) for employees assigned to a different work schedule established pursuant to subsection (a).

Section 433.26 - M.I. 32741 - May 8, 1979; amended by M.I. 32814 - July 10, 1979; from Chapter 433 and added, as amended, to Chapter 501 as Section 501.13 - M.I. 32690 - April 10, 1979; renumbered 433.25 and amended by M.I. 35166 - June 12, 1984. Section 433.25 repealed and Section 6263 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 39176 - August 20, 1991.

§ 6264. Retention of Travel Incentives.

Any employee traveling on District business may retain travel incentives made available to him so long as such incentives result in no additional cost to the District.

Section 433.26 - M.I. 35304 - September 11, 1984. Section 433.26 repealed and Section 6264 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 6265. Service Awards.

The General Manager is authorized to provide for a program of service award presentations to employees meeting specified periods of service

Section 439.2 based on M.I. 14257 - August 8, 1952; amended by M.I. 34714 - May 10, 1983. Section 439.2 repealed and Section 6265 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M. I. 45943 – October 12, 2004.

§ 6266. Insurance Pertaining to Employees.

(a) The General Manager is authorized to provide for payroll deductions of premiums payable by employees under group insurance contracts in effect with the District and to provide for the transmittal of such deductions to the appropriate carriers.

(b) The General Manager is authorized to provide for payroll deductions of premiums payable by employees under individual insurance contracts arranged through the District and to provide for the transmittal of such deductions to the appropriate carrier or carriers.

(c) The General Manager of the District is authorized to register the District as an employer for unemployment insurance coverage pursuant to the provisions of Chapter 2, Statutes of 1978 and P.L. 94-566 and to elect the option deemed most advantageous to the District from among the various payment methods available.

(d) For regular full-time employees represented by a District Employee Association, the District shall provide group life insurance pursuant to the applicable Memorandum of Understanding, with the employees having the option at their own expense to obtain additional coverage.

(e) Blanket Employee Dishonesty Coverage. - The District shall purchase blanket employee dishonesty insurance coverage which would protect the District against losses resulting from the dishonest acts of each and every employee.

Section 439.4 based on Res. 7537 - September 18, 1973; paragraph (e) [formerly Section 439.7] based on M.I. 27187 - November 19, 1968; paragraph (d) [formerly Section 439.6] added by M.I. 30958 - July 8, 1975; paragraph (b) [formerly Section 439.4.3] added by M.I. 32115 - January 10, 1978; paragraph (c) [formerly Section 439.4.4] added by M.I. 32172 - February 14, 1978; paragraph (b) amended and paragraphs (c) and (d) renumbered Sections 439.4.5 and 439.4.6 by M.I. 35166 - June 12, 1984. Section 439.4 repealed and Section 6266 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (d) amended by M.I. 37218 - July 12, 1988; paragraph (d) amended by M.I. 40726 - March 8, 1994; paragraph (d) amended by M.I. 43275 - November 10, 1998.

§ 6267. Relocation Expenses for Unrepresented and Officer Employees.

It is the policy of the District to pay all reasonable expenses incurred by new and present unrepresented and officer employees in relocating their residence at the request of the District. The General Manager is authorized to pay up to \$40,000 for the relocation of these employees, and all reasonable incidental charges created by the relocations.

M.I. 43692 - August 17, 1999.

Chapter 3

GENERAL EMPLOYEE MATTERS

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Article 1

EQUAL EMPLOYMENT OPPORTUNITY AND AFFIRMATIVE ACTION

Sec.	
6300.	Statement of Equal Employment Opportunity Policy
6301.	Good Faith Efforts Required
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§ 6300. Statement of Equal Employment Opportunity Policy.

The policy of the District is one of equal employment opportunity for any employee or applicant for employment. The District will not unlawfully discriminate when taking any employment action or making employment decisions, including basing decisions on race, sex (gender or pregnancy), creed, national origin, color, disability (physical or mental), protected veteran status, religion, age, medical condition, genetic information, marital status, ancestry, sexual orientation, or other characteristic protected by law.

Res. 7606 - September 17, 1974; Section 351.1 amended by M.I. 34148 - March 9, 1982; amended by M.I. 35592 - April 9, 1985. Section 351.1 repealed and Section 6300 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 40171 - April 13, 1993; amended by M.I. 48202 - March 9, 2010.

§ 6301. Good Faith Efforts Required.

The Board recognizes that the mere prohibition of unlawful discriminatory practices will not assure equal opportunity in employment and therefore directs that good faith efforts be undertaken to assure that equal treatment is accorded all applicants and employees in all matters affecting employment, including but not limited to, recruitment, selection, transfer, promotion, discipline, demotion, discharge, training, and benefits.

Res. 7606 - September 17, 1974; Section 351.2 amended by M.I. 34148 - March 9, 1982. Section 351.2 repealed and Section 6301 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 6302. General Manager's Responsibility to Implement Affirmative Action Program.

The General Manager shall establish, direct, and monitor a detailed program implementing the affirmative action laws that are applicable to the District, and shall take appropriate steps to cause all personnel within this organization to abide by and affirmatively support said program.

Res. 7606 - September 17, 1974. Section 351.3 repealed and Section 6302 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 48202 - March 9, 2010.

§ 6303. Objectives of Affirmative Action Program.

The detailed affirmative action program to be developed by the General Manager shall provide, through an affirmative action plan, for attainment and maintenance, within a reasonable time frame to be established by the program, of the following minimum objectives:

(a) To ensure equal employment opportunity to individuals covered by affirmative action laws applicable to the District.

(b) To eliminate non-job-related barriers in the terms, conditions, and privileges of employment and to ensure equal consideration of all qualified applicants and employees without regard to characteristics protected by affirmative action laws applicable to the District, except as permitted by law.

(c) To analyze employment data to ensure compliance with any equal employment opportunity and affirmative action requirements imposed by law.

(d) To disseminate information on equal employment opportunity and affirmative action to all District personnel.

(e) To review District personnel practices, including but not limited to recruitment, selection, classification, training, promotion, and career development to ensure equal access is provided to qualified applicants and employees covered by affirmative action laws applicable to the District, without unlawful discrimination.

(f) To promptly resolve questions or complaints arising from this program.

Res. 7606 - September 17, 1974; Section 351.4 amended by M.I. 34148 - March 9, 1982. Section 351.4 repealed and Section 6303 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraphs (a) and (b) amended, paragraphs (c) deleted, former paragraphs (d) – (g) renumbered to paragraphs (c) – (f) by M.I. 48202 – March 9, 2010 .

§ 6304. General Manager's Report on Equal Employment Opportunity Policy and Affirmative Action Program.

Annually, the General Manager shall report to the Organization, Personnel and Technology Committee on the status of the equal employment opportunity policy and affirmative action program.

Res. 7606 - September 17, 1974; Section 351.5 amended by M.I. 34148 - March 9, 1982. Section 351.5 repealed and Section 6304 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M. I. 44582 – August 20, 2001; amended by M. I. 46064 – January 11, 2005; amended by M.I. 46983 - February 13, 2007; amended by M.I. 48081 – November 10, 2009, Section title and paragraph amended by M.I. 48202 – March 9, 2010; paragraph amended by M.I. 48800 – September 13, 2011.

§ 6305. Definitions.

Terms, whenever used in this Article, shall have the meaning provided for in applicable law. In conformance with applicable law, the following terms shall have the meanings indicated herein:

(a) Protected veteran - a disabled veteran, a special disabled veteran, a Vietnam era veteran, a recently separated veteran, an armed forces service medal veteran, or any other protected veteran as defined by law.

(b) Age - 40 and above.

(c) Medical condition - Any health impairment related to or associated with a diagnosis of cancer or a record or history of cancer, or genetic characteristics.

Section 351.6 - M.I. 34148 - March 9, 1982. Section 351.6 repealed and Section 6305 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 40171 - April 13, 1993; first paragraph amended, paragraphs (a) and (b) added, second paragraph numbered as (c) by M.I. 48202 – March 9, 2010.

Article 2

EXPENSE ACCOUNT REGULATIONS

Sec.

6320. Policy

6321. Expense Reimbursement Rates

6322. Supervision

6323. Definitions

6324. Authorization for Domestic Travel

6325. Authorization for International Travel

6326. Authorized Expenses

6327. Route and Mode of Travel

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§ 6320. Policy.

Payment for travel and other expenses incurred by directors and employees shall be allowed only for the purpose of furthering the interests of the District. An expense shall be deemed to be incurred to further the interests of the District when it is incurred for an activity that has a significant and meaningful link to the purposes, policies, and interests of the District. It is the purpose of these regulations to furnish rules, guidelines and procedures to assist directors and employees in claiming reimbursement of all such expenses. Expenditures will be closely scrutinized and only those considered to be necessary will be allowed. Directors and employees shall repay the District for disallowed expenses incurred on their behalf.

Section 435.1 - M.I. 33162 - March 11, 1980. Section 435.1 repealed and Section 6320 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 39019 - June 11, 1991.

§ 6321. Expense Reimbursement Rates.

Expenditures for lodging, meals, transportation and other activities, as authorized in accordance with Sections 6324, 6325 and 6326, should provide for reasonable comfort and convenience. It should be borne in mind, however, that public funds are being spent and that only a reasonable level of expense is warranted. Except as otherwise set forth in an applicable Memorandum of Understanding with a District employee association, all reimbursements of travel expenses are subject to the following limits:

(a) Lodging shall be obtained at government or group rates, when available. For conferences and organized educational activities, lodging costs shall not exceed the maximum group rate published by the sponsor of the conference or activity. If no government or group rate is available the traveler should obtain moderately priced accommodations based on prevailing rates in the area. The traveler may request per diem at IRS-published rates for the area of travel

or, if the traveler is covered by a bargaining unit, then at the rate established pursuant to the applicable Memorandum of Understanding in lieu of reimbursement for actual lodging expense.

(b) Transportation costs and costs associated with transportation will be reimbursed according to the requirements of Section 6326.

(c) Reimbursement for meals is limited to the IRS-published per diem rate for the area of travel or the rate established by an applicable Memorandum of Understanding.

Section 435.2 - M.I. 33162 - March 11, 1980. Section 435.2 repealed and Section 6321 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 39019 - June 11, 1991; Section renamed and opening paragraph amended, paragraphs (a), (b) and (c) added by M. I. 46449 - November 8, 2005; paragraphs (a) and (c) amended by M.I. 49041 - April 10, 2012; paragraph (c) amended by M.I. 49187 - September 11, 2012.

§ 6322. Supervision.

As circumstances vary considerably in those instances where directors and employees must incur expenses, care by those incurring expenses, and supervision by those approving expense accounts are the most effective controls over expenditures. When expenses that might be regarded as out of the ordinary are foreseen, the approving officer's instructions should be sought beforehand.

Section 435.3 - M.I. 33162 - March 11, 1980. Section 435.3 repealed and Section 6322 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 6323. Definitions.

(a) "Employee" shall mean directors and employees unless specifically stated otherwise. Employees within a bargaining unit which has a Memorandum of Understanding with the District shall be governed by its provisions to the extent it provides for reimbursement of expenses or per diem. Where authorization for an employee to travel is required from a "Department Head or group manager," the term shall mean the positions so identified by the organizational chart contained in the most recent annual District budget adopted by the Board. In the case of a director, the terms shall be deemed to mean the Chair of the Board.

(b) "Travel" shall mean attendance at meetings, conferences, or other functions on District business at other than the employee's headquarters or temporary headquarters or, in the case of directors, their residences or places of business, whichever is applicable. Employees shall not be in travel status to the extent that they travel to perform job assignments related to District facilities within designated service or maintenance areas unless it is overnight. A specific headquarters shall be designated for each employee.

(c) "Overnight travel" shall mean travel which prevents employees from spending their usual sleeping hours at their residences.

(d) "Temporary headquarters" shall mean District facilities other than their regular headquarters where employees are instructed by their immediate supervisors to report on a temporary basis.

(e) "Business meal" shall be one in which employees provide non-employees and themselves meals and beverages ordinarily associated with normal eating customs under circumstances which are generally considered to be conducive to furthering the business of the District. A "business meal" unless otherwise justified does not include a meal furnished by an employee to someone in expectation that another meal will be furnished to the employee or in repayment of one previously furnished. A "business meal" shall also include employees' meals at business meetings away from a District facility with non-employees who pay for their own meals, or at a business program sponsored by a business or professional association where the subject matter of the discussion is of importance to the District. Employees (not including directors) ordinarily may not themselves partake in, or provide for others, business meals without prior authorization by their group, assistant group or section manager provided, however, whenever an employee who customarily performs District job assignments at a specific location, or locations, is required to be at a substantial distance from that location on District business during a period when a meal is usually partaken, the employee shall be reimbursed by the District for the expense of meals partaken at such other locations. In addition to the above, a Department Head may authorize meals for employees under special circumstances.

Section 435.4 - M.I. 33162 - March 11, 1980. Section 435.4 repealed and Section 6323 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraphs (a) and (e) amended by M. I. 45943 – October 12, 2004.

§ 6324. Authorization for Domestic Travel.

(a) Directors

(1) Directors are authorized to travel anywhere within Metropolitan's service area on District business, subject to the limitations on travel reimbursements in section 6326(e)(1).

(2) Other domestic travel on District business by directors shall be undertaken only with the prior approval of the Chair of the Board or, on the Chair's referral, the Executive Committee. In considering whether to give such approval, the criteria set out in Section 6320 shall be applied. The Chair, or the Board Executive Secretary acting at the Chair's direction, shall advise the director in writing in advance that the travel is authorized.

(3) Where a director expects to be absent from the State for personal reasons for more than 60 days, that director shall, in advance of departure, request approval from the Board in order to comply with Government Code Section 1062.

(b) Employees

(1) Employees if authorized by their supervisors may travel anywhere within Southern California (including Bakersfield) to carry out their job assignments.

(2) Group managers are authorized, and may authorize their staff, to travel anywhere within the United States to carry out a job assignment.

Section 435.5 - M.I. 33162 - March 11, 1980; amended by M.I. 33332 - July 8, 1980; amended by M.I. 33823 - July 14, 1981; amended and paragraph (a)(3) [formerly Section 435.5.1.3] added by M.I. 34627 - March 8, 1983; paragraph (b)(2) [formerly 435.5.2.2] amended by M.I. 34671 - April 12, 1983. Section 435.5 repealed and Section 6324 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 38471 - September 11, 1990; paragraph (a)(2) amended by M.I. 39019 - June 11, 1991; paragraph (b)(2) amended by M.I. 39314 - November 19, 1991; paragraph (b)(2) amended and paragraph (b)(3) repealed by M.I. 41774 - February 13, 1996; paragraph (b)(2) amended by M.I. 41804 - March 12, 1996; paragraphs (b)(1) and (b)(2) amended by M. I. 45943 – October 12, 2004; paragraph (a)(1) amended by M.I. 49041 – April 10, 2012.

§ 6325. Authorization for International Travel.

(a) The General Manager is authorized to approve travel of District personnel to foreign countries, when necessary as an incident to the evaluation of bids or the administration of contracts, and for participation in conferences, inspection trips, meetings or exchanges of potential benefit to the District. The General Manager shall report all international travel approved pursuant to this section to the Chair of the Board in advance of such travel being taken, together with a written justification for the travel pursuant to the criteria set forth in subpart (c).

(b) All requests for international travel by directors or Department Heads shall be submitted to the Chair of the Board in advance of the travel date for participation in conferences, inspection trips, meetings or exchanges of potential benefit to the District. The Chair of the Board shall authorize the international travel when appropriate pursuant to the criteria set forth in subpart (c). The Chair or the Board Executive Secretary acting at the Chair's direction shall, in advance of such participation, advise, in writing, any director whose participation is authorized.

(c) The Chair, in approving international travel by a director or Department Head, and the General Manager, in approving international travel by a member of the staff, shall consider, among others, the following criteria:

(1) Whether significant personal contacts of direct and significant benefit in the conduct of the District's affairs will be made as the result of such participation;

(2) Whether technical or administrative information to be gained by participation will be of direct and significant benefit in the conduct of the District's affairs;

(3) Whether the cost of participation, including both travel costs and time taken from other District assignments, is warranted by the anticipated benefits to be gained by the District through new knowledge, contacts, or technology; and

(4) Whether dissemination of information about the District to the target audience will significantly contribute to the protection of the District's rights and properties.

(d) The Chair of the Board shall report quarterly to the Executive Committee on all international travel which has been approved pursuant to this section for directors, Department Heads, and staff members.

M.I. 38471 - September 11, 1990; paragraph (b) amended by M.I. 39019 - June 11, 1991; paragraphs (a) & (b) amended and paragraphs (c) and (d) added by M.I. 42559 - August 19, 1997.

§ 6326. Authorized Expenses.

(a) Transportation Costs and Costs Associated with Transportation. - Authorized transportation expenses may include common carrier fares, rental of automobiles, parking fees, and use of personal automobiles at the standard mileage rate provided for in any applicable memorandum of understanding. If no memorandum of understanding is applicable, the rate shall be the standard mileage rate permitted at the time by the Internal Revenue Service in computing a deduction for business mileage; provided, however, that for employees in the classifications listed in Section 6500, mileage for use of personal automobiles on District business shall be reimbursed only as provided in the Operating Policy then in effect which sets forth the vehicle allowances and related benefits for such employees.

(b) Overnight Travel. - In addition to those expenses described in Section 6326(a), authorized expenses while traveling overnight on District business also may include reasonable telephone calls to the employee's family, meals, lodging, baggage handling, tips, and any other reasonable incidental expenses of the trip which are business related rather than personal in nature. If a family member should accompany an employee, subject to the requirements of Section 6321, lodging expense may only be reimbursed at the applicable rate for a single room to be occupied by only one person.

Subject to the requirements of Section 6321(c), the District shall pay lodging, meal and other reasonable incidental expenses incurred at the destination required for business purposes when travel is extended for a time beyond what is normally required for such purposes (i.e., over a weekend), if the extension of time reduces the transportation costs that would otherwise have been incurred, thereby resulting in a net cost savings overall. Whenever such situations occur, they shall be fully described on the expense claim form subsequently prepared to document the travel activity. Notwithstanding the foregoing, the District shall not pay for transportation costs other than to and from the destination required for business purposes.

(c) Business Meal. - Business meal expenses may include the cost of meals and beverages ordinarily associated with normal eating customs, provided that no alcoholic beverages may be provided at District expense. An adequate description of the purpose of the meal and the names of guests and their affiliations shall be provided whenever claiming reimbursement for business meals.

A meal furnished to a fellow employee will only be reimbursed if: (a) both would be entitled to reimbursement; (b) if the meal is in connection with a business discussion with a non-employee; or (c) both employees are in overnight travel status.

An employee while in overnight status or director who provides a business meal to another person at a hotel, where the employee or director is staying on District business, or at a restaurant, when the bill is directly forwarded to the District for payment, must indicate on the expense account or reimbursement request who the guest was and the business reason for the expense.

(d) Transportation. - The type of transportation employed shall be selected on the basis of the lowest overall cost to the District after all costs are considered, including the travel time and the salary of the employee; provided, however, that travel by common carrier bus shall not be required.

Trips which require travel in excess of 200 miles one way shall be made by commercial airline unless the circumstances dictate otherwise. Reimbursements for any transportation costs for trips over 200 miles one way by any form of transportation shall generally not exceed the standard round-trip airline coach airfare in effect at the time, plus any personal auto mileage and airport parking that would have been incurred and reimbursable if airline transportation had been used. Determination of the standard round-trip coach airfare, for purposes of establishing a reimbursement limit on optional forms of travel, shall be made in advance whenever practicable.

All airline travel shall be by airplane coach or economy class except: (1) when coach or economy seats are unavailable at the time of ticketing, or (2) where the Department Head or the Board Chairman finds that some physical problem, essential business, or exceptional circumstance warrants travel in a higher class.

(e) Limitations and Non-Reimbursable Expenses

(1) Directors may attend up to three meetings and conferences related to District purposes per calendar year at District expense (including registration and reasonable travel expenses). Attendance at additional meetings and conferences in a calendar year will not be at the expense of Metropolitan, unless approved in advance by the Chairman of the Board. Reasons for approval of additional meetings include representing Metropolitan in a leadership position for an organization, speaking at a meeting or conference on behalf of Metropolitan, or similar representation of Metropolitan.

(2) Costs of overnight stays for directors attending board and committee meetings will be paid or reimbursed by the District only for directors residing outside of a 35-mile radius of the meeting location or when reasonably required under the circumstances (such as for attendance at evening or early morning meetings, to accommodate director driving restrictions, or other similar situation), and approved by the Chairman of the Board.

(3) The expenses of a director's spouse or other family member who accompanies the director on District business shall not be borne by the District or reimbursable to a director unless specifically authorized in writing by the Chairman of the Board (or Executive Committee) in advance as an expense necessary for the proper representation of the District. Such reimbursements shall be reported as income of the recipient, as required under applicable tax law.

(4) Items of personal benefit, including but not limited to in-room movies, entertainment and mini-bar snacks and beverages are a personal expense and will not be paid or reimbursed by the District. No alcoholic beverages will be paid for or reimbursed by the District.

(5) The expenses of an employee or director shall not be reimbursed by the District to the extent that they are reimbursed by another party.

Section 435.6 - M.I. 33162 - March 11, 1980; paragraph (a) [formerly 435.6.1] amended by M.I. 33332 - July 8, 1980; paragraph (a) amended by M.I. 33823 - July 14, 1981. Section 435.6 repealed and Section 6325 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (e) added by M.I. 36745 - August 18, 1987; amended by M.I. 37492 - January 10, 1989; paragraph (f) added by M.I. 37571 - March 14, 1989; renumbered to Section 6326 by M.I. 38471 - September 11, 1990; paragraph (a) amended by M.I. 38460 - September 11, 1990; paragraphs (a), (b), (c), (d) and (e) amended by M.I. 39019 - June 11, 1991; paragraph (e) amended by M.I. 40727 - March 8, 1994; paragraph (d) amended by M.I. 41652 - November 14, 1995; paragraph (a) amended by M.I. 43023 - June 9, 1998; paragraphs (a) and (b) amended by M. I. 46449 - November 8, 2005; paragraph (d) amended by M. I. 46838 - October 10, 2006; amended paragraphs (b), (c), and (d), former paragraph (e) renumbered and amended to paragraph (e)(3), added heading title to beginning of paragraph (e), added paragraphs (e)(1), (e)(2), and (e)(4), former paragraph (f) renumbered and amended to paragraph (e)(5) by M.I. 49041 - April 10, 2012.

§ 6327. Route and Mode of Travel.

(a) Travel must be by the most direct route, considering the mode of transportation used. Additional expense resulting from travel by an indirect route for the personal interest of the employee is not chargeable to the District, but is to be reported on claims for reimbursement and identified as chargeable to the employee.

(b) The department head or group manager shall reject or reduce claims for reimbursement of expenses resulting from unauthorized travel or inappropriate selection by the employee of class of transportation, lodging, or meals.

(c) Department heads, assistant department heads, group, assistant group, and section managers are authorized and may authorize other employees to approve transportation orders to check out pool cars from the Los Angeles headquarters garage. Directors requiring the use of District vehicles shall place their requests through the General Manager.

Section 435.7 - M.I. 33162 - March 11, 1980. Section 435.7 repealed and Section 6326 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; renumbered to Section 6327 by M.I. 38471 - September 11, 1990; paragraphs (b) and (c) amended by M. I. 45943 - October 12, 2004.

§ 6328. Other Expenses.

Expenses not otherwise covered by these regulations and not exceeding \$100 may be approved by the group manager if consistent with the requirements of Sections 6320 and 6321. Those in excess of \$100 shall be approved by the department head.

Section 435.8 - M.I. 33162 - March 11, 1980. Section 435.8 repealed and Section 6327 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; renumbered to Section 6328 by M.I. 38471 - September 11, 1990; amended by M. I. 45943 - October 12, 2004.

§ 6329. Funds.

(a) Employees on travel status are expected to provide themselves with sufficient funds to cover all out-of-pocket expenses, which will be reimbursed by the District if appropriate.

(b) If necessary, funds will be advanced to employees to be on travel status on a temporary basis upon the employee's request and in accordance with procedures established by the Controller.

Section 435.9.2 - M.I. 33162 - March 11, 1980. Section 435.9.2 repealed and Section 6329 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; renumbered to Section 6330 by M.I. 38471 - September 11, 1990. Renumbered to Section 6329 and paragraph (c) added by M.I. - March 12, 1996. [Previous Section 6329: Section 435.9.1 - M.I. 33162 - March 11, 1980; paragraph (a) [formerly 435.9.1.1] amended by M.I. 34298 - July 13, 1982; paragraph (a) amended by M.I. 35433 - December 11, 1984. Section 435.9.1 repealed and Section 6328 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; renumbered to Section 6329 by M.I. 38471 - September 11, 1990; paragraphs (a), (c) and (c)(1) through (c)(4) amended and paragraph (c)(5) added by M.I. 39019 - June 11, 1991; paragraph (a) amended by M.I. 39358 - December 10, 1991; paragraph (c)(1) amended by M.I. 39359 - December 10, 1991; paragraph (c)(5) amended by M.I. 40976 - August 19, 1994; paragraph (a) amended by M.I. 41652 - November 14, 1995; deleted by M.I. 41815 - March 12, 1996]; paragraph (b) amended by M. I. 45943 - October 12, 2004; paragraph (b) amended and paragraph (c) deleted by M. I. 46449 - November 8, 2005.

§ 6330. Lobbying.

Directors or employees incurring expenses on behalf of Metropolitan to influence state legislative or administrative action shall separate such items on their expense account from other expenses and identify the action, the purpose of the expenditures, the name of the beneficiary of the expenditure, if other than the employee or payee, and the state agency, if any, and name of official involved and shall assign expenses incurred to the appropriate chart of accounts flex fields for lobbying. The General Counsel shall provide specific guidance to directors and employees concerning the reporting of lobbying expenses.

Section 435.11 - M.I. 33162 - March 11, 1980. Section 435.11 repealed and Section 6331 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; renumbered to Section 6332 by M.I. 38471 - September 11, 1990; renumbered to Section 6330 and amended by M.I. - March 12, 1996. [Previous Section 6332 - Section 435.10 - M.I. 33162 - March 11, 1980. Section 435.10 repealed and Section 6330 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; renumbered to Section 6331 by M.I. 38471 - September 11, 1990; paragraph (b) amended by M.I. 39019 - June 11, 1991; paragraph (b) amended by M.I. 40976 - August 19, 1994; deleted by M.I. 41815 - March 12, 1996]

§ 6331. Preparation, Approval and Processing of Claims.

(a) Expense reports shall be prepared and approved using a standard District form for such purpose.

(b) Expense accounts shall be prepared and submitted by directors and employees under the following circumstances in accordance with the schedules outlined herein:

(1) Directors and employees who incur expenses on behalf of the District, or who travel on or engage in District business which requires the expenditure of funds on their behalf, shall prepare an expense claim form to document the purposes and costs of such activities, even if no reimbursement is being requested. Notwithstanding the foregoing, no expense report need be prepared by a director or employee for a function and/or meals sponsored by the District other than for personal expenses charged to the District which must be reimbursed to the District, or for travel or miscellaneous expenses incident thereto which the directors or employee paid and which are reimbursable to said director

or employee. As used herein, the term “District sponsored” includes, but is not limited to, meals provided at District facilities, tours for or sponsored by directors, off-site Board workshops, and such other events as may be designated in advance by the Chair of the Board or the General Manager.

(2) Directors’ expense claims shall be submitted to the Board Executive Secretary’s office no later than the end of the month following the month in which the director incurred the expenses or participated in an activity for which District funds were utilized on the director’s behalf. Directors’ expense claims that are solely for reimbursement of mileage expenses for use of personal automobiles on District business shall be submitted to the Board Executive Secretary’s office no later than the end of the month following the calendar quarter in which the director incurred the expenses.

(3) Employees’ expense claims, approved in accordance with the provisions of this section, shall be submitted to the Office of the Chief Financial Officer no later than the end of the month following the month in which the employee incurred the expenses or participated in an activity for which District funds were utilized on the employee’s behalf.

(4) In no event shall the District process claims by a director or employee for any expenses that he or she incurs on the District’s behalf if the claim for reimbursement of such expenses is not submitted within 90 days after the expenses were incurred. Extensions of time may be granted by the Department Head in the case of employees, or by the Chair of the Board in the case of directors when the circumstances causing the delinquent filing are exceptional.

(5) Directors and employees who fail to provide a proper and timely accounting of any of their activities which have utilized District funds may be subject to recognition of taxable income on such amounts expended by the District on their behalf in accordance with applicable tax regulations.

(c) The expense reports of all directors shall be reviewed and approved by the Board Executive Secretary. Department Heads’ expense reports shall be verified as accurate by their respective executive secretaries. The expense reports of assistant department heads and group managers shall be approved by their department heads. All other employee expense reports shall be approved by the employees’ authorizing supervisors up through the group manager level, as applicable.

(d) All approved expense reports shall be submitted to the Controller’s Section of the Office of the Chief Financial Officer for review, processing and, if appropriate, reimbursement of amounts due the claimants. Questions if any, on directors’ claims shall be referred back to the Board Executive Secretary for resolution. Questions pertaining to employees’ claims shall be referred back to the employees or their supervisors, as warranted. Unresolved disputes as to claims submitted by employees shall be forwarded by the Office of the Chief Financial Officer to the General Manager, who after conference with the employee may reduce or disallow any claim and the employee shall reimburse the District.

M.I. 41815 - March 12, 1996; amended by M.I.41845 - April 9, 1996; paragraphs (b)(3), (c), and (d) amended by M. I. 45943 - October 12, 2004; paragraph (b) (2) amended by M. I. 46838 - October 10, 2006.

§ 6332. Audit.

(a) All expense reports submitted by directors, department heads other than the General Auditor, and all other employees are subject to audit by the General Auditor's office after they have been processed. The General Auditor's expense reports shall be subject to audit by the Chief Financial Officer.

(b) The General Auditor, or the Chief Financial Officer with regard to any such claim of the General Auditor, shall refer unusual or questionable claims of directors or Department Heads to the Chair of the Board of Directors for review and discussion with the claimant if necessary, except that the General Auditor shall refer any such claim made by the Chair of the Board of Directors to the Secretary of the Board of Directors for review and discussion with the claimant if necessary. If questions regarding the claim cannot be resolved with the claimant, the claim shall be referred to the Executive Committee and the claimant notified. The Executive Committee, after conference with the claimant, may reduce or disallow any claim and the claimant shall reimburse the District.

(c) Questionable claims of assistant department heads or group managers shall be referred by the General Auditor to the General Manager for resolution. Questionable claims of other employees shall be referred to the appropriate level of management or supervision for resolution. The General Manager, or his designee, in consultation with the General Counsel's office, shall have the authority to make final determinations on audit issues involving the expense reports of all employees below the level of department head.

M.I. 41815 - March 12, 1996; paragraphs (a), (b), and (c) amended by M.I. 43968 - April 11, 2000; paragraphs (b) and (c) amended by M. I. 44582 - August 20, 2001; paragraph (c) amended by M. I. 45943 - October 12, 2004; paragraph (b) amended by M. I. 46064 - January 11, 2005; paragraphs (b) and (c) amended by M. I. 46838 - October 10, 2006.

Article 3

EMPLOYEE TOURS

Sec.

6340. Colorado River Aqueduct

6341. Tours for District Remote Field Workers

§ 6340. Colorado River Aqueduct.

A program has been approved under which the General Manager will be authorized to sponsor two Colorado River Aqueduct tours each year for employees. Subject tours will be made by bus and will start from the Los Angeles Headquarters Building. Each tour group will be limited to one bus load, and the dates for such Aqueduct tours for employees will be established only after District-sponsored tours have been given dates. With the exception of those employees assigned to the tours as part of their work, no employee participating in the recommended tours shall be away from regular assignment more than one day while on a District-sponsored tour.

Section 437.1 - M.I. 27499 - May 13, 1969. Section 437.1 repealed and Section 6340 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; editorial gender bias changes made - October 1993.

§ 6341. Tours for District Remote Field Workers.

Appropriate inspection tours shall be arranged for employees working in areas remote from Los Angeles area to visit the District's Headquarters Building, related distribution facilities, and construction work in progress.

Section 437.2 - M.I. 27500 - May 13, 1969. Section 437.2 repealed and Section 6341 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

Article 4

MISCELLANEOUS

Sec.

6350. No Tipping

6351. Deputies

[6352 repealed]

§ 6350. No Tipping.

The General Manager is instructed to notify the employees in the camps that it is against the policy of the District to accept tips from guests or visitors, and that signs be posted in all appropriate places to this effect.

Section 439.3 - M.I. 14518 - August 19, 1952. Section 439.3 repealed and Section 6350 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 6351. Deputies.

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

Ords. 113, 114, 117, 130 and 138; repealed by Ord. 146; Section 501.12 added, as amended, by M.I. 32690 - April 10, 1979; renumbered Section 501.10 - June 3, 1985. Section 501.10 repealed and Section 6351 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

[§ 6352 repealed by M. I. 45943 – October 12, 2004.]

Chapter 4

OFFICERS

Article		Sec.
1	Officers	6400
2	General Manager	6410
3	General Counsel	6430
4	General Auditor	6450
5	Ethics Officer	6470

Article 1

OFFICERS

Sec.

6400. Creation of Offices

6401. Method of Appointment and Removal

§ 6400. Creation of Offices.

The following offices are hereby created:

(a) Executive Offices:

General Manager
General Counsel
General Auditor
Ethics Officer

(b) Principal assistants within the executive offices, with number as authorized from time to time by the Board.

(1) Principal assistants to the General Manager:

Assistant General Manager(s) and/or Chief Operating Officer
Chief Administrative Officer and Chief Financial Officer
Deputy General Manager(s)

(2) Principal assistants to the General Counsel:

Assistant(s) General Counsel

(3) Principal assistants to the General Auditor:

Assistant(s) General Auditor

(c) Other Offices:

Controller
Treasurer

Board Executive Secretary
Deputies General Counsel, with number as authorized from time to time by the
Board.

Ords. 64, 82, 86, 102, 103, 107, 108, 109, 110, 113, 115, 120 and 127; repealed by Ord. 146; Section 410.1 added, as amended, by M.I. 32690 - April 10, 1979; paragraph (b)(3) [formerly Section 410.1.2.3] added by M.I. 34620 - June 8, 1982; paragraph (b)(1) [formerly Section 410.1.2.1] amended by M.I. 35433 - December 11, 1984. Section 410.1 repealed and Section 6400 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (b)(1) amended by M.I. 40872 - June 14, 1994; paragraph (b)(1) amended by M.I. 41652 - November 14, 1995; paragraph (b)(1) amended by M.I. 42559 - August 19, 1997; paragraphs (a) and (b)(3) amended by M.I. 43968 - April 11, 2000; paragraph (a) amended by M. I. 45285 - April 8, 2003; paragraphs (b)(1)(2)(3) amended by M.I. 45943 - October 12, 2004; paragraphs (a), (b) (1) amended by M. I. 46838 - October 10, 2006; paragraphs (b)(1) and (c) amended by M. I. 47636 - September 9, 2008.

§ 6401. Method of Appointment and Removal.

Officers and employees shall be appointed and removed in the following manner:

(a) Executive Officers. - Executive officers shall be appointed by, and shall hold office at the pleasure of, the Board.

(b) Principal Assistants to Executive Officers. - The principal assistants to the executive officers shall be appointed and may be removed by such executive officers, subject to Board notification. In the event the Board determines that an executive officer is unable for any reason to appoint or remove a principal assistant, the Board may appoint and remove such assistant.

(c) Other Officers

(1) The Board Executive Secretary shall be appointed and may be removed by the General Manager, subject to approval by the Board.

(2) The Controller and the Treasurer shall be appointed and may be removed by the General Manager.

(3) Deputies General Counsel shall be appointed and may be removed by the General Counsel.

Ords. 29, 113, 127 and 130; repealed by Ord. 146; Section 410.2 added, as amended, by M.I. 32690 - April 10, 1979. Section 410.2 repealed and Section 6401 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (b) amended by M. I. 45943 - October 12, 2004.

Article 2

GENERAL MANAGER

Sec.

6410. Powers and Duties

6411. Principal Assistants

6412. Delegation of Executive and Administrative Powers

6413. Insurance Program

6414. Use of District Automobile

[6415. - Repealed]

6416. Annual Report to Executive Committee

§ 6410. Powers and Duties.

The General Manager shall be the chief executive of the District and shall exercise all executive, administrative, and ministerial powers not specifically reserved to the Board, General Counsel or General Auditor by law, this Code or by order of the Board, or by law to any other officer.

Ords. 29, 101, 113, 121 and 127; repealed by Ord. 146; Section 412.1 added, as amended, by M.I. 32690 - April 10, 1979. Section 412.1 repealed and Section 6410 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 43968 - April 11, 2000.

§ 6411. Principal Assistants.

The powers and duties of the principal assistants to the General Manager are as follows:

(a) The Assistant General Manager(s), Chief Operating Officer, Chief Administrative Officer, and Chief Financial Officer shall perform such duties and render such services as may be assigned to them by the General Manager with like effect as though such duties or services were performed or rendered in person by the General Manager. The General Manager shall designate in writing by office and name principal assistants to act in the General Manager's place in the event the General Manager is absent, unable to act in person, or until the appointment and qualification of the General Manager's successor, and shall specify the order in which such principal assistants shall assume the powers and duties of the General Manager in any such event. The designation may be changed by the General Manager at any time and for any reason, but a designation shall be kept on file at all times. The original of the designation shall be filed in the office of the Board Executive Secretary, and a signed copy shall be delivered to the principal assistants named therein.

(b) The Assistant General Manager(s), Chief Operating Officer, Chief Administrative Officer, and Chief Financial Officer shall act in the name of the General Manager, except when empowered by law or in writing by the Board or the General Manager to act in their own names, and their acts shall be equally effective whether done in their own names or in the name of their principal.

Ords. 29, 101, 113, 121 and 127; repealed by Ord. 146; Section 412.2 added, as amended, by M.I. 32690 - April 10, 1979; amended by M.I. 35433 - December 11, 1984. Section 412.2 repealed and Section 6411 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraphs (a) and (b) amended by M.I. 40872 - June 14, 1994; paragraphs (a) and (b) amended by M.I. 41652 - November 14, 1995; paragraphs (a) and (b) amended by M. I. 45943 - October 12, 2004; paragraphs (a) and (b) amended by M. I. 46838 - October 10, 2006; paragraphs (a) and (b) amended by M.I. 47636 - September 9, 2008.

§ 6412. Delegation of Executive and Administrative Powers.

The Board intended, when it adopted Section 6410 of this Administrative Code, to delegate to the General Manager all powers which could lawfully be delegated to the General Manager, including, without limiting the foregoing delegation, the power to establish operating policies deemed necessary for the efficient and effective operation of the District, the only limitation being that the General Manager may not interfere with the specific powers or functions reserved to the other executive officers by specifically directing them as to the manner in which they are to perform the functions within their professional responsibilities as provided by statute, the Code or by Order of the Board.

Res. 7416 - May 9, 1972; Section 501.1 amended by M.I. 32690 - April 10, 1979. Section 501.1 repealed and Section 6412 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 42500 - July 8, 1997.

§ 6413. Insurance Program.

The General Manager is directed to review in May each year the insurance program of the District calling attention to any changes advisable. The policy of the Board is to call for bids on insurance.

Section 501.3 based on M.I. 14317 - May 13, 1952. Section 501.3 repealed and Section 6413 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 6414. Use of District Automobile.

The General Manager is authorized to use the General Manager's District automobile for such purposes other than District business as may be necessary.

Section 501.4 based on M.I. 6167 - May 7, 1937. Section 501.4 repealed and Section 6414 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

[§ 6415 Repealed by M.I. 37448 - December 13, 1988.]

§ 6416. Annual Report to Executive Committee

The General Manager shall annually submit to the Executive Committee a business plan containing the General Manager's key priorities for the coming year. The business plan shall be submitted in conjunction with similar plans by the General Auditor and Ethics Officer to the Audit and Ethics Special Committee and the General Counsel to the Legal and Claims Committee.

M.I. 43692 - August 17, 1999 amended by M.I. 43968 - April 11, 2000; amended by M. I. 44582 - August 20, 2001; amended by M. I. 46064 - January 11, 2005; amended by M. I. 46838 - October 10, 2006; amended by M.I. 46983 - February 13, 2007; amended by M.I. 48081 - November 10, 2009; amended by M.I. 49187 - September 11, 2012.

Article 3

GENERAL COUNSEL

Sec.

6430. Powers and Duties

6431. Authority to Obtain Expert Assistance

6432. Authority to Obtain Court Fees and Deposits

6433. Authority to Litigate, Compromise and Settle Claims By and Against the District

6434. Writing off Uncollectible Claims

6435. Applicability of Section 1094.6 of the Code of Civil Procedure

6436. Annual and Quarterly Reports to Legal and Claims Committee

6437. Use of District Automobile

6438. Assistant General Counsel and Deputies General Counsel

§ 6430. Powers and Duties.

The powers and duties of the General Counsel shall be as follows:

(a) The General Counsel shall be the attorney for the District and shall represent said District and the Board, or any officer of said District, in all actions at law or in equity, and special proceedings, for or against said District, or in which it may be legally interested, or for or against said Board or any officer of said District, in his official capacity.

(b) The General Counsel shall be legal advisor to the Board and to all officers of said District in their official capacity, and he shall give his advice or opinions in writing to said Board or to any such officer, when requested so to do by said Board or officer.

(c) The General Counsel shall keep on file in his/her office copies of all written communications given by him to the Board or to any officer or employee of the District; copies of all papers, briefs, and transcripts used in causes wherein he appears, and a register of all actions or proceedings in his/her charge in which the District or the Board or any officer of the District, in his/her official capacity, is a party or is interested.

(d) The General Counsel may, when authorized so to do by the Board, employ attorneys and other persons to render special and temporary services in assisting him/her in the performance of his/her duties and upon such compensation as the Board may determine.

(e) The General Counsel shall cooperate with the General Manager.

Ords. 6, 18, 113, 114 and 130; repealed by Ord. 146; Section 414.1 added, as amended, by M.I. 32690 - April 10, 1979. Section 414.1 repealed and Section 6430 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (f) added by M. I. 46338 - August 16, 2005; paragraph (f) deleted by M.I. 49648 - January 14, 2014..

§ 6431. Authority to Obtain Expert Assistance.

The General Counsel is authorized to employ special counsel and investigators to advise him or assist him in representing the District, and such technical experts as necessary for proper preparation and presentation of the District's interest in any court action, special proceedings, legislative hearings, or other proceedings whether in or out of court where the assistance of technical experts may be necessary in order to represent the District adequately, so long as the amount to be expended in fees, costs, and expenses in any one year in connection with any assignment will not exceed \$100,000.

Section 481.3 based on former Section 451.24; amended by M.I. 33494 - November 18, 1980. Section 481.3 repealed and Section 6431 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 40777 - April 12, 1994.

§ 6432. Authority to Obtain Court Fees and Deposits.

When the General Counsel pursuant to this Code exercises authority to commence or defend or is directed by the Board to commence or defend judicial or administrative proceedings, such authority shall include authority to request the drawing of checks for various fees, costs related to discovery, for deposits required in connection therewith, and other expenses related to such proceedings, and the Controller is authorized and directed to approve vouchers therefor based only on the signed request of the General Counsel.

Section 481.4 based on former Section 461.16; amended by M.I. 33494 - November 18, 1980. Section 481.4 repealed and Section 6432 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 6433. Authority to Litigate, Compromise and Settle Claims By and Against the District.

(a) Settlement of Claims or Suits Generally. – The General Manager, with the approval of the General Counsel, is authorized to allow, compromise or settle any claim or suit, by or against the District, not provided for elsewhere in this Code if the amount to be paid does not exceed \$125,000. The General Manager or the General Counsel may perform any functions placed on the Board by Part 3 of Division 3.6 of Title 1 of the Government Code. The General Manager, with the approval of the General Counsel, may delegate the authority to settle claims involving payment of an amount not exceeding \$1,000 to an independent contractor.

(b) Settlement of Labor Claims or Suits. - The General Manager, with the approval of the General Counsel, is authorized to compromise and settle any claim brought against the District under Division 4 of the Labor Code and any suit arising out of proceedings against the District under Division 4, provided the amount to be paid pursuant to any such compromise and settlement shall not exceed the sum of \$125,000.

(c) Claims under Capital Construction Contracts. – The General Manager, with the approval of the General Counsel, is authorized to compromise or settle any claim under a capital construction contract if the amount paid under the contract, including change orders, together with the amount payable pursuant to the compromise or settlement, does not exceed the authorized contract maximum.

(d) Authority to Contest Matters by or Before Administrative Agencies. - The General Manager is authorized to initiate a contest of any claim, order, finding or decision made, charge, citation, or penalty assessed or proposed by an administrative agency against the District. The

General Counsel is authorized, upon request of the General Manager, to represent the District in such contest and, if he deems it appropriate, to seek review by a court of law; and is further authorized to do all things he deems necessary or proper in the conduct of any such contest or action including, without limitation, to conduct ancillary proceedings, to compromise and settle, to dismiss, or to appeal a decision or judgment rendered in any such contest or action.

(e) Prosecution of Claims. - The General Manager is authorized to do all things he deems necessary or proper to obtain payment of a claim of the District. For that purpose he may himself, with the approval of the General Counsel, institute an action within the jurisdictional limits of the small claims court and may request the General Counsel, who is hereby authorized to do so, to institute an action in the superior court or federal district court to recover damages in any amount arising out of injury to person or property and to institute other actions in which the amount sought to be recovered does not exceed \$125,000. In the case of small claims court actions, the General Manager, with the approval of the General Counsel, may, in connection with any such action, compromise, settle or dismiss such action, conduct ancillary proceedings, or appeal a judgment rendered in such action. In other actions brought under authority of this Section, the General Counsel, with the approval of the General Manager, may compromise, settle or dismiss such action, conduct ancillary proceedings, or appeal a judgment rendered in such action, provided that the amount to be paid by the District as a result of any compromise or settlement shall not exceed \$125,000.

(f) Litigation - Leases - Encroachments. - The General Counsel is authorized, upon request of the General Manager, to bring an action to enforce the terms of District written and oral leases or to remove unauthorized encroachments upon District property and he is authorized to do all things he deems necessary or proper in the conduct of any such action including, without limitation, to conduct ancillary proceedings, to settle or dismiss the action, or to appeal a judgment.

(g) Representation of Employees. - The General Counsel is authorized to represent an employee or former employee of the District who requests a defense by the District in any civil or criminal action or proceeding brought against such employee arising out of an act or omission in the scope of his employment. He may refuse to represent such employee in any civil action for any reason stated in Section 995.2 or Section 995.4 of the Government Code.

(h) Litigation actions subject to Board Ratification – Subject to subsequent ratification by the Board, the General Counsel, with the approval of the General Manager, is authorized to initiate litigation or respond to or participate in litigation otherwise requiring Board approval, if circumstances require action by Metropolitan before such Board approval can be obtained. Board ratification of such actions shall be requested at the next regularly scheduled Board meeting. If ratification of any such action is denied, the General Counsel shall take all steps necessary to comply with the Board's directions regarding the litigation.

Section 481.1 based on Res. 7186 - June 17, 1969. Section 481.1 repealed and Section 9200 adopted by M.I. 36464 - January 13, 1987; Section 9200 renumbered to Section 6433 (previous Section 6433 renumbered to 6436) and paragraphs (a), (b) and (d) amended by M.I. 41615 - October 10, 1995.

Paragraph (a) [formerly Section 481.1.1] amended by M.I. 33318, July 8, 1980; amended by M.I. 33494 - November 18, 1980 and M.I. 34060 - January 12, 1982; also based on former Section 481.6 - M.I. 33318 - July 8, 1982; amended by M.I. 35595 -

Paragraph (b) [formerly Section 481.1.2] amended by M.I. 32033 - November 8, 1977; amended by M.I. 33494 - November 18, 1980; amended by M.I. 38304 - June 12, 1990; amended by M.I. 41615 - October 10, 1995; amended by M. I. 44582 – August 20, 2001;

Paragraph (c) [formerly Section 481.1.3] based on former Section 481.5 - M.I. 32993 - November 13, 1979; amended by M.I. 33494 - November 18, 1980; amended by M.I. 35992 - March 11, 1986; amended by M. I. 44582 – August 20, 2001; new paragraph (c) added and paragraphs renumbered by M.I. 47286 - November 20, 2007.

Paragraph (d) [formerly Section 481.1.4] based on former Sections 481.2.1 and 481.2.2 Res. 7146 - January 14, 1969; amended by M.I. 33124 - February 12, 1980; amended by M.I. 33494 - November 18, 1980; amended by M.I. 35683 - June 11, 1985; amended by M.I. 35992 - March 11, 1986; amended by M.I. 38304 - June 12, 1990; amended by M.I. 41615 - October 10, 1995; amended by M. I. 44582 – August 20, 2001; renumbered to (e) by M.I. 47286- November 20, 2007;

Paragraph (e) [formerly Section 481.1.5] based on former Section 461.15; amended by M.I. 33494 - November 18, 1980; amended by M. I. 44582 – August 20, 2001; renumbered to (f) by M.I.47286 - November 20, 2007

Paragraph (f) [formerly Section 481.1.6] M.I. 34223 - May 11, 1982; renumbered to (g) by M.I. 47286 - November 20, 2007;

Paragraph (g) added by M. I. 44582 – August 20, 2001; renumbered to (h) and amended by M. I. 47286 - November 20, 2007; Paragraph (e) amended by M.I. 49596 - November 19, 2013.

§ 6434. Writing Off Uncollectible Claims.

The General Manager, after receiving the advice of the General Counsel, is authorized to determine that claims and accounts receivable of the District are not collectible and to direct the writing off of such items in order to adjust District accounts provided that such action with respect to items in excess of \$125,000 shall be subject to approval by the Board.

Section 481.3 based on Res. 6646 - January 12, 1965; renumbered by M.I. 33494 - November 18, 1980. Section 481.2 repealed and Section 9201 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; Section 9201 renumbered to Section 6434 (previous Section 6434 renumbered to 6437) by M.I. 41615 - October 10, 1995; amended M.I. 42500 - July 8, 1997.

§ 6435. Applicability of Section 1094.6 of Code of Civil Procedure.

Code of Civil Procedure Section 1094.6 is applicable to the District.

Res. 7969 - M.I. 34719 - May 10, 1983. Section 481.6 repealed and Section 9202 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; Section 9202 renumbered to Section 6435 by M.I. 41615 - October 10, 1995.

§ 6436. Annual and Quarterly Reports to Legal and Claims Committee.

(a) The General Manager and General Counsel shall report quarterly to the Legal and Claims Committee the exercise of any power delegated to them by Sections 6433 and 6434. The General Counsel shall report quarterly to the Legal and Claims Committee the exercise of any power delegated to him or her by Section 6431.

(b) The General Counsel shall annually, in advance of the July Board meetings, submit to the Legal and Claims Committee a business plan containing the Legal Department's key priorities for the coming year for review and approval. The business plan shall be submitted in conjunction with similar plans by the General Manager to the Executive Committee and the General Auditor and Ethics Officer to the Audit and Ethics Special Committee.

Section 481.5 based on former Section 481.1.3; amended by M.I. 33494 - November 18, 1980. Section 481.5 repealed and Section 6433 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; renumbered to Section 6436 and amended by M.I. 41615 - October 10, 1995; paragraph (b) added by M.I. 43692 - August 17, 1999; amended by M.I. 43968 - April 11, 2000; paragraphs (a) and (b) amended by M. I. 44582 – August 20, 2001; paragraphs (a) and (b) amended by M. I. 46064 – January 11, 2005; paragraph (b) amended by M. I. 46148 - March 8, 2005; paragraphs (a) and (b) amended by M.I. 46983 - February 13, 2007; paragraphs (a) and (b) amended by M.I. 48081 – November 10, 2009; paragraph (b) amended by M.I. 49187 - September 11, 2012.

§ 6437. Use of District Automobile.

The General Counsel is authorized to use the General Counsel's District automobile for such purposes other than District business as may be necessary.

M.I. 45943 – October 12, 2004.

§ 6438. Assistants General Counsel and Deputies General Counsel.

(a) The Assistants General Counsel and Deputies General Counsel shall perform such duties and render such services to the District as may be prescribed and assigned to them by the General Counsel, with like effect as though such duties or services were performed or rendered in person by the General Counsel. During the absence or disability of the General Counsel, or his inability for any reason to act in person, or in case of his death, resignation or removal, until the appointment and qualification of his successor, the Assistants General Counsel shall perform all of the duties and exercise all of the powers of the General Counsel. The Assistants General Counsel and Deputies General Counsel shall act in the name of the General Counsel, except when directed by the latter to act in their own names, and their acts shall be equally effective whether done in the name of the General Counsel or in their own names.

(b) The General Counsel may designate a Deputy General Counsel, who during the absence or disability of the General Counsel and of the Assistant General Counsel, or the inability of both of them for any reason to act in person, or in case of the death, resignation or removal of all of them, until the appointment and qualification of their successors, shall perform all duties and exercise all of the powers of the General Counsel. Such designation shall be made in writing, the original to be delivered to the Deputy General Counsel, a signed copy to be filed in the office of the Secretary of the Board. Each Deputy General Counsel shall act in the name of the General Counsel except when directed by the latter to act in his own name.

Ords. 64 and 113; repealed by Ord. 146; Section 414.2 added, as amended, by M.I. 32690 - April 10, 1979. Section 414.2 repealed and Section 6434 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; renumbered to Section 6437 by M.I. 41615 - October 10, 1995; paragraph renumbered and name amended, and paragraphs (a) and (b) amended by M. I. 45943 – October 12, 2004.

Article 4

GENERAL AUDITOR

Sec.

6450. Powers and Duties

6451. Audit Department Charter

6452. Assistant General Auditor

6453. Authority to Obtain Professional Services

6454. Use of District Automobile

§ 6450. Powers and Duties.

(a) The District's independent internal auditing function is governed by provisions of the California Government Code and by policies established by the Board of Directors. The Audit and Ethics Special Committee is responsible for the oversight of the internal auditing function, approving the Audit Department charter (subject to review and approval of the Board of Directors), selecting and overseeing the work of external auditors, and reviewing reports issued by both the internal and external auditors.

(b) The General Auditor manages the District's Audit Department and is responsible for formulating departmental policies and procedures; directing and evaluating the performance of work done by employees within the department, administering the internal records of the department; and administering the District's contract for external audit services. The General Auditor shall, annually in advance of the July Board meetings, submit to the Audit and Ethics Special Committee an Audit business plan containing key priorities for the coming year for review and approval. The business plan shall be submitted in conjunction with similar plans by the General Manager to the Executive Committee, the General Counsel to the Legal and Claims Committee and the Ethics Officer to the Audit and Ethics Special Committee.

(c) The General Auditor shall report the findings, opinions, and recommendations which result from the performance of the duties outlined in paragraph 6450(b) to the General Manager, General Counsel and Ethics Officer for their information and appropriate actions. Whenever an audit report contains recommendations for corrective actions or changes in current practices, the General Manager, General Counsel, Ethics Officer or their designees shall respond to the General Auditor in an appropriate manner and within a reasonable time, indicating their views on the recommendations and proposed actions to be taken, if any.

(d) The General Auditor's reports on internal audit assignments shall be addressed to the Audit and Ethics Special Committee. The General Auditor shall have the discretion to determine the form and content of such audit reports, subject to guidance by the Audit and Ethics Special Committee. With the exception of those reports which the General Auditor deems to be urgent or confidential in nature, copies of all audit reports addressed to the Audit and Ethics Special Committee shall be submitted to the General Manager and General Counsel for review and comment simultaneously to their submittal to the Audit and Ethics Special Committee.

(e) The General Auditor shall transmit all reports issued by the District's external auditors to the Audit and Ethics Special Committee and any other committees of the Board as may be applicable. Such transmittal letters should include any comments on the external auditor's reports that the General Auditor deems necessary.

(f) The General Auditor may receive requests from time to time from the other executive officers or committees of the Board to perform audit assignments which are not included in the approved annual Audit Business Plan. Similarly, the General Auditor may identify a need to include new assignments in the Audit Business Plan during the year. The General Auditor shall have sufficient latitude and discretion to include those new assignments in the annual Audit Business Plan as he deems necessary. The reporting process for assignments requested by either executive management or by committees of the Board shall generally follow the process outlined in paragraphs 6450(c) or (d) previously. However, any reports on audits requested by a committee of the Board shall be jointly addressed to such committee and the Audit and Ethics Special Committee. Copies of these reports will first be provided to management for review and comment consistent with the provisions of paragraph 6450(d).

(g) The General Auditor shall manage the work of the Audit Department in accordance with the Audit Department Charter. The General Auditor shall assess annually whether the purpose, authority and responsibility, as defined in this Charter, continue to be adequate to enable the Audit Department to accomplish its objectives.

Ords. 127 and 143; repealed by Ord. 146; Section 418.1 added, as amended, by M.I. 32690 - April 10, 1979; amended by M.I. 32815 - July 10, 1979; paragraph (c) [formerly Section 418.1.3] added by M.I. 33340 - July 8, 1980; paragraph (c) amended by M.I. 33729 - May 12, 1981. Section 418.1 repealed and Section 6450 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraphs (a)-(c) amended by M.I. 39358 - December 10, 1991; paragraphs (a) - (e) amended and paragraphs (f) and (g) added by M. I. 41600 - October 10, 1995; paragraph (c) amended by M.I. 43692 - August 17, 1999; paragraphs (b)-(g) amended by M.I. 43968 - April 11, 2000; paragraphs (a), (c) - (g) amended by M. I. 44582 - August 20, 2001; paragraphs (a) - (f) amended, paragraph (b)(1) - (7) repealed, and original paragraphs (c) - (f) renumbered (d) - (f) by M. I. 45293 - April 8, 2003; paragraphs (a), (b), (d), (e) and (f) amended by M. I. 46064 - January 11, 2005; paragraphs (a)-(f) amended by M.I. 46983 - February 13, 2007; paragraphs (a)-(f) amended and paragraph (g) added by M. I. 47259 - October 9, 2007; paragraphs (a), (b), (d), (e), and (f) amended by M. I. 47636 - September 9, 2008; paragraph (b) amended by M.I. 48081 - November 10, 2009; paragraph (b) amended by M.I. 49187 - September 11, 2012.

§ 6451. Audit Department Charter.

(a) Mission and Scope of Work - The mission of the Audit Department is to provide independent, professional, objective assurance and consulting services designed to add value and improve Metropolitan's operations. It helps the organization accomplish its objectives by using a proactive, systematic approach to evaluate and improve the effectiveness of risk management, control and governance processes. The scope of work of the Audit Department is to determine whether the organization's network of risk management, internal control and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure:

- (1) Risks are appropriately identified, managed and monitored;
- (2) Significant financial, managerial and operating information is accurate, reliable and timely;
- (3) Employees' actions are in compliance with policies, standards, procedures and applicable laws and regulations;

(4) Resources are acquired economically, used efficiently, and adequately protected;

(5) Programs, plans, and objectives are achieved;

(6) Quality and continuous improvement are fostered in the organization's control process;

(7) Significant legislative or regulatory issues impacting the organization are recognized and addressed appropriately;

Opportunities for improving management internal control, efficiency and the organization's image may be identified during audits. They will be communicated to the appropriate level of management.

(b) Accountability - The General Auditor shall be accountable to the Board of Directors and the Audit and Ethics Special Committee to:

(1) Advise on the adequacy and effectiveness of the organization's processes for controlling its activities and managing its risks;

(2) Report significant issues related to the processes for controlling the activities of the organization, including potential improvements to those processes, and provide information concerning such issues through to resolution;

(3) Coordinate with other Metropolitan control and monitoring functions (risk management, legal, finance, ethics, security and environmental);

(c) Professional Standards – The Audit Department shall govern itself by adherence to The Institute of Internal Auditors' mandatory guidance, including the Definition of Internal Auditing, the Code of Ethics, and the *International Standards for the Professional Practice of Internal Auditing (Standards)*. This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the Audit Department's performance. These documents constitute the operating procedures for the department and constitute an addendum to the charter.

The Institute of Internal Auditors' Practice Advisories, Practice Guides, and Position Papers shall also be adhered to as applicable. In addition, Audit Department staff shall adhere to Metropolitan's policies and procedures, the California Government Code; Government Auditing Standards (GAGAS); and the Audit Department's Policies and Procedures Manual.

(d) Responsibilities - The Audit Department shall carry out the following responsibilities:

(1) Develop and present a flexible annual audit plan to the Audit and Ethics Special Committee for review and approval. This plan should be developed utilizing a risk-based methodology and should include risks or internal control concerns identified by Management or the Board of Directors;

(2) Report periodically to the Audit and Ethics Special Committee and Management the status of the current year's audit plan and the sufficiency of department resources;

(3) Issue an opinion on internal controls over financial reporting on an annual basis;

(4) Submit audit reports to the Audit and Ethics Special Committee and Management communicating the auditor's opinion regarding the internal control structure, identifying significant control issues and providing related recommendations;

(5) Evaluate the adequacy and timeliness of Management's responses to, and the corrective action taken on, all significant control issues noted in such reports. Conduct follow-up reviews as necessary and periodically report to the Audit and Ethics Special Committee the status of Management's progress;

(6) Ensure the selection, development and supervision of competent and professional audit staff;

(7) Perform a quality assurance program by which the General Auditor evaluates internal auditing activities against professional standards. Obtain external quality assurance review as required by GAGAS and the *Standards*;

(8) Perform consulting services to assist management in meeting its objectives. Examples may include facilitation, process design, training, and advisory services;

(9) Evaluate additions or changes in internal control processes coincident with their development and implementation;

(10) Keep the Audit and Ethics Special Committee informed of significant emerging trends and best practices in internal auditing and governance;

(11) Assist in the investigation of significant suspected fraudulent activities within the organization. Assure reporting to the Audit and Ethics Special Committee on the results, as appropriate;

(12) Coordinate with external auditors to minimize duplication of effort and to ensure that issues raised, as a result of their review, are appropriately addressed.

(e) Authority - The General Auditor and Audit Department staff members are authorized to:

(1) Have unrestricted access to all functions, records, property, and personnel, subject to the requirements of safekeeping, confidentiality and applicable process;

(2) Have full and free access to the Audit and Ethics Special Committee, subject to applicable law,

(3) Allocate resources, set frequencies, and select subject, determine scopes of work, and apply the techniques required to accomplish audit objectives;

(4) Obtain the necessary assistance of personnel in units of the organization where they perform audit, as well as other specialized services from within or outside the organization;

The General Auditor and Audit Department staff members are not authorized to:

(1) Perform any operational duties for the organization;

(2) Initiate or approve accounting transactions external to the internal auditing department;

(3) Direct the activities of any organization employee not employed by the internal auditing department, except to the extent such employees have been appropriately assigned to auditing teams or to otherwise assist the internal auditors.

This Charter shall be reviewed at least annually by the Audit and Ethics Special Committee and Board of Directors.

M. I. 47252 - October 9, 2007; paragraphs (b), (c) (1) (2), (4)(5), (11), (d)(2) amended by M.I. 47636 - September 9, 2008; added paragraph (c), renumbered paragraphs (d) and (e), deleted paragraph (d)(7), renumbered paragraphs (d)(7) - (d)(12), and amended paragraph (d)(3) by M.I. 49211 - October 9, 2012.

Provisions updated to reflect the actions of the Board of Directors through its 4/11/2017 meeting.

§ 6452. Assistant General Auditor.

(a) The General Auditor may designate an Assistant General Auditor who shall perform such duties and render such services to the District as may be prescribed and assigned to him by the General Auditor, with like effect as though such duties or services were performed or rendered in person by the General Auditor.

(b) During the absence of the General Auditor, or his inability for any reason to act in person, or in case of his death, resignation or removal, until the appointment and qualification of his successor, the Assistant General Auditor shall perform all of the duties and exercise all of the powers of the General Auditor.

(c) The Assistant General Auditor shall act in the name of the General Auditor, except when directed by the latter to act in his own name, and his acts shall be equally effective whether done in the name of the General Auditor or in his own name. In case of the death, resignation or removal of the General Auditor, the Assistant General Auditor shall act in his own name.

Ord. 139; repealed by Ord. 146; Section 418.2 added, as amended, by M.I. 32690 - April 10, 1979. Section 418.2 repealed and Section 6451 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraphs (a)-(c) amended by M.I. 43968- April 11, 2000; paragraph (a) amended by M. I. 45293 - April 8, 2003.

§ 6453. Authority to Obtain Professional Services.

The General Auditor is authorized to employ the services of independent auditors or other professional or technical consultants to advise or assist him in performing his assigned duties as may be required or as he deems necessary provided that the amount to be expended in fees, costs, and expenses under any one contract in any one year shall not exceed \$40,000. External auditors, while employed as external auditors for Metropolitan, are prohibited from performing any other consulting work for Metropolitan or performing any work for other clients that conflicts, or may conflict, with their responsibilities as Metropolitan's external auditors. These prohibitions shall be included in Metropolitan's agreements with external auditors. The General Auditor shall inform the Audit and Ethics Special Committee whenever he exercises the authority granted under this section and he shall further report quarterly to the Legal and Claims Committee concerning any agreements entered into under this section.

M.I. 40603 - December 14, 1994; amended by M.I. 43968 - April 11, 2000; amended by M. I. 44582 - August 20, 2001; amended by M. I. 45207 - February 11, 2003; amended by M. I. 46064 - January 11, 2005; amended by M.I. 46983 - February 13, 2007; amended by M. I. 47252 - October 9, 2007; amended by M.I. 47636 - September 9, 2008; amended by M.I. 48081 - November 10, 2009.

§ 6454. Use of District Automobiles.

The General Auditor is authorized to use the General Auditor's District automobile for such purposes other than District business as may be necessary.

M. I. 45943 - October 12, 2004.

Article 5

ETHICS OFFICER

Sec.

6470. Powers and Duties

6471. Authority to Investigate

6472. Authority to Obtain Professional Services

6473. Annual Report to Ethics Subcommittee

6474. Ethics Training Required by Government Code

§6470. Powers and Duties.

The powers and duties of the Ethics Officer shall be as follows:

(a) The Ethics Officer shall report directly to the Board, and shall be staffed with professional, qualified persons.

(b) The Ethics Officer shall establish ethics rules for conduct and decision-making processes for approval and adoption by the Board relating to internal disclosure, conflicts of interests, contracts, gifts, lobbying, and campaign contributions for application to its board members, officers and employees.

(c) The Ethics Officer shall propose for adoption a schedule of penalties for violations of the District's ethics rules and policies.

(d) The Ethics Officer shall educate the board, staff, contractors and subcontractors concerning the rules prescribed in subsection (b) above.

(e) The Ethics Officer shall be the filing officer on behalf of the District to receive and file statements of economic interest pursuant to the California Government Code and Section 7205 of this Administrative Code.

M. I. 45285 - April 8, 2003; paragraph (e) deleted by M. I. 46338 - August 16, 2005; paragraph (e) added by M.I. 49648 - January 14, 2014.

§6471. Authority to Investigate.

(a) The Ethics Officer shall investigate complaints concerning any violations of ethics rules and policies established by the organization, except as follows:

1. The Ethics Officer shall not investigate alleged violations of ethics provisions in cases where there are no specific or defined standards of conduct, including matters alleging only generalized unfairness, unequal treatment, or bias.

2. The Ethics Officer shall not investigate alleged misuse of confidential information by officers or employees unless:

- i. The confidential information at issue was not subject to disclosure under the Public Records Act; and
- ii. The use or disclosure of the information had, or could reasonably be expected to have, a material financial effect on any financial interest of the

officer or employee or any person who provided pecuniary gain to the officer or employee in return for the information.

(b) The Ethics Officer shall adopt procedures for protecting job security of employees filing complaints of ethics violations, confidentiality of sources and the due process rights of the accused.

(c) The Ethics Officer shall make available to the public the results of the investigations that it undertakes, subject to any exceptions under the California Public Records Act or other applicable laws.

(d) The Ethics Officer shall make referrals to appropriate authority for disposition and imposition of penalties if necessary, upon validation of a complaint.

M. I. 45285 - April 8, 2003; amended paragraph (a), and added paragraph (d) by M.I. 49648 - January 14, 2014.

§6472. Authority to Obtain Professional Services.

The Ethics Officer is authorized to employ the services of professional or technical consultants for advice and assistance in performing the duties assigned as may be required or as deemed necessary, provided that the amount to be expended in fees, costs and expenses under any one contract in any one year shall not exceed \$40,000. The Ethics Officer shall inform the Audit and Ethics Special Committee whenever the authority granted under this section is exercised, and shall further report quarterly on activities concerning any agreements entered into under this section.

M. I. 45285 - April 8, 2003; amended by M. I. 46064 – January 11, 2005; amended by M.I. 46983 - February 13, 2007; amended by M. I. 47636 - September 9, 2008.

§6473. Annual Report to Audit and Ethics Special Committee.

The Ethics Officer shall annually, in advance of the July Board meetings, submit to the Audit and Ethics Special Committee a business plan for the Ethics Office containing key priorities for the coming year for review and approval. The business plan shall also be submitted in conjunction with similar plans by the General Manager, General Counsel and General Auditor.

M. I. 45285 - April 8, 2003; Section title and paragraph amended by M. I. 46064 – January 11, 2005; amended by M.I. 46983 - February 13, 2007; Section title and paragraph amended by M.I. 47636 - September 9, 2008; amended by M.I. 49187 - September 11, 2012.

§6474. Ethics Training Required by Government Code.

(a) The Ethics Officer is responsible for monitoring compliance, and maintaining the records of compliance, of directors and employees designated by the Board with the specific ethics training requirement set forth in the Government Code (Title 5, Division 2, Part 1, Ch. 2 Art. 2.4; commencing with Section 53234.)

(b) The officers set forth in Section 6400 are designated as “local agency officials” to receive the ethics training required by Title 5, Division 2, Part 1, Ch. 2.4 of the Government Code.

M. I. 46476 – December 13, 2005.

Provisions updated to reflect the actions of the Board of Directors through its 4/11/2017 meeting.

Chapter 5

MANAGEMENT AND CONFIDENTIAL EMPLOYEES - GENERAL

Article		Sec.
1	Salaries	6500
2	Benefits	6520
3	Grievances	6540
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Article 1

SALARIES

Sec.	
6500.	Hourly Pay Rate Schedule
6501.	Provisions Related to Unrepresented Positions
[6502]	repealed]
[6503]	repealed]
[6504]	repealed]
[6505]	repealed]
[6506]	repealed]

§ 6500. Hourly Pay Rate Schedule.

(a) The hourly pay rate (as that term is defined in subdivision (h) of Section 6200) and schedule of positions occupied by unclassified service employees not in an appropriate unit recognized pursuant to Section 6108 shall be as follows:

<u>Grade</u>	<u>Range</u>	<u>Title</u>
5	9.26-12.27 (\$19,261-25,938)	Student Youth Intern
21	\$14.30-19.38 (\$29,744-40,310)	Student Intern
66	\$49.01-65.75 (\$101,941-136,760)	Board Executive Secretary Principal Administrative Analyst
68	\$51.65-69.41 (\$107,432-144,373)	Program Manager I
71	\$55.95-75.27 (\$116,376-156,562)	Program Manager II
72	\$57.46-77.38 (\$119,517-160,950)	Staff Assistant to General Manager

<u>Grade</u>	<u>Range</u>	<u>Title</u>
73	\$59.04-79.48 (\$122,803-165,318)	Audit Administrator
74	\$60.67-81.69 (\$126,194-169,915)	Program Manager III
75	\$62.27-83.94 (\$129,522-1174,595)	Human Resources Manager I
77	\$65.75-88.61 (\$136,760-184,309)	Deputy General Auditor
78	\$67.54-91.02 (\$140,483-189,322)	Human Resources Manager II
80	\$71.31-96.11 (\$148,325-199,909)	Human Resources Section Manager
81	\$73.30-98.77 (\$152,464-205,442)	Assistant General Auditor Executive Legislative Representative Human Resources Manager III Sr. Deputy General Counsel—Labor Relations
83	\$77.38-104.27 (\$160,950-216,882)	Assistant Group Manager
85	\$81.69-110.09 (\$169,915-228,987)	Chief Deputy General Counsel
86	\$83.94-113.14 (\$174,595-235,331)	Assistant General Counsel Group Manager Group Manager—External Affairs Group Manager—Human Resources Group Manager—Real Property Development Mgmt.
88	\$88.61-119.43 (\$184,309-248,414)	Group Manager—Water Resources Mgmt.
89	\$91.02-122.69 (\$189,322-255,195)	Group Manager—Engineering Services Group Manager—Water System Operations
93	\$101.51-136.75 (\$211,141-284,440)	Assistant General Manager – Chief Administrative Officer Assistant General Manager—Chief External Affairs Officer Assistant General Manager – Chief Financial Officer Assistant General Manager – Strategic Water Initiatives
94	\$104.27-140-50 (\$216,882-292,240)	Assistant General Manager—Chief Operating Officer

() Shows approximate annual salary range for convenience; Board approved rates are hourly. None of the above positions are eligible for overtime.

(b) Unrepresented employees are eligible to receive a monthly transportation allowance. Transportation allowance amounts are to be administered by the General Manager based on a schedule approved by the Board of Directors.

(c) Unrepresented employees are eligible to participate in a pay-for-performance incentive program promulgated by the General Manager. The Board shall establish the total expenditure for the program.

(d) Unless otherwise directed by the Board, the range of base hourly pay rates for the employees in the positions identified in Section 6500(a) will be adjusted annually to correspond with the annual across-the-board salary adjustment provided to the District's management unit. Actual pay rates for these employees will be based on merit pursuant to employee evaluations. Department Heads are authorized to move a position to a different salary grade in accordance with practices, policies and procedures promulgated by the General Manager.

Section 441.1 - M.I. 31870 - July 12, 1977; amended by M.I. 32401 - August 31, 1978; amended by M.I. 32652 - March 13, 1979, and M.I. 32814 - July 10, 1979; amended by M.I. 33332 - July 8, 1980; M.I. 33636 - March 10, 1981 and M.I. 33823 - July 14, 1981 and M.I. 33985 - November 17, 1981 and revised effective January 1, 1982; amended by M.I. 34309 and M.I. 34313 - July 13, 1982; M.I. 34496 - December 7, 1982; M.I. 34771 - July 12, 1983; M.I. 34743 - July 12, 1983; M.I. 35073 - March 13, 1984, effective March 14, 1984; M.I. 35111 - April 10, 1984; M.I. 35131 - May 8, 1984, effective July 1, 1984; M.I. 35166 - June 17, 1984, effective July 1, 1984; M.I. 35248 - August 21, 1984; amended by M.I. 35433 - December 11, 1984; amended by M.I. 35466 - January 8, 1985; amended by M.I. 35726 - July 9, 1985; amended by M.I. 35765 - August 20, 1985; amended by M.I. 35790 - September 10, 1985; amended by M.I. 35994 - March 11, 1986; amended by M.I. 36120 and M.I. 36134 - June 10, 1986; amended by M.I. 36331, M.I. 36332 and M.I. 36335 - October 14, 1986. Section 441.1.1 repealed and Section 6500 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; Section 6500, all grades, reflect an across-the-board 3 1/4% adjustment effective June 28, 1987 as adopted by M.I. 36719 - July 14, 1987, department head positions reflect salary adjustments effective June 28, 1987 as adopted by M.I. 36726, M.I. 36727 and M.I. 36728 - July 14, 1987, and finally, shown are special wage adjustments to salaries of certain positions effective September 6, 1987 as adopted by M.I. 36718 - July 14, 1987; amended by M.I. 36780 - August 18, 1987; amended by M.I. 37097 - April 12, 1988; changes reflect an across-the-board 4% adjustment plus additional adjustments effective June 26, 1988 as adopted by M.I. 37218 - July 12, 1988, two department head positions reflect salary adjustments effective June 26, 1988 as adopted by M.I. 37215 - July 12, 1988; amended by M.I. 37277 - August 23, 1988; Grade 62 amended by M.I. 37576 and Grade 65 amended by M.I. 37578 - March 14, 1989; changes reflect an across-the-board 5% adjustment effective June 25, 1989 as adopted by M.I. 37729 - June 13, 1989, three department head positions reflect salary adjustments effective June 25, 1989 as adopted by M.I. 37724 - June 13, 1989; Grade 57 amended by M.I. 37760 - July 11, 1989; amended by M.I. 37912 - October 17, 1989; amended and new position added by M.I. 38041 and M.I. 38042 - January 9, 1990, effective January 10, 1990; amended by M.I. 38302 - June 12, 1990, effective June 24, 1990; amended by M.I. 38358 - July 10, 1990, effective June 24, 1990; amended by M.I. 38458 - September 11, 1990, effective September 2, 1990; amended by M.I. 38750 - February 12, 1991; amended by M.I. 39026 - June 11, 1991, three department head positions reflect salary adjustments effective June 23, 1991 as adopted by M.I. 39119 - July 9, 1991; amended by M.I. 39732 and 39733 - July 14, 1992; one new position added by M.I. 40089 - February 9, 1993; seven positions reflect salary grade adjustments by M.I. 40090 - February 9, 1993; grades 46, 52, 56 and portion of 58 repealed and General Counsel and General Manager positions reflect salary adjustments by M.I. 40545 - November 9, 1993; General Counsel position reflects salary adjustment effective January 1, 1994 as adopted by M.I. 40576 - December 14, 1993, and General Manager position reflects salary adjustments effective January 1, 1994 as adopted by M.I. 40575 - December 14, 1993; 2 Assistant General Manager positions deleted, 4 division head positions deleted, and titles of position amended by M.I. 40872 - June 14, 1994; department head positions reflect salary adjustments, title of positions amended, and salary adjustments effective July 3, 1994 adopted by M.I. 40963 and M.I. 40995 - August 19, 1994; title amended and Grade 62 positions added by M.I. 41122 - November 8, 1994; amended by M.I. 41844 - April 9, 1996; Auditor position reflects salary adjustment effective July 1, 1996 amended by M.I. 41924 - June 11, 1996; amended by M.I. 42288 - February 11, 1997; department head positions reflect salary adjustment effective June 29, 1997 as adopted by M.I. 42441 - June 10, 1997; positions added and deleted by M.I. 42474 - June 10, 1997; Chief of Communications position added and a position deleted by M.I. 42553 - August 19, 1997 and position deleted by M.I. 42559 - August 19, 1997; Grade 58 repealed and Grades 62 and 74 amended by M.I. 42948 - May 12, 1998; and, Grade 62 repealed and Grade 65 amended by M.I. 42958 - May 12, 1998; Grade 60 repealed and Asst. Auditor position moved to Grade 65 by M.I. 43001 - June 9, 1998; Grade 68 amended and Dir. of Info. Technology added by M.I. 43023 - June 9, 1998; Grade 80 salary adjustment and position of Asst. Gen. Manager added by M.I. 43516 - April 13, 1999; Grade 65 amended by M.I. 43968 - April 11, 2000; Grades 63, 65, old 68, 71, 74, 76, 80 repealed, and Grades 54, new 68, 73, 74, 78, 79, 83, 84, 85, 86, 91 added by M. I. 45943 - October 12, 2004; Grades 54, 68, 73, 78, 79, 83, 84, and 91 amended, Grade 64, Board Exec. Secretary added, Grade 74 repealed by M. I. 46838 - October 10, 2006; Grade 54 Legislative Rep. title added by M.I. 46946 - January 9, 2007; paragraph amended by M. I. 47286 - November 20, 2007; paragraphs (a) and (d) amended and new positions/salary adjustments made by M. I. 47636

Provisions updated to reflect the actions of the Board of Directors through its 4/11/2017 meeting.

- September 9, 2008; [Correction to typographical error: Grade 91, in Board Letter, made October 21, 2008]; Grades 66, 69, 72, 74 and 76 added, Grades 71 and 75 deleted, Grades 79 and 91 amended, Section (d) amended by M.I. 47998 - August 18, 2009; Grades 2, 25, 57, 60 and 71 added, Grades 54, 64, 66, 68-70, 72- 74, 76, 78, 79, 83, 84, and 91 amended by M.I. 49187 - September 11, 2012; Grade 74 added, Grades 54, 57, 60, 64, 69 and 83 deleted, Grades 2, 21, 66, 68, 70, 71, 72, 73, 75, 78, 80, 81, 86, and 93 amended by M.I. 49596 - November 19, 2013; added Grades 5, 77, 83, 85, 88, 89, and 94, deleted Grades 2, 70, amended Grades 21, 66, 68, 71-75, 78, 80, 81, 86, and 93 by M.I. 50498 – June 14, 2016.

§ 6501. Provisions Related to Unrepresented Positions.

(a) The General Manager may designate titles other than those identified in Section 6500 to be unrepresented positions when the following criteria are met:

(1) The incumbent employee performs duties determined by the applicable Department Head as having significant responsibilities for formulating and administering District policies or programs at the executive level, or as having significant responsibilities for administering employer-employee relations matters at the executive level.

(2) The title is provided for, and the employee is to be paid at the same grade as and within the same range of an identical position included in another salary schedule approved by the Board.

(b) Any titles designated pursuant to Section 6501(a) shall be deleted as an unrepresented position if not included by the Board when it next amends Section 6500 or approves a related memorandum of understanding pursuant to Section 6110(e).

(c) The General Manager may eliminate titles designated as unrepresented when the title is included in another schedule approved by the Board, and if the General Manager determines the incumbent holding the title no longer has significant responsibilities for formulating and administering District policies or programs at the executive level, or as having significant responsibilities for administering employer-employee relations matters at the executive level.

Sections 441.1.2 and 441.1.3 added by M.I. 33332 - July 8, 1980; amended by M.I. 34313 - July 13, 1982, effective January 1, 1983; deleted by M.I. 34771 - July 12, 1983; former Sections 441.1.4 through 441.1.6 added by M.I. 34496 - December 7, 1982 renumbered as Sections 441.1.2 through 441.1.4 by M.I. 34771 - July 12, 1983. Section 441.1.2 and 441.1.4 repealed and Section 6501 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 37912 - October 17, 1989; paragraphs (a), (a)(1), (b) and (c) amended by M. I. 45943 – October 12, 2004; paragraph (a)(1) amended by M.I. 47636 - September 9, 2008.

[§§ 6502 through 6506 repealed by M. I. 45943 – October 12, 2004.]

Article 2

BENEFITS

Sec.

6520. General

6521. Retirement

6522. Medical Insurance

6523. Dental Insurance

6524. Tuition Reimbursement

6525. Life Insurance

[6526 repealed]

[6527 repealed]

6528. Personal Leave

6529. Part-Time Disability Leave

6530. Bereavement Leave

6531. Long-Term Disability Insurance

6532. Professional Dues

6533. Deferred Compensation

6534. Vision

§ 6520. General.

In addition to other benefits set forth in this Administrative Code, employees, and to the extent specified, annuitants, shall be entitled to the following benefits effective June 28, 1987, unless otherwise provided hereinafter:

Section 441.3 - M.I. 31870 - July 12, 1977; amended by M.I. 32401 - August 31, 1978; amended by M.I. 32814 - July 10, 1979; amended by M.I. 33332 - July 8, 1980; M.I. 33823 - July 14, 1981; amended by M.I. 34313 - July 13, 1982; amended by M.I. 34771 - July 12, 1983; amended by M.I. 35131 - May 8, 1984 effective July 1, 1984; amended by M.I. 35726 - July 9, 1985. Section 441.3 repealed and Section 6520 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 36719 - July 14, 1987; paragraph amended by M. I. 45943 – October 12, 2004.

§ 6521. Retirement.

The District shall pay to the Public Employees' Retirement System (PERS) on behalf of each employee an amount equal to the required employee contribution to PERS, not to exceed seven percent of each employee's salary. The contribution shall be treated as an employer contribution made pursuant to Section 414(h)(2) of the Internal Revenue Code of the United States in determining the tax treatment of the contribution. Such contributions shall be treated for all purposes other than taxation in the same manner and to the same extent as contributions made by employees prior to June 30, 1985. Such contributions shall be paid from the same source of funds as used in paying wages to the affected employees. The employee does not have the option to receive the District-contributed amount paid pursuant to this section directly instead of having it paid to PERS. Notwithstanding any provision in this Code to the contrary, the wages of each unrepresented employee shall be reduced by the indicated percentage of the amount of such employee's contribution paid by the District pursuant to the provisions of this section:

For such employees employed prior to January 1, 1981
64.3%

For such employees employed on or after January 1, 1981
100.0%

This section shall be operative only so long as the District pickup of the retirement contribution continues to be excluded from the gross income of the employee under the provisions of the Internal Revenue Code.

Section 441.3.1 adopted by M.I. 32401 - August 31, 1978; amended by M.I. 33384 - August 19, 1980; amended by M.I. 35726 - July 9, 1985; amended by M.I. 36134 - June 10, 1986. Section 441.3.1 repealed and Section 6521 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M. I. 45943 – October 12, 2004.

§ 6522. Medical Insurance.

Metropolitan's monthly contribution for employees in classifications listed in Section 6500 and related annuitants to the medical plans maintained by the Public Employees' Retirement System shall be established by Board resolution pursuant to the provisions of the Public Employees' Medical and Hospital Care Act.

Section 441.3.2 adopted by M.I. 32401 - August 31, 1978; amended by M.I. 32814 - July 10, 1979; amended by M.I. 33384 - August 19, 1980; amended by M.I. 33823 - July 14, 1981; amended by M.I. 34313 - July 13, 1982; amended by M.I. 34771 - July 12, 1983; amended by M.I. 35131 - May 8, 1984 effective July 1, 1984; amended by M.I. 35726 - July 9, 1985; amended by M.I. 36220 - August 19, 1986. Section 441.3.2 repealed and Section 6522 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 36719 - July 14, 1987; amended by M.I. 37218 - July 12, 1988, effective August 1, 1988; amended by M.I. 37912 - October 17, 1989; amended by M.I. 38303 - June 12, 1990; amended by M.I. 39027 - June 11, 1991; amended by M.I. 39181 - August 20, 1991; amended by M.I. 39731 and 39733 - July 14, 1992; amended by M.I. 40456 - September 21, 1993 and amended by M.I. 40545 - November 9, 1993; amended by M.I. 41062 - October 11, 1994; amended by M.I. 41447 - June 13, 1995; amended by M.I. 42711 - November 18, 1997; amended by M.I. 43219 - October 13, 1998; amended by M. I. 45959 – October 12, 2004; amended by M. I. 50560 – August 16, 2016.

§ 6523. Dental Insurance.

The District shall fully pay premiums for employees in classifications listed in Section 6500 and their qualified dependents under the group dental insurance provided by Delta Dental Company. Any reserve funds developed under the policy may be applied towards paying the premium of any policy obtained pursuant to this section.

During the policy year beginning with September 1, 1992, the District shall amend its policy to provide for an increase in orthodontic coverage under the prior terms of the policy to \$1,500 lifetime maximum per eligible dependent child to age 19; and to increase the prophylaxis (cleaning) benefit by providing for such cleaning once every four months. In addition, the District shall amend its policy to provide for an increase in the maximum payable for diagnostic and preventative care per calendar year per eligible person to \$2,000 a year; and to provide for sealant treatment for dependent children.

Section 441.3.3 - M.I. 32401 - August 31, 1978; amended by M.I. 32814 - July 10, 1979; amended by M.I. 33384 - August 19, 1980; M.I. 33823 - July 14, 1981; M.I. 34313 - July 13, 1982; M.I. 34771 - July 12, 1983 and M.I. 35131 - May 8, 1984, effective July 1, 1984; amended by M.I. 35726 - July 9, 1985. Section 441.3.3 repealed and Section 6523 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 36719 - July 14, 1987; amended by M.I. 37218 - July 12, 1988; amended by M.I. 37912 - October 17, 1989; amended by M.I. 39734 - July 14, 1992.

§ 6524. Tuition Reimbursement.

Tuition reimbursement for employee classifications listed in Section 6500 shall be 100% percent of tuition, registration fees, books, and laboratory fees for up to 12 units per quarter or semester; provided however, that employees who receive tuition reimbursement approval for a course or curriculum on or after August 1, 1992 shall be eligible for tuition reimbursement at the rate of 100 percent, to a maximum of \$9,000 per fiscal year.

Section 441.3.4 - M.I. 32401 - August 31, 1978. Section 441.3.4 repealed and Section 6524 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 39734 - July 14, 1992; amended by M.I. 40726 - March 8, 1994; amended by M.I. 48816 - September 27, 2011.

§ 6525. Life Insurance.

All employees in classifications listed in Section 6500 will be provided with District-paid term life insurance affording coverage in an amount equal to 2,080 times the employee's hourly rate rounded off to the next higher thousand dollars, with employees having the option at their own expense to obtain additional coverage.

Section 441.3.5 - M.I. 31870 - July 12, 1977; amended by M.I. 32367 - August 8, 1978; renumbered by M.I. 32401 - August 31, 1978; amended by M.I. 33490 - November 18, 1980; amended by M.I. 35166 - June 12, 1984. Section 441.3.5 repealed and Section 6525 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 37912 - October 17, 1989; amended by M.I. 42500 - July 8, 1997.

[§ 6526 repealed by M.I. 36719 - July 14, 1987.]

[§ 6527 repealed by M.I. 36719 - November 9, 1993.]

§ 6528. Personal Leave.

Employees in classifications listed in Section 6500 who are exempt from overtime pay and have been employed by the District for more than 1,044 hours of current service, including military leave during the period of current service, may take personal leave with pay up to 24 hours each annual payroll cycle which shall not be charged against accumulated sick leave. Such personal leave may be taken for any personal reason, so long as such leave does not interfere with the mission of the District.

Section 441.10 - M.I. 32814 - July 10, 1979; amended by M.I. 32960 - October 9, 1979; amended by M.I. 33332 - July 8, 1980; amended by M.I. 34313 - July 13, 1982; amended by M.I. 35131 - May 8, 1984; effective July 1, 1984. Section 441.10 repealed and Section 6528 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 40726 - March 8, 1994; amended by M.I. 45943 - October 12, 2004.

§ 6529. Part-Time Disability Leave.

An unrepresented employee, otherwise eligible for disability leave pursuant to Section 6228, may be permitted by the employee's Department Head to work for a period, subject to termination by the Department Head, on a part-time basis if a physician's statement is furnished, satisfactory to and accepted by the District, stating the employee is physically able to work on a part-time basis. The Department Head may not re-delegate the authority provided by this section. Notwithstanding any provision to the contrary in Sections 6200 through 6265, the employee shall be permitted to accrue leave in accordance with District regulation for those hours not on disability leave, but shall not be allowed to use leave until returning to work on a full-time basis and a physician's statement, satisfactory to and accepted by the District, is received stating the employee is physically able to return to work on a full-time basis for an

indefinite time. For all other purposes of Section 6228, an employee on part-time disability leave shall be considered to be on full-time disability leave and shall not be considered as having returned to work.

Section 441.12 - M.I. 35131 - May 8, 1984; effective July 1, 1984. Section 441.12 repealed and Section 6529 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M. I. 45943 – October 12, 2004.

§ 6530. Bereavement Leave.

Upon the death of a member of an employee's immediate family, a classification listed in Section 6500 shall be allowed such bereavement leave with pay as is actually necessary to take care of funeral arrangements or to attend the funeral, but not to exceed three (3) working days with regard to any such death within the State of California and not to exceed forty (40) hours with regard to any such death outside the State of California. For the purposes of this section, "immediate family" means spouse, domestic partner, or the employee's or spouse's/domestic partner's child, parent, brother, sister, stepparent, stepchild, grandparent, grandchild, aunt or uncle.

M.I. 37912 - October 17, 1989; amended by M. I. 45943 – October 12, 2004.

§ 6531. Long-Term Disability Insurance.

The District shall provide long-term disability insurance to employees in classifications listed in Section 6500. Commencing July 1, 1998, or as soon thereafter as practical, the insurance shall provide a benefit of \$8,000 per month, but not to exceed 66 percent of the employee's monthly salary. The benefit shall commence 90 days after the employee's disability commences and shall expire 2 1/2 years after commencement, unless the employee's disability terminates sooner. The District's insurance carrier shall determine eligibility including whether an employee is disabled. Preexisting conditions shall be excluded from coverage. The District shall have the right to change carriers and coverage so long as the replacement insurance is at least as advantageous.

M.I. 37912 - October 17, 1989; amended by M.I. 43023 - June 9, 1998.

§ 6532. Professional Dues.

Any employee in an unrepresented position listed in Section 6500 shall be reimbursed for professional dues, pursuant to authorization by the employee's Department Head, when professional dues are related to the fulfillment of the District's purposes.

M.I. 37912 - October 17, 1979; amended by M.I. 39026 - June 11, 1991; amended by M.I. 39314 - November 19, 1991; amended by M. I. 45943 – October 12, 2004.

§ 6533. Deferred Compensation.

The District shall provide a matching contribution, on behalf of each employee in a classification listed in Section 6500 who is a participant in the savings plan provided for in Division VI, Chapter 7, Article 6 of this Code, in the amount of one dollar for each dollar contributed by the employee in accordance with a compensation-reduction election made by the participant pursuant to Section 6765(a). Commencing July 1, 2004, or as soon thereafter as practical, the maximum District matching contribution shall not exceed four and one-half percent

of the employee's total cash compensation and salary reductions permitted under Sections 401(k), 414(b) and 457 of the Internal Revenue Code during that time period. This section shall only be operative to the extent that the District can make matching contributions and maintain compliance with the Internal Revenue Code.

MI 37912 - October 17, 1989; amended by M.I. 43023 - June 9, 1998; amended by M. I. 45943 – October 12, 2004.

§ 6534. Vision.

The District shall on behalf of each employee in a classification listed in Section 6500 provide for a vision care program through Vision Service Plan (VS.). The vision care program shall provide coverage of standard ophthalmic materials when necessary for the eligible employee's visual welfare. This program shall provide for eye examinations, lenses, and frames under VIP's Plan "B" program. The District shall fully pay the employee only premium rate. Employees will, however, be permitted the option to purchase family coverage through the program.

M.I. 39734 - July 14, 1992.

Article 3

GRIEVANCES

Sec.

6540. Procedure

6541. Definitions

6542. Informal Level

6543. Formal Level

6544. General

§ 6540. Procedure.

The grievance procedure applicable to employees represented by Management and Professional Employees Association and those classifications listed in Section 6500 shall be as set forth in this Article.

Section 441.4 - M.I. 31904 - August 19, 1977. Section 441.4 repealed and Section 6540 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 40545 - November 9, 1993.

§ 6541. Definitions.

(a) A "grievance" is an allegation by a grievant that the grievant has been adversely affected by a violation of the written policies, rules and regulations of the District. Actions to challenge or change the general policies of the District as set forth in the rules and regulations or administrative regulations and procedures must be undertaken under separate legal processes. Other matters for which a specific method of review is provided by law or by the administrative regulations and procedures of the District are not within the scope of this procedure.

(b) A "grievant" may be any employee or group of employees of the District.

(c) A "day" is any day in which the Headquarters of the District is open for business.

(d) The "immediate supervisor" is the lowest level administrator having immediate jurisdiction over the grievant who has been designated to administer grievances.

Section 441.4.1 - M.I. 31904 - August 19, 1977. Section 441.4.1 repealed and Section 6541 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 6542. Informal Level.

Before filing a formal grievance, the grievant shall attempt to resolve the problem by an informal conference with the immediate supervisor.

Section 441.4.2 - M.I. 31904 - August 19, 1977. Section 441.4.2 repealed and Section 6542 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 6543. Formal Level.

(a) Level I

(1) Within ten working days after the occurrence of the act or omission giving rise to the grievance, the grievant shall present the grievance in writing on the District's form entitled "Grievance Form" to the immediate supervisor. This statement shall be a clear, concise statement of the grievance, the specific written policy or regulation alleged to have been violated (citing the source), the circumstances involved, the decision rendered at the informal conference, and the specific remedy sought. Said form, as so completed, will hereinafter be referred to as the original form entitled "Grievance Form."

(2) The immediate supervisor shall attempt to resolve the grievance and shall communicate a decision to the grievant in writing within five working days after receiving the grievance. If the immediate supervisor does not respond within the foregoing time limit, the grievant may appeal to the next level.

(3) Either the grievant or the immediate supervisor may request one personal conference to be held within the above time limit.

(b) Level II

(1) In the event the grievant is not satisfied with the decision at Level I, the grievant may appeal the decision to the section manager within five working days by submitting to the section manager the original form entitled "Grievance Form" and including with it the decision previously rendered and a clear, concise statement of the reasons for the appeal.

(2) The section manager shall attempt to resolve the grievance and shall communicate a decision to the grievant in writing within five working days after receiving the appeal.

(3) Either the grievant or the section manager may request one personal conference to be held within the above time limit, and if the group manager deems it appropriate, the group manager may participate in such conference.

(c) Level III

(1) If the grievant is not satisfied with the decision at Level II, the grievant may within five working days appeal the decision to the appropriate Department Head by submitting to the Department Head the original form entitled "Grievance Form" and including with it the decisions previously rendered and a clear, concise statement of the reasons for the appeal.

(2) The Department Head shall resolve the grievance, shall summarize the presentation in writing, prepare written conclusions, and communicate a decision to the grievant in writing within five working days after receiving the appeal.

(3) Either the grievant or the Department Head may request one personal conference to be held within the above time limits.

(4) The decision of the Department Head shall be final and binding on the grievant and on the District.

Section 441.4.3 - M.I. 31904 - August 19, 1977. Section 441.4.3 repealed and Section 6543 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraphs (b)(1)-(3) amended by M. I. 45943 – October 12, 2004.

§ 6544. General.

(a) The grievant may, at the informal level or at any of the three steps in the formal procedure, be assisted or represented in written or oral presentations by an employee selected by the grievant. The grievant and such employee will be allowed such time off during working hours as may be required to present the grievance, subject to the prior approval of the Department Head.

(b) Time limits may be extended at any level by mutual agreement between the grievant and the supervisor or Department Head considering the grievance, but if the grievant allows a time limit to lapse at any step, it will be assumed that the grievant has accepted the decision at the previous step.

(c) A grievant shall be bound by the statement of the grievance on the original form entitled "Grievance Form." Nonrelated issues shall not be considered on appeal.

Section 441.4.4 - M.I. 31904 - August 19, 1977. Section 441.4.4 repealed and Section 6544 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

Article 4

MISCELLANEOUS

Sec.

[6560 repealed]

[6561 repealed]

[6562 repealed]

6563. District Housing

6564. Benefits and Rights for Persons Temporarily Reclassified
as Management or Confidential

[§ 6560 repealed by M.I. 45943 - October 12, 2004.]

[§ 6561 repealed by M.I. 36719 - July 14, 1987]

[§ 6562 repealed by M.I. 36719 - July 14, 1987]

§ 6563. District Housing.

Employees renting District-owned residences or garages shall pay the rental rate set forth in the applicable Memorandum of Understanding. To the extent any value is bestowed on an employee by the provision of housing under this Section, that value shall not be considered compensation for purposes of the Federal Fair Labor Standards Act.

Section 441.8 - M.I. 31870 - July 12, 1977; renumbered by M.I. 32401 - August 31, 1978; amended by M.I. 34313 - July 13, 1982; amended by M.I. 35131 - May 8, 1984 effective July 1, 1984; amended by M.I. 35726 - July 9, 1985; amended by M.I. 35764 - August 20, 1985. Section 441.8 repealed and Section 6563 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 36719 - July 14, 1987; amended by M.I. 50155 - June 9, 2015.

§ 6564. Benefits and Rights for Persons Temporarily Reclassified as Management or Confidential.

Employees reclassified as management or confidential for a temporary period of time shall be entitled to the appropriate rate for the position the temporary reclassification is made to, but shall not be entitled to the benefits or rights provided management and confidential employees until such time, if any, as the reclassification is made permanent or until such time as the employee has been temporarily reclassified for a continuous period of 1,044 hours. A temporary reclassified employee not eligible for the benefits or rights provided management and confidential employees shall remain eligible for all benefits and rights provided the class from which the employee was reclassified.

Section 441.13 - M.I. 35166 - June 12, 1984. Section 441.13 repealed and Section 6564 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

Chapter 6 - repealed

Sec.

[§§ 6600-6624 repealed - by M.I. 40545]

Chapter 7

EMPLOYEE DEFERRED COMPENSATION AND SAVINGS PLANS

Article	Sec.
[1 Repealed	6700]
[2 Repealed	6701]
[3 Repealed	6730]
[4 Repealed	6731]
[5 Repealed	6760]
6 Articles of The Metropolitan Water District of Southern California Consolidated Savings Plan	6780
7 Articles of The Metropolitan Water District of Southern California 1997 Deferred Compensation Plan	6800

[§ 6700. Article I - Repealed by M. I. 47323 - December 11, 2007]

[§ 6701. Article 2 – Repealed by M. I. 47323 - December 11, 2007]

[§ 6730. Article 3 – Repealed by M. I. 47323 - December 11, 2007]

[§ 6731. Article 4 – Repealed by M. I. 47323 - December 11, 2007]

[§ 6760. Article 5 – Repealed by M. I. 46592 - March 14, 2006]

Article 6

ARTICLES OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA CONSOLIDATED SAVINGS PLAN

Sec.

6780. Article I - Name

6781. Article II - Purpose

6782. Article III - Definitions

6783. Article IV - Administration

6784. Article V - Participation in Savings Plan

6785. Article VI - Contribution and Allocation

6786. Article VII - Investments

6787. Article VIII - Distributions and Withdrawals

6788. Article IX - Administration of Savings Plan and Trust Agreement

6789. Article X - Responsibility of the District and its Employees

6790. Article XI - Miscellaneous

6791. Article XII - Amendment, Termination or Merger

6792. Article XIII - Effective Date

§ 6780. Article I - Name.

The name of this Plan is The Metropolitan Water District of Southern California Consolidated Savings Plan (hereinafter referred to as "Savings Plan").

Section 439.11.1 - M.I. 35816 - October 8, 1985. Section 439.11.1 repealed and Section 6780 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 37404 - November 8, 1988; amended by M. I. 46592 - March 14, 2006.

§ 6781. Article II - Purpose.

The Metropolitan Water District of Southern California (hereinafter referred to as "District") has previously established a profit-sharing plan known as "Savings Plan II" and a profit sharing plan known as "Savings Plan I," which was merged into this Plan effective as of January 1, 2006. The provisions of this Savings Plan shall apply to all assets and liabilities transferred from Savings Plan I. It is intended that the Savings Plan constitute a "profit-sharing plan" within the meaning of Internal Revenue Code Section 401(a)(27). The purpose of the Savings Plan is to attract and hold officers and employees by permitting them to enter into agreements with the District which will provide benefits on retirement, death, disability, separation from service or as otherwise permitted by law.

Section 439.11.2 - M.I. 35816 - October 8, 1985. Section 439.11.2 repealed and Section 6781 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 37404 - November 8, 1988; amended by M.I. 39315 - November 19, 1991; amended by M. I. 46592 - March 14, 2006.

§ 6782. Article III - Definitions.

(a) Accounts. - Account shall mean the Tax Deferred Elective Contributions Account and Matching Contributions Account established for a Participant pursuant to Section 6786(b).

(b) Beneficiary.

(1) Beneficiary or Beneficiaries shall mean the person or persons, including a trustee or a personal representative, last designated in writing by a Participant to receive the benefits specified hereunder in the event of the Participant's death. If there is no designated Beneficiary or surviving designated Beneficiary, then the duly appointed and currently acting personal representative of the Participant's estate shall be the Beneficiary. If there is no personal representative of the Participant's estate duly appointed and acting in that capacity within 60 days after the Participant's death, the Beneficiary or Beneficiaries shall mean the person or persons who can verify by affidavit or court order to the satisfaction of the General Manager that they are legally entitled to receive the benefits specified hereunder pursuant to the laws of intestate succession or other statutory provision in effect at the Participant's death in the state in which the Participant resided.

(2) In the event any amount is payable under the Savings Plan to a minor, payment shall not be made to the minor. Instead, the amount payable under the Savings Plan shall be paid to the duly appointed and currently acting guardian of the estate of the minor. If there is no such guardian duly appointed and currently acting within 60 days after the date the amount becomes payable, then the amount shall be paid to that person's then living parent(s) to act as custodian or, if no parent of that person is then living, to a custodian selected by the General Manager to hold the funds for the minor under the California Uniform Transfers to Minors Act (or similar statute in effect in the jurisdiction in which the minor resides). If no parent is living and the General Manager decides not to select another custodian to hold the funds for the minor, payment shall be deposited with the court having jurisdiction over the estate of the minor.

(3) In the event any amount is payable under the Savings Plan to a person for whom a conservator has been legally appointed, the payment shall be distributed to the duly appointed and currently acting conservator, without any duty on the part of the General Manager to supervise or inquire into the application of any funds so paid.

(c) Code. - Code shall mean the Internal Revenue Code of 1986, as amended.

(d) Compensation. - Compensation shall mean the total of all cash compensation payable by the District during the Savings Plan Year to or for the benefit of an Employee in return for services and any deemed compensation under Section 414(u)(7) of the Code. Compensation taken into account under the Savings Plan shall not exceed \$150,000 for any Savings Plan Year, beginning on or after January 1, 2002, as adjusted for the cost of living increases applicable to such Savings Plan Year in accordance with Section 401(a)(17)(B) of the Code. Effective as of January 1, 1997, Compensation shall also include any amount which is contributed by the

Employer pursuant to a salary reduction agreement and which is not includible in the gross income of the Employee under Section 125, 132(f)(4), 401(k), 402(e), 402(h) or 457 of the Code.

(e) Defined Benefit Plan Fraction. - Defined Benefit Plan Fraction shall mean a fraction, the numerator of which is the projected annual benefit (determined as of the close of the relevant year) of the Participant under all defined benefit plans maintained by the District, and the denominator of which is the lesser of (1) the product of 1.25 multiplied by the dollar limitation in effect under Section 415(b)(1)(A) of the Code for the year, or (2) the product of 1.4 multiplied by the amount which may be taken into account under Section 415(b) (5) of the Code with respect to the Participant for the year.

(f) Defined Contribution Plan Fraction. - Defined Contribution Plan Fraction shall mean a fraction, the numerator of which is the sum of the "annual additions" to a Participant's accounts under all defined contribution plans maintained by the District, and the denominator of which is the sum of the lesser of (1) or (2) for such year and for each prior year of service with the District where (1) is the product of 1.25 multiplied by the dollar limitation in effect under Section 415(c)(1)(A) of the Code for the year (determined without regard to Section 415(c)(6)), and (2) is the product of 1.4 multiplied by the amount which may be taken into account under Section 415(b)(5) of the Code (or subsection (c)(7), if applicable) with respect to the Participant for the year. A Participant's "annual additions" consist of the contributions and forfeitures, if any, allocated to Participant's Accounts for the calendar year.

(g) District. - District shall mean The Metropolitan Water District of Southern California, a political subdivision.

(h) Employee. - Employee shall mean any employee of the District.

(i) Entry Date. - Entry date shall mean the first day of the first payroll period of each calendar quarter, unless otherwise provided by the General Manager.

(j) General Manager. - General Manager shall mean the General Manager of the District, or the General Manager's successor(s) or designee(s).

[(k) repealed by M. I. 42902 - April 14, 1998]

(l) Investment Manager. - Investment Manager shall mean any person who, pursuant to the Savings Plan, has the discretion to determine which Investment Vehicle assets shall be sold, acquired or exchanged.

(m) Investment Vehicle. - Investment Vehicle shall mean any type of investment that the Investment Manager determines is suitable as an investment for amounts accrued in Accounts. The General Manager may establish guidelines with respect to the types of investments that the Investment Manager may select as suitable.

(n) Matching Contributions. - Matching Contributions shall mean the amount contributed to this Savings Plan by the District pursuant to Section 6785(b).

(o) Participant. - Participant shall mean any Employee who has enrolled in this Savings Plan and any Employee whose benefit was transferred to this Savings Plan pursuant to a plan merger or other direct plan to plan transfer from another qualified plan whose Accounts have not yet been fully distributed.

(p) Savings Plan Year. - Savings Plan Year shall mean the calendar year.

(q) Separation from Service. - Separation from Service shall mean termination of the Participant's employment with the District.

(r) Surviving Spouse. – Surviving Spouse shall mean a husband or wife who was married to the Participant as of the date of the death of the Participant and who survives the death of the Participant.

(s) Tax Deferred Elective Contributions. - Tax Deferred Elective Contributions shall mean the amount of Compensation voluntarily deferred under this Savings Plan by the Participant pursuant to Section 6785(a).

(t) Trustee. - Trustee shall mean any person who is appointed by the General Manager to hold in trust and administer some or all of the assets of this Savings Plan pursuant to Section 6788.

(u) Trust Agreement. - Trust Agreement shall mean any agreement between the District and a Trustee to hold in trust and administer some or all of the assets of this Savings Plan.

(v) Trust Fund(s). - Trust Fund(s) shall mean the assets of this Savings Plan held under the Trust Agreement or Trust Agreements.

(w) Valuation Date. - Except as otherwise provided by an Investment Vehicle or Trustee, Valuation Date shall mean the last business day of each calendar quarter.

Section 439.11.3 - M.I. 35816 - October 8, 1985; paragraph (n) [formerly Section 439.11.3.14] amended by M.I. 35854 - November 19, 1985. Section 439.11.3 repealed and Section 6782 adopted by M.I. 36464 – January 13, 1987, effective April 1, 1987; amended by M.I. 37404 – November 8, 1988; amended by M.I. 38202 - April 17, 1990; amended, paragraph (n) added by M.I. 39315 - November 19, 1991; paragraph (d) amended and paragraph (k) repealed by M.I. 42902 - April 14, 1998; old paragraph (d) deleted and new paragraph (d) added by M.I. 44690 - November 20, 2001 to be effective January 1, 1995, and paragraph (e) amended by M.I. 44690 - November 20, 2001 to be effective January 1, 1995; paragraph (d) amended by M. I. 44973 - August 20, 2002; paragraph (j) amended by M. I. 45747 – May 11, 2004; paragraphs (b) (1)-(3), (i), (j), (m)-(p), (r)-(u) amended by M. I. 46592 - March 14, 2006; new paragraph (r) added and paragraphs (s) through (w) renumbered by M. I. 47323 - December 11, 2007; paragraph (d) and (r) amended by M.I. 48662 – May 10, 2011.

§ 6783. Article IV - Administration.

(a) This Savings Plan shall be administered by the General Manager. The General Manager shall represent the District in all matters concerning the administration of this Savings Plan.

(b) The General Manager shall have full power and authority to adopt rules and regulations for the administration of this Savings Plan, provided they are not inconsistent with

the provisions of this Savings Plan, and to interpret, alter, amend, or revoke any rules and regulations so adopted. The General Manager shall have the authority to appoint such administrative agents, or persons as the General Manager deems advisable or desirable, to carry out the terms and conditions of this Savings Plan

Section 439.11.4 - M.I. 35816 - October 8, 1985. Section 439.11.4 repealed and Section 6783 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 37404 - November 8, 1988; paragraphs (a) and (b) amended by M. I. 46592 - March 14, 2006.

§ 6784. Article V - Participation in Savings Plan II.

(a) Eligibility. - All Employees of the District (except Employees whose customary employment is for not more than 20 hours per week and Employees whose customary employment is for not more than five months in any calendar year) may participate in this Savings Plan. Employees eligible under the preceding sentence ("Eligible Employees") may participate in this Savings Plan commencing with the Entry Date immediately following their completion of six months of employment or, if later, October 1, 1985.

(b) Enrollment in Savings Plan.

(1) An Eligible Employee may become a Participant by signing an enrollment agreement, in form satisfactory to the General Manager, before an Entry Date. Such an Employee's participation shall become effective with respect to Compensation payable for services rendered to the District commencing on the next Entry Date.

(2) The General Manager may set minimum deferral amounts and minimum increments of Compensation that may be deferred (for example, \$10 multiples or one-half of one percent multiples of Compensation).

Section 439.11.5 - M.I. 35816 - October 8, 1985; paragraph (a) [formerly Section 439.11.5.1] amended by M.I. 35854 - November 19, 1985. Section 439.11.5 repealed and Section 6784 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 37404 - November 8, 1988; heading amended by M.I. 38202 - April 17, 1990; paragraphs (a) and (c) amended by M.I. 39315 - November 19, 1991; paragraph (c) amended by M. I. 45747 - May 11, 2004; paragraphs (a), (b), (b) (1) (2) amended and paragraph (c) repealed by M. I. 46592 - March 14, 2006..

§ 6785. Article VI - Contribution and Allocation.

(a) Participant's Compensation Reduction Election:

(1) Tax Deferred Elective Contributions. - A Participant may, pursuant to the enrollment agreement, have the District contribute to the Participant's Tax Deferred Elective Contributions Account a percentage or dollar amount not in excess of 100 percent of the Participant's Compensation (or such lower percentage as the General Manager may designate from time to time.) Notwithstanding anything to the contrary in this Savings Plan, the amount contributed to this Savings Plan on behalf of any Participant shall not exceed the Participant's net earnings that, but for such contribution, would be payable after taking into account all applicable deductions and withholding/payroll taxes.

(2) Payments to Trustee. - Each Participant's Compensation shall be reduced each pay date by the authorized amount. The resulting contributions shall be transmitted by the District to the Trustee not later than 30 days after the end of the payroll period in which the reduction is made. The contributions that are made for each Participant shall be credited at least once each four weeks to the Tax Deferred Elective Contributions Account of each Participant.

(3) Changes in Tax Deferred Elective Contributions. - The percentage or dollar amounts designated by a Participant pursuant to Section 6785(a)(1) shall continue in effect, notwithstanding any changes in the Participant's Compensation. A Participant may, however, in accordance with Section 6785(a)(1), change the percentage or dollar amounts by giving prior written notice of such change to the General Manager, in a form approved by the General Manager. Such change shall be effective with respect to Compensation payable for services rendered to the District commencing with the first payroll period following the date such notice is filed, unless the General Manager establishes rules that allow the change to be effective earlier.

(4) Revocation of Tax Deferred Elective Contributions. - By giving prior written notice thereof, either the General Manager or a Participant may suspend at any time, the Tax Deferred Elective Contributions that are being made for the Participant effective with respect to Compensation payable for services rendered to the District on or after the commencement of the first payroll period following the date such notice is made. Any re-enrollment shall be in accordance with Section 6784(b).

(b) Matching Contributions:

(1) Amount of Matching Contributions.- A Matching Contribution shall be allocated to the Matching Contributions Account of each Participant in an amount equal to a specified percentage from 0 percent to 100 percent of a Participant's Tax Deferred Elective Contributions for the Savings Plan Year, but not in excess of a specified percentage of the Participant's Compensation for the Savings Plan Year, both of which percentages shall be established by the District from time to time.

(2) Payments to Trustee. - Each Matching Contribution shall be paid by the District and transmitted to the Trustee not later than 30 days after the end of the payroll period for which the Matching Contributions are made.

(c) Overall Limitations on Benefits under Section 415 of the Code:

(1) Provision Pursuant to Code Section 415(c). This subpart (c) shall be effective for Limitations Years beginning on or after January 1, 2008.

(A) Limitation. Except as provided in §6785(g), the “Annual Additions” allocated to a Participant’s Accounts under all qualified defined contribution plans of the District shall in no event exceed the lesser of: (i) \$40,000, as adjusted for increases in the cost of living under Section 415(d) of the Code; or (ii) 100 percent of the Participant’s “415 Compensation” during the Limitation Year.

The compensation limit described in subpart (ii) above shall not apply to any contribution for medical benefits after separation from service (within the meaning of Section 401(h) or Section 419(f)(2) of the Code) which is otherwise treated as an Annual Addition under the Code.

(B) Definitions.

(i) “415 Compensation” shall mean Compensation as described in Section 6782(d), including: (a) any amounts otherwise excludable from income pursuant to Code Sections 125, 132(f)(4), 402(e)(3), 402(h) or 403(b) and (b) “Post-Severance Income.”

(ii) “Annual Additions” shall mean the sum for any Limitation Year of (a) employer contributions; (b) employee contributions and (c) forfeitures, but not including: rollover contributions, direct transfers from another qualified Plan, contributions to a simplified employee pension plan, “Restorative Payments,” repayments of loans, repayments of prior contributions or contributions for medical benefits after separation from service as described above.

(iii) “Limitation Year” shall mean the Savings Plan Year.

(iv) “Post-Severance Income” shall include the following amounts to the extent such amounts are paid by the later of 2½ months after severance from employment or by the end of the Limitation Year that includes the date of such severance from employment: (a) regular pay after severance of employment if: the payment is regular compensation for services during the Participant's regular working hours, or compensation for services outside the Participant's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments; and the payment would have been paid to the Participant prior to a severance from employment if the Participant had continued in employment with the District; (b) amounts representing payment for unused accrued bona fide sick, vacation, or other leave, but only if the participant would have been able to use the leave if employment had continued; (c) payments to an individual who does not currently perform services for the District by reason of qualified military service (as that term is used in Code § 414(u)(1)) to the extent those payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the District rather than entering qualified military service; (d) compensation paid to a Participant who is permanently and totally disabled (as defined in Code § 22(e)(3)).

(v) “Restorative Payment” shall mean a payment made to restore losses to a Plan resulting from actions by a fiduciary for which there is reasonable risk of liability for breach of a fiduciary duty, where

participants who are similarly situated are treated similarly with respect to the payments.

(C) Excess Annual Additions. Notwithstanding any provision of the Plan to the contrary, if the annual additions (within the meaning of Code §415) are exceeded for any Participant, then the Plan may only correct such excess in accordance with the Employee Plans Compliance Resolution System (EPCRS) as set forth in Revenue Procedure 2008-50 or any superseding guidance, including, but not limited to, the preamble of the final §415 regulations.

(2) Provision Pursuant to Code Section 415(e). - Repealed effective for Limitation Years beginning after December 31, 2000.

[(d) Repealed by M. I. 42902 - April 1998]

(e) Section 402(g) Limit. – Except as otherwise provided in §6785(g), the amount of Tax Deferred Elective Contributions made for any Participant for any taxable year shall not exceed the applicable dollar amount for such year, as shown below:

2002	\$11,000
2003	\$12,000
2004	\$13,000
2005	\$14,000
2006 or thereafter	\$15,000, as adjusted annually pursuant to Code §402(g)(5).

No Participant shall be permitted to have Tax Deferred Elective Contributions made under this Savings Plan, or any other qualified plan maintained by the District during any taxable year, in excess of the applicable dollar amount specified above for such taxable year, except to the extent permitted under (g) of this §6785 and Section 414(v) of the Code, if applicable. In the event such dollar limitation is exceeded the Participant may request, by no later than March 1 following the close of the Participant's taxable year, and the General Manager may authorize the Trustee to distribute, by no later than April 15 following the close of the Participant's taxable year, all or part of the excess and any income allocable thereto, to the Participant. In determining the excess amount distributable with respect to a Participant's taxable year, excess Tax Deferred Elective Contributions previously distributed for the Savings Plan Year beginning in such taxable year shall reduce the amount otherwise distributable under this subsection.

This Section applies to excess contributions (as defined in Code §401(k)(8)(B)) and excess aggregate contributions (as defined in Code §401(m)(6)(B)) made with respect to Plan Years beginning after December 31, 2007. The Plan administrator will not calculate and distribute allocable income for the gap period (i.e., the period after the close of the Plan Year in which the excess contribution or excess aggregate contribution occurred and prior to the distribution). With respect to 401(k) plan excess deferrals (as defined in Code §402(g)) made in taxable year 2007, the Plan administrator must calculate and distribute all allocable income for the taxable year and also for the gap period (i.e., the period after the close of the taxable year in which the excess deferral occurred and prior to the distribution).

(f) Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with §414(u) of the Internal Revenue Code. In particular, and without limiting the foregoing, in the case of a death occurring on or after January 1, 2007, if a Participant dies while performing qualified military service (as defined in Code § 414(u)), the survivors of the Participant are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan as if the Participant had resumed and then terminated employment on account of death.

(g) All Participants who have attained age 50 before the close of the taxable year listed below shall be eligible to make additional catch-up contributions in the following maximum amounts for each Savings Plan Year:

2002	\$1,000
2003	\$2,000
2004	\$3,000
2005	\$4,000
2006 or thereafter	\$5,000, as adjusted annually pursuant to Code §414(v)(2)(C).

Such catch-up contributions shall not be taken into account for purposes of the limitations contained in §6785(c) and (e). This Savings Plan shall not be treated as failing to satisfy the provisions of this Savings Plan implementing the requirements of Section 401(k)(3), 401(k)(11) and (12), 410(b), or 416 of the Code, as applicable, by reason of making such catch-up contributions.

(h) Rollover and Direct Transfer Contributions.

(1) An Employee, regardless of whether he or she has satisfied the participation requirements of the Savings Plan, who is eligible to request a rollover of a distribution from another qualified plan as described in Section 401(a) of the Code, a tax-deferred annuity plan as described in Section 403(b) of the Code or an eligible deferred compensation plan of a governmental entity as described in Section 457(b) of the Code, may transfer the distribution to the Trust (either directly from such other plan or rollover IRA, or by depositing with the Trustee a cash distribution within 60 days after receipt) in accordance with policies and procedures adopted by the General Manager. All expenses incurred by the Savings Plan associated with the transfer to the Trust shall be charged solely to such Participant's Account.

(2) The General Manager shall develop such policies and procedures, and may require such information from an Employee desiring to make a rollover contribution or transfer pursuant to this Section as the General Manager deems necessary or desirable to determine that the proposed transfer or contribution will meet the requirements of this Section and the Code. Upon approval by the General Manager, the amount transferred or contributed shall be deposited in the Trust and shall be credited to an account which shall be referred to as the "Rollover Contributions Account" as provided in Section 6786(b). This Account shall be 100% vested in the Employee and shall be invested as and share in income, loss and expense allocations as provided in the Savings Plan. An Employee may request and shall be entitled to receive a lump

sum distribution of all or a part of his or her Rollover Contributions Account at any time, regardless of whether or not he or she otherwise is entitled to a distribution from the Savings Plan. Such in-service distributions shall be limited to one per calendar year. Upon termination of the Employee's employment with the District, the total amount of the Rollover Contributions Account shall be distributed in accordance with the provisions of the Savings Plan.

(3) Upon a transfer by an Employee who has not yet completed the participation requirements of the Plan, the Rollover Contributions Account shall represent the Employee's sole interest in the Savings Plan until he or she satisfies the participation requirements of the Savings Plan and elects to make salary deferral contributions to the Savings Plan.

Section 439.11.6 - M.I. 35816 - October 8, 1985; paragraph (a)(3) [formerly Section 439.11.6.1.3] amended by M.I. 35854 - November 19, 1985; paragraph (c) originally part of Section 439.11.6.2.3, renumbered 439.11.6.3 and amended by M.I. 35854 - November 19, 1985; paragraph (c)(1) formerly Section 439.11.6.2.3, renumbered 439.11.6.3.1 and amended by M.I. 35854 - November 19, 1985; paragraph (c)(2) formerly part of Section 439.11.6.2.3, renumbered 439.11.6.3.2 and amended by M.I. 35854 - November 19, 1985; paragraph (d) formerly Section 439.11.6.2.4, renumbered 439.11.6.4 by M.I. 35854 - November 19, 1985. Section 439.11.6 repealed and Section 6785 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 37404 - November 8, 1988; amended by M.I. 38202 - April 17, 1990; amended and paragraphs (b), (f) and (g) added by M.I. 39315 - November 19, 1991; paragraphs (a) (1) and (b) (1) amended, paragraphs (d) (1) through (d) (6), (f) (1) through (f) (4), and (g) repealed by M.I. 42902 - April 14, 1998; paragraphs (c)(1) and (c)(2) amended by M. I. 44690 - November 20, 2001 to be effective as of January 1, 1997, and new paragraph (f) added by M.I. 44690 - November 20, 2001 to be effective January 1, 1997; paragraphs (a)(1), (c)(1)(A) and (B), and (c)(2) amended, and new paragraph (g) added by M. I. 44973 - August 20, 2002; paragraphs (e) and (g) amended by M. I. 45249 - March 11, 2003; paragraph (h)(1),(2),(3) added by M. I. 45747 - May 11, 2004; paragraph (b)(1) amended by M. I. 45943 - October 12, 2004; paragraphs (a) (1), (3), (4), (b) (1), (c) (1) (A) (B), (c) (2), (e), (g), and (h) (1) (2) amended by M. I. 46592 - March 14, 2006; paragraphs (c)(1)(A) - (c)(1)(B) amended, paragraph (c)(1)(C) added, paragraph (c)(2) added, paragraph (e)-(g) amended by M.I. 48662 - May 10, 2011.

§ 6786. Article VII - Investments.

(a) Investment of Funds.

(1) District contributions shall be allocated to the Investment Vehicles as specified under Section 6786(c) hereof. Subject to the other applicable provisions of this Savings Plan and the Trust Agreement, a Trustee shall hold, manage, administer, value, invest, reinvest, account for and otherwise deal with each Investment Vehicle separately.

(2) Dividends, interest and other distributions received in respect of each Investment Vehicle held in a Participant's Accounts shall be reinvested pursuant to the Participant's instructions.

(b) Accounts. - Each Participant shall have established an individual Tax Deferred Elective Contributions Account and a Matching Contributions Account. In the event that a Participant rolls over funds to the Savings Plan from another plan or plans pursuant to Section 6785(h), such amounts shall be held in an individual Rollover Contributions Account. The interest of each Participant hereunder at any time shall consist of those Account balances (as determined in Section 6786(f)(1) below) as of the last preceding Valuation Date plus credits and minus debits to such Accounts since that Valuation Date.

(c) Investment of Contributions. - Each Participant shall direct that the Tax Deferred Elective Contributions and Matching Contributions that are made on Participant's behalf be

invested in such of the Investment Vehicles as the Participant shall, subject to any limitations established by the General Manager, select.

(d) Change of Investment Option. - A Participant may change an investment option with respect to future Tax Deferred Elective Contributions and Matching Contributions. In addition, a Participant may change an investment option with respect to Tax Deferred Elective Contributions and Matching Contributions and earnings thereon already credited to Participant's Accounts. Any such change as to amounts already credited to a Participant's Accounts will be effective as soon as practicable.

(e) Election Procedure. - Unless the General Manager otherwise permits, an investment option provided for in Section 6786(c) and an investment change provided for in Section 6786(d) may only be made on a form approved by the General Manager, signed by the Participant and filed with the General Manager.

(f) Valuation of Investment Funds.

(1) As of each Valuation Date, the Trustee shall determine the value of each Participant's Accounts; the change in value of each Investment Vehicle between the current Valuation Date and the preceding Valuation Date; the net gain or loss of such Accounts during such period resulting from expenses paid (including the fees and expenses of the Trustee and Investment Manager, which may be charged to such Account in accordance with the terms of this Savings Plan and the Trust Agreement); and realized and unrealized gains and losses of each Investment Vehicle during such period shall all be determined and taken into consideration in valuing the Participant's Accounts.

(2) On each Valuation Date the value of the Participants' interests in each Investment Vehicle determined pursuant to Subsection (f)(1) of this Section 6786 shall be allocated as of such Valuation Date to the Accounts of Participants.

Section 439.11.7 - M.I. 35816 - October 8, 1985; paragraphs (a)(d)(e) and (f) [formerly Sections 439.11.7.1 and 439.11.7.4 through 439.11.7.6] amended by M.I. 35854 - November 19, 1985. Section 439.11.7 repealed and Section 6786 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 37404 - November 8, 1988; amended by M.I. 39315 - November 19, 1991; paragraph (b) amended by M. I. 45747 - May 11, 2004; paragraphs (a) (1), (c), (e), and (f) (1) amended by M. I. 46592 - March 14, 2006..

§ 6787. Article VIII - Distributions and Withdrawals.

(a) Nonforfeitability. - Any amount credited to a Participant's Accounts shall be fully vested. Notwithstanding anything to the contrary, each Participant shall be fully vested upon attainment of age 59½. Further, all Participants shall be fully vested in their benefits under the Plan, to the extent funded, upon the termination of the Plan or upon a complete discontinuance of contributions to the Plan.

(b) Distributions Only as Provided. - A Participant or Beneficiary shall be paid benefits under the Savings Plan only as provided in this and the following sections of this article. A Participant or Beneficiary who is eligible to receive a distribution under the Savings Plan shall

submit an application for benefits to the General Manager, furnishing such information as the General Manager or the General Manager's duly authorized agents may require.

(c) Distributions on Termination. - Benefits shall be paid in a lump sum, in cash or in kind, pursuant to the election of the Participant or Beneficiary or Beneficiaries following the first Valuation Date subsequent to Participant's Separation from Service unless it is administratively possible to distribute the Accounts at an earlier time.

(d) Withdrawal of Contributions.

(1) Upon not less than 30 days prior written notice, a Participant who is at least 59-1/2 years of age may withdraw all or part of the amounts in Participant's Accounts. The Participant may make such an election no more than once each Savings Plan Year.

(2) Upon certification by a Participant of an immediate and heavy financial need, the amount of such need (including any income taxes payable with respect to a distribution under this Section) and the current unavailability of any distributions (other than hardship distributions) or nontaxable loans under all qualified and nonqualified plans of deferred compensation maintained by the District, including a cash or deferred arrangement that is part of a cafeteria plan within the meaning of Code Section 125, but not including the mandatory employee contribution portion of a defined benefit plan or a health or welfare benefit plan (including one that is part of a cafeteria plan), a Participant may withdraw all or part of the Participant's Tax Deferred Elective Contributions and Matching Contributions in Participant's accounts (and income allocable to Tax Deferred Elective Contributions credited to the Participant's Tax Deferred Elective Contributions Account prior to January 1, 1989), to the extent not in excess of such immediate and heavy financial need. Certification may only be made on a form approved by the General Manager, signed by the Participant and filed with the General Manager. The form shall limit situations of immediate and heavy financial need to (1) medical expenses described in Code Section 213(d) (determined without regard to whether the expenses exceed 7.5% of adjusted gross income) incurred by the Participant, the Participant's spouse or dependents (as defined in Code Section 152) (and in taxable years beginning on or after January 1, 2006, without regard to section 152(b)(1), (b)(2) and (d)(1)(B));, (2) the purchase (excluding mortgage payments) of a principal residence of the Participant, (3) payment of tuition for the next semester or quarter of post-secondary education for the Participant, Participant's spouse, children or dependents, or (4) the need to prevent the eviction of the Participant from the Participant's principal residence or foreclosure on the mortgage of the Participant's principal residence, (5) except for taxable years beginning on or after January 1, 2006, payments for burial or funeral expenses for the Participant's deceased parent, spouse, children or dependents (as defined in Code Section 152, without regard to section 152(d)(1)(B)), (6) effective for taxable years beginning on or after January 1, 2006, expenses for the repair of damage to the Participant's principal residence that would qualify for the casualty deduction under section 165 (determined without regard to whether the loss exceeds 10% of adjusted gross income), and (7) other deemed immediate and heavy financial needs identified by the United States Department of Treasury. No portion of a hardship distribution may be paid directly to an Eligible Retirement Plan, as defined in §6787(g)(2). For distributions made on or after January 2002, if a Participant makes a withdrawal on account of an immediate and heavy financial need,

the Participant's Tax Deferred Elective Contributions and Matching Contributions shall be automatically suspended under this Plan and all other qualified plans maintained by the district until reenrollment after a period of at least 6 months from the date of such withdrawal.

(e) Loans to Participants.

(1) The General Manager may establish a loan program allowing a Participant to borrow a portion of Participant's Accounts. If the General Manager determines, in the General Manager's discretion, to institute a loan program, each Participant shall have the right, subject to the prior approval of the General Manager, to borrow from Participant's Accounts an amount not to exceed 50 percent of the balance of such Accounts valued as of the Valuation Date immediately preceding the date on which the loan is to be made.

(2) Any loans made pursuant to the provisions hereof, shall satisfy the following conditions: (1) such loans shall be available to all Participants on a reasonably equivalent basis; (2) such loans shall not be made available to Participants who are highly compensated Employees or officers of the District in an amount which, when stated as a percentage of the balance of such Participants' Accounts, is greater than is available to other Participants; (3) such loans shall bear a reasonable rate of interest (unless the General Manager determines otherwise, such loan shall bear interest equal to one percent above the reference rate being charged by Bank of America NT&SA, or the prime rate or similar rate of a successor bank or other commercial bank designated by the General Manager, in effect at the beginning of the month in which the loan is made); (4) each such loan shall be adequately secured, with the security to consist of the portion of the Participant's Accounts equal to the loan principal and any additional security that the General Manager determines to be necessary; (5) the amount of any such loan, when added to the outstanding balance of all other loans from all qualified plans and 457(b) plans of the District to the Participant, shall not exceed either (i) \$50,000 reduced by the excess (if any) of the highest outstanding balance during the preceding 12 months of loans from the Savings Plan to the Participant over the outstanding balance of loans from the Savings Plan to the Participant on the date such loan is made or (ii) one-half the value of such Participant's Accounts, including in such balance prior loans to the Participant (for the purpose of this clause, the value of the balance of such Participant's Accounts shall be established as of the Valuation Date preceding the date upon which the loan is made); and (6) each such loan, by its terms, shall be repaid within five years (except that if the General Manager is satisfied that the loan proceeds are being used to acquire the principal residence of a Participant, the General Manager may, in his discretion, establish a term of up to 15 years for repayment).

(3) Each such loan shall be evidenced by a promissory note executed by the Participant of a fixed maturity date meeting the requirements of Section 6787(e)(2) above, but in no event later than the date that (a) the Participant dies, (b) the Plan is terminated, or (c) the Participant incurs a Separation from Service. Such promissory note shall evidence such terms as are required by this section.

(4) Any Participant may, upon written notice delivered to the General Manager 30 working days prior to a Valuation Date, request that a loan be made to Participant from Participant's Accounts in the Savings Plan, provided that (1) no more than two loans to

Participant from Participant's Accounts (or any lesser number of loans required in regulations promulgated by the Secretary of the Treasury) are outstanding at any one time, and (2) the request is for a loan of at least \$1,000 (or any lesser minimum amount required in regulation promulgated by the Secretary of the Treasury or the Secretary of Labor).

(5) While the Participant is employed by the District, each such loan shall be repaid through substantially level payroll deductions from Compensation that the Participant would otherwise receive. No payments shall be required during a leave of absence without pay for up to one year; provided that the entire loan balance shall remain due and payable at the loan's maturity date. At the end of such a leave (or the end of one year period, if earlier), a new loan repayment schedule shall be implemented to take into account payments not made during the leave; the new schedule shall not extend the loan's maturity date. If the Participant is absent from employment for more than one year and does not incur a Separation from Service, the Participant shall continue to make the payments required for each such loan directly to the Savings Plan at the times and in the amounts prescribed by the revised schedule. In addition, each such loan may be prepaid in full at any time, such prepayment to be paid directly to the Trustee in accordance with procedures adopted by the General Manager. All loan repayments shall be transmitted by the District to the Trustee as soon as practicable but not later than the end of the payroll period during which such amounts were withheld.

(6) In connection with implementing this section, a new Investment Vehicle shall be created. A Participant's request for a loan shall be treated as a request to transfer a portion of Participant's Accounts in an amount equal to the funds to be loaned to the new Investment Vehicle from the Investment Vehicle it is currently invested in. Each Participant's Accounts in the new Investment Vehicle shall be separately accounted for, and loan repayments shall be credited solely to the Participant's Accounts. A Participant shall designate the Investment Vehicle in which loan interest and principal repayments shall be invested.

(7) Notwithstanding anything to the contrary contained herein, each such loan shall be made only in accordance with the regulations and rulings of the Internal Revenue Service and other applicable state or federal law. The General Manager shall act in the General Manager's sole discretion to ascertain whether the requirements of such regulations and rulings and this section shall have been met.

(8) The General Manager shall have the power to establish any additional rules with respect to loans extended pursuant to this section including, but not limited to, rules relating to nondiscriminatory minimum installments for the repayment of such loans, the requirement of a financial hardship to obtain a loan, or limitations of the amounts of loans.

(9) Any loans hereunder constitute an exception to the anti-alienation rules in Section 6780(c) of the Savings Plan.

(f) Order of Distribution. - Distributions (including withdrawals) shall be made from the applicable portion of a Participant's Accounts invested in the Investment Vehicles on a pro rata basis from each Investment Vehicle, unless a different order of distribution is directed by the Participant. Each Participant by written notice (in form acceptable to the General Manager)

signed by the Participant and filed with the General Manager may direct the order in which distributions are to be made if other than on a pro rata basis.

(g) Direct Rollovers. – This Section applies to distributions made on or after January 1, 1993. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Distributee's election under this Article, a Distributee may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover. The following definitions shall apply to this Section:

(1) Eligible Rollover Distribution: An Eligible Rollover distribution is any distribution of all or any portion of the balance to the credit of the Distributee, except that an Eligible rollover Distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under section 401(a)(9) of the Code; and the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities) or any hardship distribution.

(2) Eligible Retirement Plan: An Eligible Retirement Plan is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, for distributions made after December 31, 2007, a Roth IRA as described in Section 408A of the Code (provided that the requirement of Section 408A(e) of the Code for a rollover to a Roth IRA have been met), an annuity plan described in Section 403(a) of the Code, and for distributions made after December 31, 2001, an annuity contract described in Section 403(b) of the Code, a qualified trust described in section 401(a) of the Code, an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this savings plan that accepts the Distributee's Eligible Rollover distribution. This definition shall also apply in the case of an eligible rollover distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code.

(3) Distributee: A Distributee includes an Employee or former Employee. In addition, the Employee's or former Employee's Surviving Spouse and the Employee's or former Employee's Spouse or former Spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the code, are Distributees with regard to the interest of the Spouse or former Spouse.

(4) Direct Rollover: A Direct Rollover is a payment by the Plan to the Eligible Retirement plan specified by the Distributee.

(h) Required Distributions. Effective January 1, 1987, all distributions shall be determined and made in accordance with the proposed regulations under Section 401(a)(9), including the minimum distribution incidental benefit requirement of Section 1.401(a)(9)-2 of the proposed regulations and in accordance with the following provisions:

(1) Definitions. The following definitions shall apply to this Section:

(a) Applicable Life Expectancy: The life expectancy (or joint and last survivor expectancy) calculated using the attained age of the Participant (or Designated Beneficiary) as of the Participant's (or Designated Beneficiary's) birthday in the applicable calendar year reduced by one for each calendar year which has elapsed since the date life expectancy was first calculated. If life expectancy is being recalculated, the Applicable Life Expectancy shall be the life expectancy as so recalculated. The applicable calendar year shall be the first Distribution Calendar Year, and if life expectancy is being recalculated such succeeding calendar year.

(b) Designated Beneficiary: Any individuals or legal entity designated to receive any benefit under this Plan upon the death of a Participant.

(c) Distribution Calendar Year: A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year which contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first distribution Calendar Year is the calendar year in which distributions are required to begin.

(d) Participant's Benefit: The Account balance as of the last Valuation Date in the Calendar year immediately preceding the Distribution Calendar Year (valuation calendar year) increased by the amount of any contributions or forfeitures allocated to the Account balance as of dates in the valuation calendar year after the Valuation Date and decreased by distributions made in the valuation calendar year after the Valuation Date. Notwithstanding the foregoing, if any portion of the minimum distribution for the first Distribution Calendar Year is made in the second Distribution Calendar Year on or before the Required Beginning Date, the amount of the minimum distribution made in the second Distribution Calendar Year shall be treated as if it had been made in the immediately preceding Distribution Calendar Year.

(e) Required Beginning Date: The Required Beginning Date of a Participant is the first day of April of the calendar year following the calendar year in which the later of retirement or attainment of age 70 ½ occurs.

(2) Required Distributions. The entire interest of a Participant must be distributed or begin to be distributed no later than the Participant's Required Beginning Date.

(3) Limits on Distribution Periods. As of the first Distribution Calendar Year, distributions, if not made in one lump-sum payment, may only be made over one of the following periods (or a combination thereof):

- (a) The life of the Participant; or
- (b) The life of the Participant and a Designated Beneficiary; or
- (c) A period certain not extending beyond the Life Expectancy of the Participant; or
- (d) A period certain not extending beyond the joint and last survivor expectancy of the participant and a Designated Beneficiary.

(4) Determination of Amount to be Distributed Each Year. If the Participant's interest is to be distributed in other than one lump-sum payment, the following minimum distribution rules shall apply on or after the Required Beginning Date:

- (a) If a Participant's Benefit is to be distributed over:
 - (i) a period not extending beyond the Life Expectancy of the Participant or the joint life and last survivor expectancy of the Participant and the Participant's Designated Beneficiary; or
 - (ii) a period not extending beyond the Life Expectancy of the Designated Beneficiary, the amount required to be distributed for each calendar year, beginning with distributions for the first Distribution Calendar Year, must at least equal to the quotient obtained by dividing the Participant's Benefit by the applicable Life Expectancy.
- (b) The amount to be distributed each year, beginning with distributions for the first Distribution Calendar Year shall not be less than the quotient obtained by dividing the Participant's Benefit by the lesser of:
 - (i) the applicable Life Expectancy; or
 - (ii) if the Participant's Spouse is not the Designated Beneficiary, the applicable divisor determined from the table set forth in Q&A-4 of Section 1.401(a)(9)-2 of the proposed regulations.
- (c) The minimum distribution required for the Participant's first Distribution Calendar Year must be made on or before the Participant's Required Beginning Date. The minimum distribution for other calendar years, including the minimum distribution for the Distribution Calendar Year in which the Participant's Required Beginning Date occurs, must be made on or before December 31 of that Distribution Calendar Year.

(5) Other Forms. If the Participant's Benefit is distributed in the form of an annuity purchased from an insurance company, distributions thereunder shall be made in accordance with the requirements of Section 401(a)(9) of the Code and the proposed regulations thereunder.

(6) Death Distribution Provisions

(a) Distribution beginning before death. If the Participant dies after distribution of his or her interest has begun, the remaining portion of such interest shall continue to be distributed at least as rapidly as under the method of distribution being used prior to the Participant's death.

(b) Distribution beginning after death. If the Participant dies before distribution of his or her interest begins, distribution of the Participant's entire interest shall be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death except to the extent that an election is made to receive distributions in accordance with (1) or (2) below:

(1) If any portion of the Participant's interest is payable to a Designated Beneficiary, distributions may be made over the life or over a period certain not greater than the Life Expectancy of the Designated Beneficiary commencing on or before December 31 of the calendar year immediately following the calendar year in which the Participant died.

(2) If the Designated Beneficiary is the Participant's surviving Spouse, the date distributions are required to begin in accordance with (1) above shall not be earlier than the later of: (i) December 31 of the calendar year immediately following the calendar year in which the Participant died; or (ii) December 31 of the calendar year in which the Participant would have attained age 70 ½.

(c) If the Participant has not elected a form of distribution by the time of his or her death, the Participant's Designated Beneficiary must elect the method of distribution no later than the earlier of: December 31 of the calendar year in which distributions would be required to begin under this Section; or December 31 of the calendar year which contains the fifth anniversary of the date of death of the Participant.

(d) If the Participant has no Designated Beneficiary, or if the Designated Beneficiary does not elect a method of distribution of the Participant's entire interest must be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(e) If the Surviving Spouse dies after the Participant, but before payments to such Spouse begin, the provisions of this Section shall be applied as if the Surviving Spouse were the Participant.

(i) Minimum Distributions. With respect to distributions under this Savings Plan made in calendar years beginning on or after January 1, 2002, the Savings Plan will apply the minimum distribution requirements of Section 401(a)(9) of the Internal Revenue Code in accordance with the regulations under Section 401(a)(9) that were proposed in January 2001, notwithstanding any provision of this Savings Plan to the contrary. This paragraph (i) shall continue in effect until the end of the last calendar year beginning before the effective date of the final regulations under Section 401(a)(9) or such other date specified in guidance published by the Internal Revenue Service.

(j) Minimum Distribution On or After January 1, 2003. Effective as of January 1, 2003, all distributions shall be determined and made in accordance with final Internal Revenue Service regulations under Code §401(a)(9) and in accordance with the following provisions:

(1) General Rules

(a) Effective Date. The provisions of this amendment will apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year.

(b) Precedence. The requirements of this amendment will take precedence over any inconsistent provisions of the Plan and any prior amendment thereto.

(c) Requirements of Internal Revenue Service Regulations Incorporated. All distributions required under this amendment will be determined and made in accordance with the Internal Revenue Service regulations under Code §401(a)(9).

(2) Time and Manner of Distribution

(a) Required Beginning Date. The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date.

(b) Death of Participant Before Distributions Begin. If the Participant dies before distributions begin, his or her entire interest will be distributed, or begin to be distributed, no later than as follows:

(1) If the Participant's surviving Spouse is the Participant's sole designated Beneficiary, then, subject to Section 6787(j)(2)(b)(5) below, distributions to the surviving Spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70 ½, if later.

(2) If the Participant's surviving Spouse is not the Participant's sole designated Beneficiary, then subject to Section 6787(j)(2)(b)(5) below distributions to the

designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

(3) If there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(4) If the Participant's surviving Spouse is the Participant's sole designated Beneficiary and the surviving Spouse dies after the Participant but before distributions to the surviving Spouse begin, this Section 6787(j)(2)(b), other than Section 6787(j)(2)(b)(1), will apply as if the surviving Spouse were the Participant.

(5) If the Participant dies before distributions begin and there is a designated Beneficiary, distribution to the designated Beneficiary is not required to begin by the date specified in Sections 6787(j)(20)(b)(2) above if the Participant's entire interest is distributed to the designated Beneficiary by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

For purposes of this Section 6787(j)(2) and Section 6787(j)(4), unless Section 6787(j)(2)(b)(4) applies, distributions are considered to begin on the Participant's Required Beginning Date. If Section 6787(j)(2)(b)(4) applies, distributions are considered to begin on the date distributions are required to begin to the surviving Spouse under Section 6787(j)(2)(b)(1).

(c) Forms of Distribution. Unless the Participant's interest is distributed in the form of a single sum on or before the Required Beginning Date, as of the first distribution calendar year, distributions will be made in accordance with Sections 6787(j)(3) and 6787(j)(4) of this amendment.

(3) Required Minimum Distributions During Participant's Lifetime.

(a) Amount of Required Minimum Distribution for Each Distribution Calendar Year. During the Participant's lifetime, the minimum amount that will be distributed each distribution calendar year is the lesser of **(i)** the quotient obtained by dividing the Participant's account balance by the distribution period in the Uniform Lifetime Table in §1.401(a)(9)-9 of the IRS regulations using the Participant's age as of his or her birthday in the distribution calendar year; or **(ii)** if the Participant's sole designated Beneficiary for the distribution calendar year is the Participant's Spouse the quotient obtained by dividing the Participant's account balance by the number in the Joint and Last Survivor Table in §1.401(a)(9)-9 of the IRS regulations using the Participant's and Spouse's attained ages as of the Participant's and Spouse's birthdays in the distribution calendar year.

(b) Lifetime Required Minimum Distributions Continue Through Year of Participant's Death. Required minimum distributions will be determined under this Section

6787(j)(3) beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's date of death.

(4) Required Minimum Distributions After Participant's Death.

(a) Death On or After Date Distributions Begin

(1) Participant Survived by Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is a designated Beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's designated Beneficiary, determined as follows: (i) the Participant's remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year; (ii) if the Participant's surviving Spouse is the sole designated Beneficiary, the remaining life expectancy of the surviving Spouse is calculated for each distribution calendar year after the year of the Participant's death using the surviving Spouse's age as of the Spouse's birthday in that year. For distribution calendar years after the year of the surviving Spouse's death, the remaining life expectancy of the surviving Spouse is calculated using the age of the surviving Spouse as of the Spouse's birthday in the calendar year of the Spouse's death, reduced by one for each subsequent calendar year; and (iii) if the Participant's surviving Spouse is not the Participant's sole designated Beneficiary, the designated Beneficiary's remaining life expectancy is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(2) No Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is no designated Beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the Participant's remaining life expectancy calculated using the age of the Participant in the year of death, reduced by one each subsequent year.

(b) Death Before Date Distributions Begin

(1) Participant survived by Designated Beneficiary. If the Participant dies before the date distributions begin and there is a designated Beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the remaining life expectancy of the Participant's designated Beneficiary, as determined in Section 6787(j)(4)(a)

(2) No Designated Beneficiary. If the Participant dies before distributions begin and there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will

be completed by December 31 of the calendar year containing the 5th anniversary of the Participant's death.

(3) Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin. If the Participant dies before the date distributions begin, the Participant's surviving Spouse is the Participant's sole designated Beneficiary, and the surviving Spouse dies before distributions are required to begin to the surviving Spouse under Section 6787(j)(2)(b)(1), this Section 6787(j)(4)(b) will apply as if the surviving Spouse were the Participant.

(5) Definitions

(a) Designated Beneficiary. The Beneficiary designated by the Participant is the designated Beneficiary under Code §401(a)(9) and §1.401(a)(9)-4, Q&A-4 of the IRS regulations.

(b) Distribution calendar year. A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under Section 6787(j)(2)(b). The required minimum distribution for the Participant's first distribution calendar year will be made on or before the Participant's Required Beginning Date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution calendar year in which the Participant's Required Beginning Date occurs, will be made on or before December 31 of that distribution calendar year.

(c) Life Expectancy. Life expectancy as computed by the use of the Single Life Table in §1.401(a)(9)-9 of the IRS regulations.

(d) Participant's Account balance. For purposes of determining minimum distributions the Account balance as of the last Valuation Date in the calendar year immediately preceding the distribution calendar year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the Account balance as of dates in the valuation calendar year after the Valuation Date and decreased by distributions made in the valuation calendar year after the Valuation Date. The Account balance for the valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.

(e) Required Beginning Date. April 1st of the calendar year following the later of (i) the calendar year in which the Participant reaches age 70 ½ or (ii) the calendar year in which the Participant actually retires or otherwise terminates employment with the District.

(k) Purchase of Service Credits. Effective as of January 1, 2004, if a Participant participates both in this Savings Plan and a “defined benefit governmental plan” that permits both transfers from this Plan and purchases of permissive service credit (as defined in Section 415(n)(3)(A) of the Code), then at the Participant’s election, up to 100% of the Participant’s Accounts in the Savings Plan may be transferred in a plan-to-plan transfer from the Trustee of this Savings Plan directly to the trustee of such defined benefit governmental plan provided that: **(1)** the transfer is for the purchase of such permissive service credit; **(2)** the transferee plan meets the requirements under Section 401(k) of the Code for separate accounting of all amounts transferred; **(3)** all amounts transferred remain 100% vested and non-forfeitable; **(4)** all amounts transferred remain subject to the distribution restrictions of Section 401(k)(2)(B) of the Code; and **(5)** the transfer meets such other requirements as the General Manager may require.

(l) Non-Spousal Rollovers. For distributions occurring on account of death on or after January 1, 2007, the beneficiary will be permitted to elect a direct rollover in accordance with the provisions of Section 402 (c)(11) of the Code, provided that the distributed amount satisfies all the requirements to be an eligible rollover distribution other than the requirement that the distribution be made to the participant or the participant’s spouse. The direct rollover must be made to an individual retirement account established on behalf of the designated beneficiary that will be treated as an inherited individual retirement account pursuant to the provisions of Section 402(c)(11) of the Code.

(m) Qualified Reservist Distributions. Effective with respect to Participants who are ordered or called to active duty after September 11, 2001, and before September 12, 2007, the Participant may elect to receive a “qualified reservist distribution.” A “qualified reservist distribution” is a distribution attributable to elective deferrals that is made to the Participant who, by reason of being a member of a reserve component as defined in 37 USC §101) was ordered or called to active duty for a period in excess of 179 days, and that is made during the period beginning on the date of such order or call to duty and ending at the close of the active duty period.

Section 439.11.8 - M.I. 35816 - October 8, 1985; paragraphs (c) and (d)(2) [formerly Sections 439.11.8.3 and 439.11.8.4.2] amended by M.I. 35854 - November 19, 1985; paragraph (f) [formerly Section 439.11.8.6] amended by M.I. 35922 - March 11, 1986. Section 439.11.8 repealed and Section 6787 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 37404 - November 8, 1988; amended by M.I. 38202 - April 17, 1990; amended by M.I. 39315 - November 19, 1991; paragraph (e)(2),(3) and (5) amended by M.I. 40677 - February 8, 1994; paragraph (e) (4) amended by M.I. 42902 - April 14, 1998; paragraphs (g) and (h) added by M.I. 44690 - November 20, 2001; paragraphs (d)(2), (g)(2) amended, and paragraph (i) added by M. I. 44973 - August 20, 2002; paragraph (d)(2) amended by M. I. 45249 - March 11, 2003; paragraphs (e)(3) and (e)(4) amended and new paragraph (j) added by M. I. 45604 - December 9, 2003; paragraph (k)(1)-(5) added by M. I. 45747 - May 11, 2004; paragraph (e)(2) sub (5) amended by M. I. 45943 - October 12, 2004; paragraphs (b), (d) (2), (e) (1)(2), (e) (4)(5), (e) (7)-(9), and (f) amended by M. I. 46592 - March 14, 2006; new paragraph (d)(3) added, (g)(2) amended, and new paragraphs (l) & (m) added by M. I. 47323 - December 11, 2007; paragraph (a) amended, paragraph (d)(2) amended, paragraph (d)(3) deleted by M.I. 48662 - May 10, 2011.

§ 6788. Article IX - Administration of Savings Plan and Trust Agreement.

(a) Responsibility for Administration. - The District is the "plan administrator" within the meaning of Section 414(g) of the Code. The District delegates all its authority to the General Manager, who shall be the Administrator under this Savings Plan. As Administrator, the General Manager shall be responsible for the administration of this Savings Plan, including but not

limited to the preparation and delivery to Participants, Beneficiaries and governmental agencies of all information, descriptions and reports required by applicable law. Each other fiduciary shall have such powers, duties and authorities as shall be specified in this Savings Plan or the Trust Agreement.

(b) Authority. - The General Manager shall interpret where necessary the provisions of this Savings Plan and determine the rights and status of Participants and other persons under this Savings Plan. The General Manager also may modify any notice period required by this Savings Plan or designate any office to serve as the recipient of any form or notice that has to be filed under this Savings Plan. The General Manager, in case of disputes, may make determinations and findings of fact with respect to any matter arising in connection with the administration of this Savings Plan. Subject to the provisions of Section 6788(c), such determinations and findings shall be final and conclusive, to the extent permitted by law, as to all interested persons for all purposes of this Savings Plan. The General Manager shall instruct the Trustee as to the benefits to be paid hereunder and shall furnish the Trustee with any further information reasonably required by it for the purpose of distributing such benefits and making investments in or withdrawals from one or more of the Investment Vehicles.

(c) Revocability of Action. - Any action taken by the General Manager with respect to the rights or benefits under this Savings Plan or any Participant or Beneficiary shall be revocable by the General Manager as to payments, distributions or deliveries not theretofore made hereunder pursuant to such action. Appropriate adjustments may be made in future payments or distributions to a Participant or Beneficiary.

(d) Employment of Assistance. - The District may employ such expert communication and enrollment, legal, accounting, investment or other assistance as it deems necessary or advisable for the proper administration of this Savings Plan and the Investment Vehicles. Any expenses incurred as a result of such employment may be paid by the Trustee from the Participants' Accounts.

(e) Uniform Administration of Savings Plan. - All action taken by the General Manager under this Savings Plan shall treat all persons similarly situated in a uniform and consistent manner.

(f) Participant's Accounts. - The Participants' Accounts shall be held by the Trustee for the exclusive benefit of the Participants and their Beneficiaries and shall be invested by the Trustee upon such terms and in such property as is provided in this Savings Plan and in the Trust Agreement.

(g) No Guarantee Against Loss.

(1) The District does not guarantee the Participants' Accounts or Investment Vehicles or any part thereof against loss or depreciation. All persons having any interest in the Accounts or Investment Vehicles shall look solely to such sources for payment with respect to such interest. No action by the District shall be considered to be either an endorsement or guarantee of any investment, nor shall it be considered to attest the financial soundness or the

suitability of any investment for the purpose of meeting future obligations provided for in this Savings Plan.

(2) While the District will endeavor to use reasonable care in the selection of any Trustee, Investment Manager, or Investment Vehicle for Tax Deferred Elective Contributions, neither the District nor its Directors or Employees shall be liable to any Participant or Beneficiary for disappointing results, or loss, flowing from any deficiencies in this regard, and a Participant, as a condition to participation in this Savings Plan, shall be required to execute an agreement wherein the Participant, for the Participant, and the Participant's heirs and Beneficiaries agrees to hold the District, its Directors and Employees harmless and agrees to waive any cause of action the Participant might otherwise have or obtain as a result of participation in this Savings Plan; provided, that such agreement will not apply to claims and causes of action arising from willful misconduct.

(h) Payment of Benefits. - All payments of benefits provided for by this Savings Plan (less any deductions provided for by this Savings Plan) shall be made solely out of the Participants' Accounts in accordance with instructions given to the Trustee by the General Manager, and the District shall not be otherwise liable for any benefits payable under this Savings Plan.

(i) Compensation and Expenses. - The Trustee shall be entitled to receive such reasonable compensation for its services as may be agreed upon by it and the General Manager. Such compensation, the cost of employment of expert assistance, and, upon prior approval of the General Manager, extraordinary expenses of the Trustee and other expenses or fees for the proper administration of this Savings Plan shall be paid from the Trust Fund.

Section 439.11.9 - M.I. 35816 - October 8, 1985; paragraph (g) [formerly Section 439.11.9.7]; amended by M.I. 35854 - November 19, 1985. Section 439.11.9 repealed and Section 6788 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 37404 - November 8, 1988; amended by M.I. 38202 - April 17, 1990; paragraphs (a) and (i) amended by M.I. 39315 - November 19, 1991; paragraphs (a) thru (i) amended by M. I. 46592 - March 14, 2006.

§ 6789. Article X - Responsibility of the District and its Employees.

(a) Immunities.

(1) Neither the District, its Directors, nor its Employees shall be liable for any action taken or not taken with respect to this Savings Plan or the Trust Agreement except for its or their own gross negligence or willful misconduct;

(2) Neither the District, its Directors, nor its Employees shall be personally liable upon any contract, agreement or other instrument made or executed by it or them in its or their behalf in the administration of this Savings Plan or the Trust Agreement;

(3) Neither the District, its Directors, nor its Employees shall be liable for the neglect, omission or wrongdoing of any other person in connection with the administration of this Savings Plan and the Trust Agreement or the investment of the funds contained in the Investment Vehicles. Nor shall any such person be required to make inquiry into the propriety

of any action by any other person in connection with the administration of this Savings Plan and the Trust Agreement or the investment of the funds contained in the Investment Vehicles;

(4) The District, its Directors, and each Employee thereof (specifically including the General Manager and other officers), and any other person to whom the District delegates (or the Savings Plan or Trust Agreement assigns) any duty with respect to this Savings Plan or the Trust Agreement, may rely and shall be fully protected in acting in good faith upon the advice of counsel, who may be counsel for the District, upon the records of the District, upon the opinion, certificate, valuation, report, recommendation, or determination of the Trustee or of the District's General Auditor, or upon any certificate, statement or other representation made by or any information furnished by an Employee, a Participant, a Beneficiary or the Trustee concerning any fact required to be determined under any of the provisions of this Savings Plan;

(5) If any responsibility of the District, its Directors, or its Employees is allocated to another person, then the District, its Directors, or its Employees shall not be responsible for any act or omission of such person in carrying out such responsibility; and

(6) No person shall have the duty to discharge any duty, function or responsibility which is assigned by the terms of this Savings Plan or the Trust Agreement or delegated pursuant to the provisions of Section 6789(b) to another person.

(b) Responsibilities. - Persons shall have only such powers, duties, responsibilities and authorities as are specified in this Savings Plan or the Trust Agreement. The District shall have the responsibility for making District contributions under this Savings Plan to the Investment Vehicles. The Board of Directors of the District shall have the authority to amend or terminate this Savings Plan. The General Manager shall have the authority to amend or terminate the Trust Agreement in whole or in part and to appoint, employ, and remove the Trustee and shall be the Savings Plan Administrator and shall have the responsibility and authority to appoint or remove any Investment Manager or any other person that is employed for purposes of this Savings Plan, and to interpret and administer this Savings Plan, subject to the provisions hereof. The Trustee shall have the responsibility and authority for the administration of the Trust Agreement.

(c) Other Immunities Not Restricted. - The provisions of this article shall not be construed to in any way restrict the privileges and immunities that the District and its employees are otherwise entitled to pursuant to Part 2, Division 3.6, Title 1 of the Government Code, and in particular Sections 818.8 and 820.2 thereof.

Section 439.11.10 - M.I. 35816 - October 8, 1985. Section 439.11.10 repealed and Section 6789 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 37404 - November 8, 1988; amended by M.I. 38202 - April 17, 1990; paragraph (a)(4) amended by M.I. 43968 - April 11, 2000; paragraphs (a) (1) thru (a) (4), (a) (6) and paragraph (b) amended by M. I. 46592 - March 14, 2006.

§ 6790. Article XI - Miscellaneous.

(a) No Enlargement of Employment Right. - A Participant by accepting benefits under this Savings Plan does not thereby agree to continue for any period in the employ of the District, and the District by adopting this Savings Plan, making contributions or taking any action with

respect to this Savings Plan does not obligate itself to continue the employment of any Participant for any period.

(b) Severability Provision. - If any provision of this Savings Plan or the application thereof to any circumstance or person is invalid, the remainder of this Savings Plan and the application of such provision to other circumstances or persons shall not be affected thereby.

(c) Alienation.

(1) Except as otherwise provided in subparagraph (3) of this Section, no benefit which shall be payable out of the Trust Fund to any person (including a Participant or Beneficiary) shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, or charge the same shall be void; and no such benefit shall in any manner be liable for, or subject to, the debts, contracts, liabilities, engagements, or torts of any such person, nor shall it be subject to attachment or legal process for or against such person, and the same shall not be recognized by the Trustee, except to such extent as may be required by law.

(2) In the event a participant's benefits are garnished or attached by order of any court, the General Manager may bring an action for a declaratory judgment in a court of competent jurisdiction to determine the proper recipient of the benefits to be paid by this Savings Plan. During the pendency of said action, any benefits that become payable shall be paid into the court as they become payable, to be distributed by the court to the recipient it deems proper at the close of said action. Any costs attributable to these actions may be charged to the Account of the Participant.

(3) This Section shall not apply to the creation, assignment or recognition of a right to any benefit payable pursuant to a domestic relations order, unless such order is determined to be a Qualified Domestic Relations Order by the District, as defined in Section 414(p) of the Code. The Trustee shall be entitled to make distributions to an alternate payee pursuant to a Qualified Domestic Relations Order in accordance with such an Order, without regard to the age or employment status of the Participant.

(d) Construction of Agreement. - Except to the extent federal law controls, this Savings Plan and the Trust Funds shall be construed and enforced according to the laws of the State of California. All persons accepting or claiming benefits under this Savings Plan shall be bound by and deemed to consent to its provisions.

(e) Gender and Number. - Wherever any words are used herein in the masculine, feminine or neuter gender, they shall be construed as though they were also used in another gender in all cases where they would so apply, and whenever any words are used herein in the singular or plural form, they shall be construed as though they were also used in the other form in all cases where they would so apply.

(f) Legal Action. - In the event any claim, suit, or proceeding is brought regarding the Trust Fund and/or this Savings Plan established hereunder to which the General Manager may be

a party, the General Manager shall be entitled to be reimbursed from the District for any and all costs, attorney's fees, and other expenses pertaining thereto incurred for which the General Manager shall have become liable.

(g) Prohibition Against Diversion of Funds. - It shall be impossible by operation of this Savings Plan or of the Trust Agreement, by termination of either, by power of revocation or amendment, by the happening of any contingency, by collateral arrangement or by any other means, for any part of the corpus or income of any Trust Fund maintained pursuant to this Savings Plan or any funds contributed thereto to be used for, or diverted to, purposes other than the exclusive benefit of Participants or their Beneficiaries except as provided in this Savings Plan.

(h) Receipt and Release for Payments. - Any payment to any Participant, Participant's legal representative, Beneficiary, or to any guardian or committee appointed for such Participant or Beneficiary in accordance with the provisions of this Savings Plan, shall, to the extent thereof, be in full satisfaction of all claims hereunder against the Trustee and the District, either of whom may require such Participant, legal representative, Beneficiary, guardian or committee, as a condition precedent to such payment, to execute a receipt and release thereof in such form as shall be determined by the Trustee or District.

(i) Headings. - The headings and subheadings of this Savings Plan have been inserted for convenience of reference and are to be ignored in any construction of the provisions hereof.

(j) Uniformity. - All provisions of this Savings Plan shall be interpreted and applied in a uniform, nondiscriminatory manner.

(k) District and Trustee's Protective Clause. - Neither the District nor the Trustee, nor their successors, shall be responsible for the validity of any contract in regard to an Investment Vehicle or for the failure on the part of a contractor to comply with its obligations, or for the action of any person which may delay payment or render a contract null and void or unenforceable in whole or in part.

(l) Administrative Costs. - District administrative costs may be charged to Participants or deducted from a Participant's Accounts in accordance with a nondiscriminatory procedure established by the General Manager.

(m) Employee Plans Compliance Resolution System. – The General Manager may take whatever action he determines in his discretion to be necessary and appropriate to correct any error in the administration of the Savings Plan, to the extent consistent with applicable law, including, but not limited to making corrections pursuant to the Employee Plans Compliance Resolution System or any similar or successor procedures or programs.

Section 439.11.11 - M.I. 35816 - October 8, 1985. Section 439.11.11 repealed and Section 6790 adopted by M.I. 36464 – January 13, 1987, effective April 1, 1987; amended by M.I. 37404 - November 8, 1988; paragraphs (h) and (l) amended by M.I. 39315 - November 19, 1991; paragraph (c) (1) amended and paragraph (3) added by M.I. 42902 - April 14, 1998; paragraph (m) added by M. I. 45747 – May 11, 2004; paragraphs (a), (b), (c) (2)(3), (d), (f)-(h), (j), (l), and (m) amended by M. I. 46592 - March 14, 2006.

§ 6791. Article XII - Amendment, Termination or Merger.

(a) Right to Amend or Terminate. - The District reserves the right at any time or times, without the consent of any Participant, Beneficiary or other persons, (1) to terminate this Savings Plan, in whole or in part or as to any designated group of Employees, Participants and their Beneficiaries, or (2) to amend this Savings Plan, in whole or in part.

(b) Procedure for Termination or Amendment. - Any termination or amendment of this Savings Plan pursuant to Section 6791(a) shall be expressed in an instrument executed by the District on the order of its Board of Directors and filed with the Trustee, and shall become effective as of the date designated in such instrument or, if no date is so designated, on its execution.

(c) Distribution Upon Termination. - If this Savings Plan shall be terminated by the District, the Investment Vehicles shall be distributed as if each Participant had then retired pursuant to Section 6787(c) at the time of the termination; provided that such distribution shall only occur if then permitted by Section 401(k) of the Code.

(d) Merger. - In the case of any merger or consolidation with, or transfer of assets or liabilities to, any other plan, each Participant in this Savings Plan will receive a benefit immediately after the merger, consolidation, or transfer which is equal to or greater than the benefit the Participant would have been entitled to receive immediately before the merger, consolidation or transfer.

(e) Failure to Qualify Under Sections 401(a) and 401(k) of the Code. - Notwithstanding anything else contained herein, this Savings Plan shall be subject to the issuance by the Internal Revenue Service of either (1) a determination or ruling to the effect that this Savings Plan (as modified by any amendment thereto made for the purpose of securing such determination or ruling) meets the applicable requirements of Sections 401(a) and 401(k) of the Code for a qualified governmental plan containing a qualified cash or deferred arrangement, or (2) a determination or ruling with respect to this Savings Plan that is acceptable to the District. If the District does not receive such a determination or ruling within 12 months after it requests it or, if earlier, within 24 months after this Savings Plan is adopted by the District, then, notwithstanding any other provision of this Savings Plan, the District may elect to declare this Savings Plan to be retroactively void by giving written notice to the Trustee that no such Internal Revenue Service determination or ruling has been received.

Section 439.11.12 - M.I. 35816 - October 8, 1985; paragraph (c) [formerly Section 439.11.12.3] amended by M.I. 35854 - November 19, 1985. Section 439.11.12 repealed and Section 6791 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 37404 - November 8, 1988; amended by M.I. 38202 - April 17, 1990; paragraphs (a) thru (e) amended by M. I. 6791 - March 14,, 2006.

§ 6792. Article XIII - Effective Date.

The effective date of this Savings Plan shall be July 1, 1985.

Section 439.11.13 - M.I. 35816 - October 8, 1985. Section 439.11.13 repealed and Section 6792 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M. I. 46592 - March 14, 2006.

Article 7

ARTICLES OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA 1997 DEFERRED COMPENSATION PLAN

Sec.

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§ 6800. Article I - Name.

The name of this Plan is The Metropolitan Water District of Southern California 1997 Deferred Compensation Plan (hereinafter referred to as the “1997 Plan”).

M.I. 42712 - November 18, 1997

§ 6801. Article II - Purposes.

The purposes of the 1997 Plan are to enable employees of The Metropolitan Water District of Southern California to defer portions of their compensation and to provide retirement, disability and death benefits, pursuant to the provisions of Section 457 of the Internal Revenue Code of 1986, as amended (the "Code").

M.I. 42712 - November 18, 1997.

§ 6802. Article III - Definitions.

For the purposes of the 1997 Plan, certain words or phrases will have the following meanings:

(a) "Compensation" shall mean all cash compensation for services to the District, that is includible in the Participant's gross income for the calendar year, including salary, wages, fees, commissions, bonuses, and overtime pay, plus amounts that would be cash compensation for services to the District includible in the Participant's gross income for the calendar year but for a compensation reduction election under Section 125, 132(f), 401(k), 403(b) or 457(b) of the Internal Revenue Code (including an election to defer compensation under Section 6806 of this 1997 Plan). Compensation that would otherwise be paid for a payroll period that begins before separation from service is treated as having been paid or otherwise made available before the Participant's separation from service. To the extent permitted under Section 457(b) of the Internal Revenue Code and the regulations thereunder, Compensation shall also include amounts relating to certain compensation (as described in the federal income tax regulations), if paid within 2 ½ months following separation from service, including (a) pay for accrued sick, vacation or other leave, (b) deferred compensation and (c) regular compensation for services during the Participant's regular working hours, or compensation for services outside the Participant's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments provided that the payment would have been paid if the Participant had continued in employment with the District paid within 2 ½ months following separation from service, and, even if paid more than 2 ½ months after separation from service with the District, amounts relating to certain compensation (as described in the federal income tax regulations) paid to Participants who are permanently and totally disabled, and amounts relating to qualified military service under Section 414(u) of the Internal Revenue Code. For years beginning after December 31, 2008, (i) a Participant receiving a differential wage payment, as defined by Code §3401(h)(2) from Metropolitan while performing service on active duty in the uniformed military services, is treated as an employee of the District, and (ii) the differential wage payment is treated as Compensation.

(b) "Amounts deferred" shall mean compensation deferred under the 1997 Plan, plus any income or minus any losses or charges attributable to such deferred compensation.

(c) "Separation from service" shall mean termination of the participant's employment with the district by means of retirement, resignation, death, or otherwise.

(d) “Normal retirement age” shall mean, with application to any Participant, any age, irrevocably designated in writing by that Participant and filed with the General Manager, within the range of ages beginning no earlier than age 50 and ending no later than age 70 1/2. If the Participant continues to work for the District beyond the Participant’s previously designated normal retirement age, that normal retirement age shall be adjusted for purposes of initiating payments of amounts deferred (but not for the use of the “catch-up” provision of Article IX), to the age at which the Participant separates from service. If a Participant fails to designate a normal retirement age prior to separation from service, it shall be established as the later of (a) the normal retirement age specified in the contract between the board of directors of the California Public Employees Retirement System and the board of directors of the Metropolitan Water District of Southern California or (b) the Participant’s age at separation from service, unless separation from service is a result of the death of the Participant, in which case the Participant’s normal retirement age shall be the Participant’s age at date of death.

(e) “District” shall mean The Metropolitan Water District of Southern California, providing that the General Manager, or the General Manager’s designee for that purpose, shall exercise on behalf of the District any discretion or other function given to the District under the 1997 Plan.

(f) “General Manager” shall mean the General Manager of the District, or the General Manager’s successors or designee(s).

(g) “Employee” shall mean any officer or employee of The Metropolitan Water District of Southern California.

(h) “Participant” shall mean any eligible employee who has fulfilled the requirements of enrollment into the 1997 Plan, or any former employee who has amounts deferred held by the District.

(i) “Beneficiary” shall mean any individual, or individual beneficiaries of a trust, or any combination of the foregoing designation by a Participant to receive benefits under the 1997 Plan. Beneficiary may be singular or plural, primary or contingent. The designation must be in writing on a form approved by and filed with the General Manager, and shall be revocable by written notice filed with the General Manager, unless otherwise expressly provided by the designation. If a Participant does not have on file with the General Manager a valid and effective beneficiary designation, the Participant’s estate shall be the beneficiary.

(j.) “Surviving spouse” shall mean a husband or wife who was married to the Participant as of the date of the death of the Participant and who survives the death of the Participant.

(k) “Trustee” shall mean any person who is appointed by the General Manager to hold in trust and administer some or all of the assets of the 1997 Plan.

(l) “Trust Agreement” shall mean any agreement between the District and a Trustee to hold in trust and administer some or all of the assets of the 1997 Plan.

(m) “Valuation Date” shall mean the last business day of each calendar quarter, unless provided otherwise in the Trust Agreement.

M.I. 42712 - November 18, 1997; paragraph (i) amended by M. I. 45249 - March 11, 2003; paragraph (a) amended by M. I. 46838 – October 10, 2006; paragraph (j) amended by M. I. 47323 - December 11, 2007; paragraph (a) amended by M.I. 48201 – March 9, 2010.

§ 6803. Article IV - General Provisions.

For purposes of the 1997 Plan, the following general provisions shall apply:

(a) The captions used are for the purposes of convenience only and shall not limit, restrict or enlarge the provisions of the 1997 Plan.

(b) The 1997 Plan shall be binding upon and shall inure to the benefit of the district, its successors and assigns, all Participants and beneficiaries and their heirs and legal representatives.

(c) In referring to the General Manager, an employee, Participant, beneficiary or surviving spouse, the masculine form shall be deemed to refer also to the feminine, and the feminine also to the masculine.

(d) Deductions for employee contributions to the Public Employees’ Retirement System and for various applicable group insurance policies shall be made from the Participant’s salary as if no amounts were deferred.

(e) Any notice or other communication required or permitted under the 1997 Plan shall be in writing and, if directed to the District, shall be sent to the General Manager at District Headquarters, and if directed to a Participant or beneficiary, shall be sent to such Participant or beneficiary at the last known address as it appears on the District’s records.

(f) Compensation shall be taken into account at its present value and the amount of compensation limited by the 1997 Plan’s ceiling shall be determined without regard to community property laws.

(g) The 1997 Plan will be governed and administered pursuant to the laws of the United States and the State of California.

(h) The General Manager may on behalf of the District execute all enrollment agreements with the District’s officers and employees which are necessary for said person’s participation in the 1997 Plan, except that any enrollment agreement for the General Manager shall be executed by the General Counsel on behalf of the District.

(i) A Participant may not, with respect to the Participant’s own participation, exercise on behalf of the District any discretion conferred upon the latter by the 1997 Plan.

(j) A copy of the 1997 Plan shall be made available to each eligible employee prior to the employee’s enrollment.

M.I. 42712 - November 18, 1997.

§ 6804. Article V - Administration.

The General Manager shall have full authority to adopt rules and regulations for the administration of the 1997 Plan and to interpret, alter, amend or revoke any rules and regulations so adopted.

M.I. 42712 - November 18, 1997.

§ 6805. Article VI - Eligibility.

All employees of the District, excepting any class of employees designated by the General Manager as being ineligible, may become Participants in the 1997 Plan.

M.I. 42712 - November 18, 1997.

§ 6806. Article VII - Enrollment.

Any eligible employee of the District may enroll or re-enroll (except as provided in Paragraph (d) of Article X below) as a Participant in the 1997 Plan by filing a written election to participate with the District on a form approved by the General Manager. The election, if consented to by the District, shall become effective with respect to compensation for services rendered to the District by the employee on the date specified in the election, but not earlier than the first day of the first payroll period that begins in the month next following the date such election is received and processed by the District and shall remain effective for a minimum of one calendar month. The election shall thereafter continue in full force and effect unless revoked by the District or the Participant by written notice by the revoking party to the other party not later than the last business day of the month prior to the calendar month in which the revocation is to be effective. The effective date for any election or revocation must be as of the first day of a District payroll period, unless otherwise provided by the General Manager. The form of enrollment shall specify the amount per pay period or the percentage of compensation which is to be deferred pursuant to the 1997 Plan. If the employee is married, the District may require the consent of the employee's spouse to the terms and conditions of the participation. A Participant who has not yet had a separation from service may elect to defer accumulated sick pay, vacation pay or back pay provided that such amounts are described in Section 6802(a) of these Articles and the requirements of this Section 6806 have been met.

M.I. 42712 - November 18, 1997; amended by M. I. 45747 – May 11, 2004; amended by M. I. 46148 - March 8, 2005; amended by M. I. 46838 – October 10, 2006.

§ 6807. Article VIII - Plan Ceiling.

The maximum amount of a Participant's Includible Compensation that may be deferred for a taxable year (except for rollovers or transfers to this Plan described in §6826(b) and 6827 or as otherwise provided in Article IX) shall not exceed the lesser of:

(a) The applicable dollar amount for such year under Section 457(e)(15) of the Code, including any cost of living increases announced by the Secretary of the Treasury pursuant to Section 457(e)(15)(B) for such year, plus any amount described in Section 6808; or

(b) 100 Percent of the Participant's Includible Compensation for the taxable year.

For purposes of this article, Includible Compensation shall mean, with respect to a taxable year, the Participant's compensation, as defined in Section 415(c)(3) of the Code. The minimum amount shall be as prescribed by the General Manager from time to time.

For any taxable year that a Participant has a period of qualified military service as described in Section 414(u)(2)(A) of the Code, the Participant may, over the period described in Section 414(u)(2)(A) of the Code, defer the amount that he or she could have deferred during any such period of qualified military service, had the Participant performed services for the District and received Includible Compensation from the District during such period as described in Section 414(u)(7) of the Code.

M.I. 42712 - November 18, 1997; amended by M. I. 44973 – August 20, 2002; amended by M. I. 45747 – May 11, 2004.

§ 6808. Article IX - Catch-up Provisions.

For a Participant described in paragraph (a) or (b) below, the maximum compensation that may be deferred during a Participant's taxable year shall be the greater of the amount determined under either of the following rules:

(a) Last Three Years Catch-Up – for one or more of the Participant's last three taxable years ending before the Participant attains normal retirement age (as defined in §6802(d), the maximum compensation that may be deferred as a Last Three Years Catch-Up shall be the lesser of:

(i) twice the applicable dollar amount for such year under Section 457(e)(15) of the Code, including any cost of living increases announced by the Secretary of the Treasury pursuant to Section 457(e)(15)(B) for such year; or

(ii) the underutilized limitation determined under Section 457(b)(3)(B) of the Code and the regulations thereunder; or

(b) Age 50 Catch-Up – For Participants who have attained (or will attain) age 50 before the close of any calendar year, the amount determined in accordance with, and subject to the limitations of Section 414(v) of the Code and the regulations, thereunder.

M.I. 42712 - November 18, 1997; old paragraph deleted and new paragraphs (a)(i)(ii) and (b) added by M. I. 44973 – August 20, 2002; beginning paragraph amended by M. I. 45747 – May 11, 2004.

§ 6809. Article X - Availability of Amounts Deferred.

Amounts deferred under the 1997 Plan will be paid to the Trustee not later than the 30 days after the end of the payroll period in which deferred and held pursuant to the terms of

the Trust Agreement. The General Manager shall direct the Trustee as to benefits to be paid hereunder, provided that amounts deferred will be distributed to or made available to Participants or beneficiaries only in the following circumstances:

- (a) The Participant is separated from service: or
- (b) The Participant is confronted with an unforeseeable emergency as provided in Article XV.

M.I. 42712 - November 18, 1997.

§ 6810. Article XI - Payments to Participant.

(a) For Participants who separate from service on or after September 1, 2002, unless the Participant affirmatively elects otherwise, upon separation from service on or after normal retirement age, the Participant shall be deemed to have elected to defer distributions of the amounts deferred on behalf of the Participant until the 60th day after the date on which the Participant separates from service, at which time the amount deferred shall be paid to the Participant in a lump sum, or if elected by the Participant at least 30 days prior to the date payment is to be made, distribution may be made in the form of periodic payments on a monthly, quarterly, semiannual, or annual basis for a specific length of time, subject to the provisions of Article XIV.

(b) For Participants who separated from service before September 1, 2002, and who made an irrevocable election regarding payment of deferred amounts, such election may be revoked and a new payment election may be made in accordance with the above requirements at any time after September 1, 2002. If a Participant separated from service prior to September 1, 2002, and the Participant does not affirmatively revoke a prior payment election, all payments shall continue as previously elected.

(c) No payment schedule selected by a Participant shall be effective unless it is consented to by the District in its sole discretion. The District shall, however, only consent to the schedule if it conforms in all respects to the requirements of Section 457 and 401(a)(9) of the Code and the regulations thereunder, including the provisions of subsection (e) below.

(d) All distributions shall be subject to the rollover and plan-to-plan transfer provisions of §6826 of the MWD Administrative Code.

(e) Death Distribution Provisions.

(1) Distribution beginning before death. If the Participant dies after distribution of his or her interest has begun, the remaining portion of such interest shall continue to be distributed at least as rapidly as under the method of distribution being used prior to the Participant's death.

(2) Distribution beginning after death. If the Participant dies before distribution of his or her interest begins, distribution of the Participant's entire interest shall be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death except to the extent that an election is made to receive distributions in accordance with (a) or (b) below:

(a) If any portion of the Participant's interest is payable to a Designated Beneficiary, distributions may be made over the life or over a period certain not greater than the Life Expectancy of the Designated Beneficiary commencing on or before December 31 of the calendar year immediately following the calendar year in which the Participant died.

(b) If the Designated Beneficiary is the Participant's surviving Spouse, the date distributions are required to begin in accordance with (1) above shall not be earlier than the later of: (i) December 31 of the calendar year immediately following the calendar year in which the Participant died; or (ii) December 31 of the calendar year in which the Participant would have attained age 70 ½.

(3) If the Participant has not elected a form of distribution by the time of his or her death, the Participant's Designated Beneficiary must elect the method of distribution no later than the earlier of: December 31 of the calendar year in which distributions would be required to begin under this Section; or December 31 of the calendar year which contains the fifth anniversary of the date of death of the Participant.

(4) If the Participant has no Designated Beneficiary, or if the Designated Beneficiary does not elect a method of distribution of the Participant's entire interest must be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(5) If the Surviving Spouse dies after the Participant, but before payments to such Spouse begin, the provisions of this Section shall be applied as if the Surviving Spouse were the Participant.

(f) Death benefits for Military Survivors. In the case of a death or disability occurring on or after January 1, 2007, if a Participant dies while performing qualified military service (as defined in Code Section 414(u)), the survivors of the Participant are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan as if the Participant had resumed and then terminated employment on account of death.

(g) Military Service - Severance From Employment. A Participant shall be treated as having been severed from employment during any period the individual is performing service in the uniformed services described in Code §3401(h)(2)(A).

(h) Notwithstanding this Section 6810 of the Plan, a Participant or Beneficiary who would have been required to receive required minimum distributions for 2009 but for the enactment of Section 401(a)(9)(H) of the Code ("2009 RMDs"), and who would have satisfied

that requirement by receiving distributions that are (1) equal to the 2009 RMDs or (2) one or more payments in a series of substantially equal distributions (that include the 2009 RMDs) made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancy) of the Participant and the Participant's Designated Beneficiary, or for a period of at least 10 years ("Extended 2009 RMDs"), will receive those distributions for 2009 unless the Participant or Beneficiary chooses not to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to stop receiving the distributions described in the preceding sentence. In addition, notwithstanding section 6827 of the Plan, and solely for purposes of applying the direct rollover provisions of Section of the Plan, 2009 RMDs and Extended 2009 RMDs will be treated as eligible rollover distributions as defined in Section 6827(a)(1) of the Plan.

M.I. 42712 - November 18, 1997; old paragraphs (a)-(c)(1)-(3) deleted and new paragraphs (a)-(d) added by M. I. 44973 – August 20, 2002; paragraph (a) amended by M. I. 45249 – March 11, 2003; paragraph (c) amended, paragraphs (e)-(h) added by M.I. 48201 – March 9, 2010.

§ 6811. Article XII - Payments to Beneficiary.

If the Participant dies before the entire amount deferred is paid to the Participant, any amounts deferred and remaining unpaid shall be paid to or on behalf of a beneficiary in a lump sum during the second month next following the month in which the participant dies.

M.I. 42712 - November 18, 1997; amended by M. I. 45249 – March 11, 2003.

§ 6812. Article XIII - Payments to Surviving Spouse.

Notwithstanding the provisions of Article XII, if the participant's surviving spouse is a beneficiary, the surviving spouse, with the consent of the District, prior to the time that the lump sum payment provided for in Article XII is first payable, may elect to defer payment of some portion of all of the amount which would otherwise be paid to the surviving spouse in a lump sum for a period not to exceed the surviving spouse's actuarial life expectancy. If the surviving spouse does make such timely election, any amounts remaining unpaid at the date of his or her death shall be paid in a lump sum to his or her estate any distribution option selected by the surviving spouse shall comply with the limitation of Section 457(d) of the Code.

M.I. 42712 - November 18, 1997.

§ 6813. Article XIV - Minimum Rate of Periodic Payments.

If an election by the Participant or a surviving spouse beneficiary would result in periodic payments less than \$2,400 per year, the District will instruct the Trustee to shorten the designated period so that periodic payments of \$2,400 per year will be made until all amounts deferred have been paid.

M.I. 42712 - November 18, 1997.

§ 6814. Article XV - Payments for Unforeseeable Emergencies.

The District, in its sole discretion, may direct the Trustee to make payments to a Participant from the Participant's amounts deferred to meet an unforeseeable emergency. An unforeseeable emergency is defined for purposes of this 1997 Plan as a severe financial hardship to the Participant resulting from the occurrence of a sudden and unexpected illness or accident affecting the participant or a spouse or dependent (as defined in Section 152 of the Code (and for taxable years beginning on or after January 1, 2005, without regard to Sections 152(b)(1), 152(b)(2) and 152(d)(1)(B) of the Participant; loss of the participant's property due to casualty; or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. Payments under this article may not be made to the extent the hardship is or may be relieved through compensation by insurance, by liquidation of the Participant's other assets (to the extent the liquidation would not itself cause severe financial hardship) or by cessation of further deferral under the Plan. Payments of amounts based upon an unforeseeable emergency will be made only to the extent reasonably required to satisfy the emergency need. For purposes of this article only, Participant shall also mean a beneficiary if the right to eventual payment has already vested in the beneficiary as a result of the death of the Participant.

Effective as of January 1, 2008, the District may in its sole discretion, take into account the needs of a primary Beneficiary under the Plan in determining if the Participant has incurred an unforeseeable emergency. For this purpose, a "primary Beneficiary under the Plan" is an individual who is named as a Beneficiary under the Plan and has an unconditional right to all or a portion of the Participant's account under the Plan upon the death of the Participant.

M.I. 42712 - November 18, 1997; second paragraph beginning with "Effective as of January 1, 2008,..." added by M. I. 47323 - December 11, 2007; first paragraph amended by M.I. 48201 - March 9, 2010.

§ 6815. Article XVI - QDRO's.

The District shall recognize and comply with a court order that the District determines (in its sole discretion) meets the requirements of a Qualified Domestic Relations Order ("QDRO") within the meaning of Section 414(p) of the Code. Any such order must comply with the provisions of Article XI. Notwithstanding anything in this 1997 Plan to the contrary, it shall be permissible for the Trustee to pay an alternate payee's benefit as determined under the terms of the QDRO to such alternate payee or directly to an individual retirement account of such alternate payee, as early as administratively feasible and prior to the date on which the Participant would otherwise be entitled to a distribution from the 1997 Plan.

M.I. 42712 - November 18, 1997; amended by M. I. 44973 - August 20, 2002.

§ 6816. Article XVII - Participant's Accounts.

(a) The District shall separately account for each Participant to which it shall credit the amount of each deferral of compensation under the 1997 Plan. The Participant's account shall be credited or debited as the case may be with the net amount of any gains or losses which may result from the investment of all or any portion of the Participant's deferred amounts, and any

administrative costs charged. The District will furnish to each Participant quarterly statements each year reflecting the amounts of compensation deferred, gains, losses and administrative charges (expressed either in dollar amounts or as a percentage of current earnings) for that quarterly period, and the balance of amounts deferred in such Participant's account.

(b) As of November 18, 1997, the account of each Participant in the District's 1983 Deferred Compensation Plan (Section 6730 and following of the District's Administrative Code) who was employed by the District was transferred to and became a part of the Participant's account under the 1997 Plan.

MI 42712 - November 18, 1997.

§ 6817. Article XVIII - District's Obligations.

The District agrees to direct the Trustee to make payments in accordance with the provisions of Articles XI through XV of the amounts deferred by the Participant, as reflected in the Participant's account, as provided for in Article XVI.

M.I. 42712 - November 18, 1997.

§ 6818. Article XIX - Ownership and Investment.

(a) The district shall direct the Trustee to invest funds held by the District pursuant to agreements between Participants and the District to defer compensation otherwise receivable by the Participants.

(b) As of each Valuation Date, the Trustee shall determine the value of each Participant's account, including the net realized and unrealized gains and losses of each investment, plus any additional contributions made and less any distributions made and less any expenses charged to the account pursuant to Article XXII of the 1997 Plan.

(c) The District and the Trustee may enter into contracts with firms, corporations, or investment institutions to facilitate or accomplish any investments made pursuant to this 1997 Plan.

(d) All amounts of compensation deferred under the 1997 Plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property or rights, shall be held for the exclusive benefit of the Participants and their beneficiaries and it shall be impossible by operation of the 1997 Plan or of the Trust Agreement, by termination of either, by power of revocation or amendment by the happening of any contingency by collateral arrangement, or by any other means, for any part of the corpus or income of any trust fund maintained pursuant to the 1997 Plan, or any funds contributed thereto, to be used for, or diverted to, purposes other than the exclusive benefit of Participants or their Beneficiaries.

MI 42712 - November 18, 1997.

§ 6819. Article XX - Participant's Risk of Loss.

(a) No action by the district shall be considered to be either an endorsement or guarantee of any investment of deferred amounts, nor shall it be considered to attest to the financial soundness or the suitability of any investment for the purpose of meeting future obligations provided for in the 1997 Plan.

(b) While the District will endeavor to use reasonable care in the selection of any investment of amounts deferred, neither the Trustee nor the District nor its directors or employees shall be liable to any Participant or beneficiary for disappointing results, or loss, flowing from any deficiencies in this regard and a Participant, as a condition to Participation in the 1997 Plan, shall be required to execute an agreement wherein the Participant, for the Participant, and for the Participant's heirs and beneficiaries, agrees to hold the Trustee, the District, its directors and employees harmless and agrees to waive any cause of action the Participant might otherwise have or obtain as a result of participation in the 1997 Plan, other than for the performance of the District's obligation under Article XVIII or the Trustee's performance of the Trustee's obligations under the Trust Agreement.

M.I. 42712 - November 18, 1997.

§ 6820. Article XXI - Participant's Rights.

Each Participant shall be deemed to have assented to all of the terms and conditions of the 1997 Plan. No Participant may sell, transfer, assign, hypothecate or otherwise dispose of all or any part of the Participant's amounts deferred to any right thereto which the Participant may have under the 1997 Plan, provided, however, that each Participant shall have the right to designate a beneficiary to receive any benefits which may be payable under the 1997 Plan upon the death of the Participant.

M.I. 42712 - November 18, 1997.

§ 6821. Article XXII - Administrative Cost.

The General Manager shall determine in a manner deemed fair and equitable to the General Manager to cost to the District in withholding compensation deferred pursuant to the 1997 Plan or in making investments or otherwise administering or implementing this Plan. The General Manager may withhold or collect, or have withheld or collected, such costs in such manner as the General Manager deems equitable either (1) from the Trust or (2) by direct charge to the Participants. Statements of accounts distributed to Participants shall specify any amounts paid pursuant to this article.

M.I. 42712 - November 18, 1997.

§ 6822. Article XXIII - Amendment or Termination of 1997 Plan.

This 1997 Plan may be amended or terminated by the District at any time, or the District may without amending or terminating the Plan, cease to set aside assets under the Plan. No

amendment or termination of the Plan and no cessation of the setting aside of assets shall reduce or impair the rights of any Participant or beneficiary which have already accrued. Upon termination of the Plan the District may, at its option, direct the Trustee to begin to distribute deferred compensation account balances at the rate of \$5,000 per year or, if greater, at 10 percent per year of the Participant's book account, or it may direct the Trustee to distribute the amounts deferred in accordance with the provisions of Articles X through XV.

M.I. 42712 - November 18, 1997.

§ 6823. Article XXIV - Leave of Absence.

Approved leave of absence with pay shall not affect agreements to participate in the 1997 Plan. Approved leave of absence without pay shall be considered to be a temporary revocation of the Participant's agreement to participate in the Plan. Participation will be automatically reinstated as of the first day of the next pay period subsequent to the termination of the leave of absence without pay status.

MI 42712 - November 18, 1997.

§ 6824. Article XXV – Return of Excess Deferrals.

In the event that the amount deferred by any participant in any calendar year exceeds the maximum deferral permitted under §6807 for such year, the amount by which such deferral exceeds the maximum permitted amount shall be distributed to the Participant who deferred such amount, along with allocable net income, as soon as administratively practicable after the date on which the District determines that an excess deferral has been made. The determination of whether there has been an excess deferral shall be based on amounts deferred to all eligible deferred compensation plans that are sponsored or maintained by the District.

M.I. 42712 - November 18, 1997; Section title changed and old paragraph deleted, new title and new paragraph added by M. I. 44973 - August 20, 2002.

§ 6825. Article XXVI - Advisory Committee.

An advisory committee may be established and may advise the General Manager concerning policies and guidelines relating to the administration of the 1997 Plan. The General Manager shall give due consideration to said advice, but shall not be bound by any such advice. The presence of Participants as members of any advisory committee shall in no way give or be deemed to give any Participants any control whatsoever over the 1997 Plan, or the investment, disbursement or distribution of any portion of the amounts deferred.

M.I. 42712 - November 18, 1997.

§ 6826. Article XXVII - Transfers Between Plans.

(a) In the event a Participant terminates employment with the District and commences employment with another eligible employer (as defined in Section 457(e)(1) of the Internal

Revenue Code, the District, in its sole discretion, may permit the Participant to elect to transfer all or any portion of the amount of Trust assets otherwise payable to such Participant under separation from service with the District to the new employer's eligible deferred compensation Plan. Such an election must be made prior to the time such amount would be payable to the Participant under Article XI above. Any cost attributable to such transfer shall be a direct charge to the Participant under Article XXII above.

(b) In the event an employee terminates employment with another eligible employer (as defined in Section 457(e)(1) of the Internal Revenue Code), and commences employment with the District, the District, in its sole discretion, may permit a transfer into the Trust of all or any portion of the amount which would be otherwise payable to such Participant from the former employer's eligible deferred compensation Plan. Such a transfer shall only be accepted if the Participant has elected to make such transfer prior to the time that the amount transferred would have been payable to the Participant under the other employer's eligible deferred compensation Plan. Any cost attributable to such transfer shall be a direct charge to the Participant under Article XXII above. Upon the receipt of such transfer, a separate "transfer" account shall be maintained for the transferred amount in the manner described in Article XVII(a) above.

(c) If a Participant participates both in this 1997 Plan and a "defined benefit governmental plan" within the meaning of Section 457(e)(17) and 414(d) of the Code, and provided that the transfer is for the purchase of permissive service credit (as defined in Section 415(n)(3)(A) of the Code) or a repayment to which Section 415 does not apply by reason of Section 415(k)(3) and is subject to the provisions of Section 457(e)(17) and 415(k)(3) of the Code permitting such transfers then, at the election of the Participant, and regardless of whether the Participant is otherwise entitled to a distribution from this 1997 Plan, all amounts previously deferred under this 1997 Plan may be transferred in a plan-to-plan transfer to such defined benefit governmental plan.

(d) In the event of transfer between two or more eligible deferred compensation plans as described in subparagraphs (a) and (b) above, the Participant or beneficiary whose amounts deferred are being transferred must have an amount deferred immediately after the transfer at least equal to the amount deferred with respect to that Participant or beneficiary immediately before the transfer.

M.I. 42712 - November 18, 1997; paragraphs (c) and (d) added by M. I. 44973 – August 20, 2002.

§ 6827. Article XXVIII – Direct Rollover of Eligible Rollover Distributions.

(a) Effective for distributions made on or after January 1, 2002, and notwithstanding any provisions of the 1997 Plan to the contrary that would otherwise limit a distributee's election under this Section, a distributee may elect, at the time and in the manner prescribed by the district, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover. For the purposes of this section, the following definitions apply:

(1) Eligible rollover distribution: An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Code Section 401(a)(9); any distribution made pursuant to §6824, any distribution made as a result of an unforeseeable emergency and, except as provided below, the portion of any distribution that is not includible in gross income.

(2) Eligible retirement plan: An eligible retirement plan that accepts the distributee's eligible rollover distribution and that is a qualified plan described in Section 401(a) of the Code, an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, for distributions made after December 31, 2007 a Roth IRA as described in Section 408A of the Code (provided that the requirements of Section 408A(e) of the Code for a rollover to a Roth IRA have been met), an annuity plan described in Section 403(a) of the Code, an annuity contract described in Section 403(b) of the Code or another eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this plan. The definition of eligible retirement plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code.

(3) Distributee: a distributee includes a Participant or former Participant. In addition, the Participant's or former Participant's surviving spouse and the Participant's or former Participant's spouse or former spouse who is the alternate payee under a Qualified Domestic Relations Order as defined in Code Section 414(p) are distributees with regard to the interest of the spouse or former spouse.

(4) Direct rollover: A Direct Rollover is a payment by the 1997 Plan to the eligible retirement plan specified by the Distributee.

(b) Any amount that is distributed on account of an unforeseeable emergency shall not be an eligible rollover distribution and the distributee may not elect to have any portion of such a distribution paid directly to an eligible retirement plan even though another event has occurred that could entitle the recipient to a distribution without regard to the unforeseeable emergency.

(c) A portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of amount which is not includible in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in Section 408(a) or (b) of the Code, or to a qualified defined contribution plan described in Section 401(a) or 403(a) of the Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in the gross income and the portion of such distribution which is not so includible.

(d) In the event that a Participant or distributee does not elect payment in the form of a Direct Rollover, such amount shall be subject to all applicable state and federal income tax withholding requirements, including but not limited to the requirement that 20 percent of any eligible rollover distribution which is not paid in the form of a Direct Rollover be withheld and forwarded directly to the Internal Revenue Service.

(e) For distributions occurring on account of death on or after January 1, 2007, the beneficiary will be permitted to elect a direct rollover in accordance with the provisions of Section 402(c)(11) of the Code, provided that the distributed amount satisfies all the requirements to be an eligible rollover distribution other than the requirement that the distribution be made to the participant or the participant's spouse. The direct rollover must be made to an IRA established on behalf of the designated beneficiary that will be treated as an inherited IRA pursuant to the provisions of Section 402 (c)(11) of the Code.

M. I. 44973 – August 20, 2002; paragraph (a)(2) amended and new paragraph (e) added by M.I. 47323 - December 11, 2007.

§ 6828. Article XXIX – Acceptance of Rollovers From Other Plans.

(a) The Plan will accept Participant rollover contributions and/or direct rollovers of distributions made after December 31, 2001, from any qualified plan, tax deferred annuity plan as described in Section 403(b) of the Code, rollover individual retirement account as described in Section 408(a) of the Code, or eligible plan of deferred compensation as described in Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state, beginning on January 1, 2004.

(b) All amounts rolled over to this 1997 Plan shall be credited to the Participant's account established pursuant to this 1997 Plan, shall be separately accounted for and shall be subject to all the terms and provisions of this 1997 Plan and all applicable provisions of the Internal Revenue Code; except that Participants may, at any time, request and receive a lump sum distribution of amounts rolled into this Plan, plus earnings thereon, in accordance with rules and procedures established by the General Manager.

M. I. 44973 – August 20, 2002; paragraphs (a) and (b) amended by M. I. 45747 – May 11, 2004.

§ 6829. Article XXX – Participant Loans.

(a) Consistent with the provisions of this Article XXX and upon application by a Participant duly made in form and content satisfactory to the General Manager, the General Manager may authorize the making of loans to Participants on such terms and conditions as the General Manager may prescribe from time to time.

(b) The principal balance of a Participant loan shall not exceed the lesser of
(a) Fifty Thousand Dollars (\$50,000) reduced by the excess if any, of (1) the highest outstanding loan balance from the Plan during the one year period ending on the day before the date such loan is made, over (2) the outstanding balance of loans from the Plan on the date

such loan is made, or (b) one-half of the sum of the Participant's Account balance. For purposes of applying the above limitations all loans from all qualified and eligible deferred compensation plans maintained by the District and all loans from this Plan shall be aggregated.

(c) All Participant loans shall have a specific maturity date and bear a reasonable rate of interest in an amount to be determined by the General Manager comparable to the rate then being charged for similar loans, but in no event exceeding the maximum rate then permitted by law. All Participant loans shall be secured by the Participant's beneficial interest in the Plan. All Participant loans shall require that substantially equal payments of principal and interest be made at least quarterly.

(d) All loans shall be required to be repaid within five (5) years (except that if the General Manager is satisfied that the loan proceeds are being used to acquire the principal residence of a Participant, the General Manager may, in his discretion, establish a term of up to 15 years for repayment.)

(e) Should the Participant fail to repay the loan within the time prescribed by the note evidencing the loan, or default on any of the loan terms, the General Manager may, at his option, (1) enforce the rights of the Plan against any or all real or personal property securing the loan; or (2) take such other remedies as may be available under the law.

(f) The General Manager's determination as to whether or not any loan application shall be granted shall be final and conclusive on all parties and there shall be no appeal or dispute. The District shall exercise its discretion in a uniform and nondiscriminatory manner.

(g) The General Manager shall treat any loan made pursuant to the provisions of this Article as an individually directed investment and shall allocate all gains and losses to the account of the borrowing Participant.

M. I. 45747 – May 11, 2004.

§ 6830. Article XXXI –Purchase of Service Credits.

Effective as of January 1, 2004, if a Participant participates both in this Plan and a "defined benefit governmental plan" that permits both transfers from this Plan and purchases of permissive service credit (as defined in Section 415(n)(3)(A) of the Code), then, at the Participant's election, up to 100% of the Participant's Accounts in the Plan may be transferred in a plan-to-plan transfer from the Trustee of this Plan directly to the trustee of such defined benefit government plan, provided that: (1) the transfer is for the purchase of such permissive service credit; (2) the transferee plan separately accounts for all amounts transferred; (3) all amounts transferred remain 100% vested and non-forfeitable; (4) all amounts transferred remain subject to the distribution restrictions of Section 457(b) of the Code; and (5) the transfer meets such other requirements as the General Manager and the transferee plan may require.

M. I. 45747 – May 11, 2004.

§ 6831. Article XXXII – Employee Plans Compliance Resolution System.

The General Manager may take whatsoever action he determines in his discretion to be necessary and appropriate to correct any error in the administration of the Plan, to the extent consistent with applicable law, including, but not limited to making corrections pursuant to the Employee Plans Compliance Resolution System or any similar or successor procedures or programs.

M. I. 45747 – May 11, 2004.

Division VII

CONFLICTS OF INTEREST AND ETHICS REQUIREMENTS

Chapter	Sec.
1 Ethics Requirements for Directors, Officers, and Employees	7100
2 Disclosure of Economic Interests	7200
[3 Renumbered Chapter 1 and amended	7300]

Chapter 1

ETHICS REQUIREMENTS FOR DIRECTORS, OFFICERS, AND EMPLOYEES

Article	
1 General Provisions	7100
2 Conflicts of Interest	7120
3 Gifts and Honoraria	7130
4 Enforcement	7140

Article 1

GENERAL PROVISIONS

Sec.
7100. Purpose and Scope
7101. Policy
7102. Responsibilities of Public Office
7103. Fair and Equal Treatment
7104. Proper Use and Safeguarding of Metropolitan Property and Resources
7105. Contracts with Metropolitan
7106. Communications on Procurements
7107. Use of Confidential Information
7108. Soliciting Political Contributions
7109. Improper Activities and the Reporting of Such Activities
7110. Protection of “Whistleblowers”
7111. Nondiscrimination and Harassment
7112. Limitation on Associations
7113. Ethics Advice

§7100. Purpose and Scope.

The Metropolitan Water District of Southern California is subject to the Political Reform Act of 1974, as amended (the “Act”), and regulations of the Fair Political Practices Commission. The purpose of this division is to impose additional ethics requirements on the directors, officers and employees of the District as permitted by Section 81013 of the Act.

[Former Sec. 7100 – Incorporation of the Title 2, CA Code of Regulations, renumbered 7200 and new Sec. 7100 created by M. I. 46109 – February 8, 2005.

§ 7101. Policy

The policy of The Metropolitan Water District of Southern California is to maintain the highest standards of ethics from its Board members, officers and employees. The proper operation of Metropolitan requires decisions and policy to be made in the proper channels of governmental structure, that public office not be used for personal gain, and that all individuals associated with Metropolitan remain impartial and responsible towards the public. Accordingly, it is the policy of Metropolitan that Metropolitan Board members, officers, and employees shall maintain the highest standard of personal honesty and fairness in carrying out their duties. This policy sets forth the minimal ethical standards to be followed by the Board of Directors, officers, and employees of The Metropolitan Water District of Southern California.

M.I. 41598 - October 10, 1995; amended by M.I. 43915 - March 14, 2000; former Sec. 7300 – Purpose & Scope, renumbered 7101 and renamed by M. I. 46109 – February 8, 2005.

§ 7102. Responsibilities of Public Office.

In the course of their official duties, Board members, officers, and employees are obliged to uphold the Constitution of the United States and the Constitution of the State of California, and to comply with federal, state, and local laws regulating their conduct, including conflict of interests and financial disclosure laws. Board members, officers, and employees should work in full cooperation with other public officials unless prohibited from so doing by law or officially recognized confidentiality of their work.

M. I. 41598- October 10, 1995; amended by M.I. 43915 – March 14, 2000; former Sec. 7301-Responsibilities of Public Office, renumbered 7102 by M.I. 46109 – February 8, 2005; amended by M.I. 49648 - January 14, 2014.

§ 7103. Fair and Equal Treatment.

No Board member, officer, or employee shall grant any special consideration, treatment, or advantage to any person or group beyond that which is available to every other person or group in the same circumstances.

M.I. 41598 – October 10, 1995; amended by M.I. 43915 – March 14, 2000; former Sec. 7302 renumbered 7103
M. I. 46109 – February 8, 2005.

§ 7104. Misuse of Position or Authority

No Board member, officer, or employee shall use his or her position or the power or authority of his or her office or position in any manner intended to induce or coerce any person

to provide, directly or indirectly, anything of value that will accrue to the private advantage, benefit, or economic gain, of the Board member, officer, or employee, or of any other person.

(a) As used in this section, the term “private advantage, benefit, or economic gain” means any advantage, benefit, or economic gain, distinct from that enjoyed by members of the public without regard to official status or not resulting naturally from lawful and proper performance of official duties.

(b) A Board member, officer, or employee engages in a prohibited use of official position when he or she engages in activities other than the lawful and proper performance of duties, including creating deliberately false or misleading records in the course of official duties.

M.I. 41598 – October 10, 1995; amended by M.I. 43915 – March 14, 2000; former Sec. 7303 renumbered 7104 by M. I. 46109 – February 8, 2005; [Former Sec. 7304 moved to Sec. 7120; Former Sec. 7305 moved to Sec. 7122; Former Sec. 7306 moved to 7130, by M. I. 46109 – February 8, 2005.]; renamed section title, added introductory paragraph, deleted prior sections (a) and (b), and added new sections (a) and (b) by M.I. 49648 - January 14, 2014.

§ 7105. Contracts and Grants With Metropolitan.

(a) Board members, officers, and employees are prohibited from offering inducements to a potential vendor, contractor, grantee, or other party, to the exclusion of similar persons or firms, in hopes of obtaining reciprocal favors. Metropolitan policies pertaining to the procurement of goods, services, and contractors, as well as the hiring of personnel, must be followed to ensure fairness to the participants.

(b) No Board member, officer, employee or consultant shall make, participate in making or attempt to influence any transaction, contract, grant or sale to which Metropolitan is a party, if the Board member, officer, employee, or consultant or an immediate relative thereof, has a financial interest (as defined in the California Political Reform Act). “Immediate relative” means a spouse, domestic partner, child, parent, parent in-law, brother, sister, stepparent, stepchild, grandparent or grandchild. Metropolitan may require potential contractors or grantees to submit verified written statements regarding any financial interests of Board members, officers, employees, consultants or their immediate relatives in proposed transactions, contracts, grants or sales.

(c) No Board member, officer, or employee shall grant any special consideration, treatment or advantage to any person or group beyond that available to every other person or group in the same circumstances, as prohibited by Section 7103 of this Administrative Code, in connection with any transaction, contract, grant or sale to which Metropolitan is a party. Proposed relationships with former Board members or Metropolitan employees subject to Board approval must be evaluated carefully in advance of completing any agreement with such persons to ensure that no unfair advantage is given to them and that Metropolitan’s interest are fully protected in such situations.

(d) Metropolitan shall not make any contract or award any grant in which a Metropolitan Board member, officer or employee has a financial interest, unless a remote interest or non-interest, as defined in the California Government Code, applies.

(e) Metropolitan shall not contract for services of any director during the Director's term of office and a period of one year thereafter. The restriction on contracting after leaving office may be waived in specific cases by a 2/3 vote of the Board of Directors.

Old Sec. 7105 – Filing of Statements of Economic Interests, renumbered 7205, and former Sec. 7307 renumbered new Sec. 7105 and amended by M. I. 46109 – February 8, 2005; Section title amended, paragraph (a) amended and portions renumbered (b) and amended, paragraph (c) added, and old paragraph (b) renumbered (d) by M. I. 46338 - August 16, 2005; paragraph (b) amended and paragraphs (c) – (e) amended and renumbered by M.I. 47636 - September 9, 2008.

§ 7106. Communications on Procurements.

(a) Except for statements on the record in a scheduled public meeting, Directors shall not directly or indirectly communicate with the General Manager, General Counsel, or General Auditor (or their staffs) regarding the selection of vendors, contractors, consultants, or other business entities for a specific procurement of goods or services.

(b) This policy in no way restricts open communication between Directors and the General Manager, General Counsel, or General Auditor on district-wide procurement policies, procedures, or other general matters.

[Section renumbered and adopted by M.I. 43915 - March 14, 2000.] Former Sec. 7308 renumbered 7106 and amended by M. I. 46109 – February 8, 2005.

§ 7107. Use of Confidential Information.

Confidential information must not be released to unauthorized persons unless the disclosure is approved by the Board of Directors, the Chair of the Board of Directors, or the Office of the General Counsel. Board members, officers, and employees are prohibited from using any confidential information for personal advantage or profit.

M.I. 41598 - October 10, 1995; Section renumbered and amended by M.I. 43915 - March 14, 2000; former Sec. 7309 renumbered 7107 by M. I. 46109 – February 8, 2005.

§ 7108. Soliciting Political Contributions.

(a) Board members, officers, and employees are prohibited from soliciting political funds or contributions at Metropolitan facilities.

(b) No Director, officer, or employee of Metropolitan shall use Metropolitan's seal, trademark, stationery, or other indicia of Metropolitan's identity, or facsimile thereof, in any solicitation for political contributions contrary to state or federal law.

M.I. 41598 - October 10, 1995; Section renumbered and amended by M.I. 43915 - March 2000; second paragraph repealed by M. I. 45986 – November 9, 2004; former Sec. 7310 renumbered 7108 and amended by M. I. 46109 – February 8, 2005.

§ 7109. Improper Activities and the Reporting of Such Activities.

Board members, officers, and employees shall not interfere with the proper performance of the official duties of others. Board members, officers, and employees are strongly encouraged to fulfill their own moral obligations to the public and Metropolitan by disclosing to the extent

not expressly prohibited by law, improper activities within their knowledge. No Board member, officer, or employee shall directly or indirectly use or attempt to use the authority or influence of his or her position for the purpose of intimidating, threatening, coercing, commanding, or influencing any person with the intent of interfering with that person's duty to disclose improper activity.

M.I. 41598 - October 10, 1995; Section renumbered and amended by M.I. 43915 - March 14, 2000; former Sec. 7311 renumbered 7109 and amended by M. I. 46109 – February 8, 2005.

§ 7110. Protection of “Whistleblowers.”

(a) No Board member, officer, or employee shall use or threaten to use any official authority or influence to discourage, restrain or interfere with any other person for the purpose of preventing such person from acting in good faith to report or otherwise bring to the attention of the Office of Ethics, other appropriate agency, Metropolitan office or department any information which, if true, would constitute: a work-related violation by a Metropolitan Board member, officer, or employee of any law or regulation, gross waste of agency funds, gross abuse of authority, a specified and substantial danger to public health or safety due to an act or omission of a Metropolitan official or employee, use of a Metropolitan office or position or of Metropolitan resources for personal gain, or a conflict of interest of a Metropolitan Board member, officer, or employee.

(b) No Board member, officer, or employee shall use or threaten to use any official authority or influence to effect any action as a reprisal against a Metropolitan Board member, officer, or employee who reports or otherwise brings to the attention of the Office of Ethics or other appropriate agency, Metropolitan office or department any information regarding the subjects described in Paragraph (a) of this Section.

(c) Any person who believes that he or she has been subjected to any action prohibited by this section may file a confidential complaint with the Office of Ethics. The Office of Ethics shall thereupon investigate the complaint. Upon the conclusion of its investigation, the Office of Ethics shall take appropriate action as otherwise provided by Metropolitan’s ethics rules and procedures.

(d) In the event the Office of Ethics has a conflict of interest in an investigation of the retaliation complaint, the General Manager shall refer the investigation of the retaliation complaint to the Equal Employment Opportunities Office and the Office of the General Counsel, which shall take appropriate action as otherwise provided under Metropolitan rules and procedures and applicable law.

Adopted by M. I. 43915 - March 14, 2000; former Sec. 7110 - Opinions of the General Counsel renumbered 7113 and amended, and former Sec. 7312 renumbered to new Sec. 7110 and amended by M. I. 46109 – February 8, 2005.

§ 7111. Nondiscrimination and Harassment.

Board members, officers, and employees shall not, in the performance of their official functions, discriminate against any person on the basis of race, religion, color, creed, age, marital status, national origin, ancestry, sex (gender or pregnancy), sexual orientation, medical

condition, genetic information, disability (physical or mental), protected veteran status, or other characteristic protected by law and they shall cooperate in achieving the equal opportunity and affirmative action goals and objectives of Metropolitan. Metropolitan Board members, officers, employees, and guests have the right to participate in official Metropolitan functions in an environment free from all forms of discrimination and conduct which can be considered harassing, coercive, or disruptive. Harassment based on any characteristic protected by law will not be sanctioned nor tolerated. Reports of harassment are taken seriously, and appropriate action will be taken against individuals found to have engaged in harassing conduct. The prohibition against discrimination and harassment applies to all transactions of Metropolitan's business, whether at a Metropolitan-operated facility or an external site. Allegations regarding officer or employee conduct in violation of this section shall be reported to Metropolitan's Equal Employment Opportunity Investigations Staff. Allegations regarding director conduct in violation of this section shall be reported to the Ethics Officer or Board Chair.

M.I. 41598 - October 10, 1995; Section renumbered and amended by M.I. 43915 - March 14, 2000; former Sec. 7313 renumbered 7111 by M. I. 46109 – February 8, 2005; Section amended by M.I. 47889 - May 12, 2009; paragraph amended by M.I. 48202 – March 9, 2010; amended by M.I. 50155 - June 9, 2015.

§ 7112. Limitation on Associations.

Metropolitan shall not participate in any association structure or identification that is likely to mislead the public as to the association's true identity, its source of funding, or its purpose.

Adopted by M. I. 43915 – March 14, 2000; former Sec. 7314 renumbered 7112 by M. I. 46109 – February 8, 2005;

[Former Sec. 7315 – Violation of Ethics Policy, renumbered Sec. 7140, and Former Sec. 7316 – Inquiry and Review Committee renumbered Sec. 7141 by M. I. 46109 – February 8, 2005.]

§ 7113. Ethics Advice.

Any Board member, officer or employee who is unsure of any right or obligation arising under this Code may seek the assistance of the Ethics Officer, request an opinion from the General Counsel of Metropolitan, or seek oral or written advice from the Fair Political Practices Commission.

Former Sec. 7110 - Opinions of the General Counsel renumbered 7113, title renamed Ethics Advice, and amended by M. I. 46109 – February 8, 2005.

Article 2

CONFLICT OF INTEREST

Sec.

7120. Conflict of Interest; Method of Recusal

7121. Recusal Due to Bias

7122. “Revolving Door”; Additional Requirements

§ 7120 Conflict of Interest; Method of Recusal.

(a) A Board member who has a financial conflict of interest in a decision to be considered at a noticed public meeting shall do all of the following:

(1) Publicly identify the economic interest that gives rise to the conflict of interest or potential conflict of interest in detail sufficient to be understood by the public, except that disclosure of the exact street address of a residence is not required.

(2) Recuse himself or herself from discussing and voting on the matter, or otherwise acting in violation of the Political Reform Act.

(3) Leave the room until after the discussion, vote, and any other disposition of the matter is concluded.

(b) Exceptions:

(1) When a Board member has a financial conflict of interest in a matter on the consent calendar, the member is not required to leave the room.

(2) Even when a financial conflict of interest is present, a Board member may appear before the Board as a member of the general public in order to represent himself or herself on matters related solely to his or her personal interests. The Board member also may listen to the public discussion of the matter with the members of the public. The member must comply with subsections (a)(1) (disclosure) and (a)(2) (recusal) and leave the dais to speak from the same area as members of the public. Such an appearance does not constitute making, participating in making, or influencing a governmental decision. Such “personal interests” include, but are not limited to:

(A) An interest in real property that is wholly owned by the official or members of his or her immediate family;

(B) A business entity that is wholly owned by the official or members of his or her immediate family;

(C) A business entity over which the official exercises sole direction and control, or over which the official and his or her spouse jointly exercises sole direction and control.

(c) Any other officer (as identified in Administrative Code Section 6400) or employee who has a financial conflict of interest in a decision shall promptly disclose such conflict in writing to his or her supervisor or appointing authority and not take any action with respect to such decision. A separate disclosure is required each time the officer or employee determines not to act with respect to a decision on the basis of a financial conflict of interest.

M.I. 41598 - October 10, 1995; Section title amended by M.I. 43915 - March 14, 2000; paragraph A repealed and new paragraphs A, 1, 2, and 3 added by M. I. 46035 – December 14, 2004; former Sec. 7304 – Board of Directors; Conflict of Interest, renumbered 7120, amended, and new paragraphs (b)(1)(2) (A)-(C), and (c) added by M.I. 46109 – February 8, 2005.

§ 7121. Recusal Due to Bias.

A Board member shall not make, participate in or attempt to influence any decision, if he or she is incapable of providing fair treatment to a matter before the Board due to bias, prejudice or because he or she has prejudged a matter.

M. I. 46109 – February 8, 2005.

§ 7122. “Revolving Door”; Additional Requirements

(a) In addition to complying with the post-employment restrictions set forth in the Political Reform Act and regulations of the Fair Political Practices Commission, for a period of one year after leaving office or employment with Metropolitan:

(1) Directors shall not represent for compensation non-governmental entities before Metropolitan.

(2) Other officers of Metropolitan (as identified in Administrative Code Section 6400) and Metropolitan employees shall not represent for compensation non-governmental entities before Metropolitan with regard to any issues over which that officer or employee had decision-making authority during the three years prior to leaving office or employment.

(b) For purposes of this Section, “represent” shall mean for compensation to actively support or oppose a particular decision in a proceeding by lobbying in person the officers or employees of Metropolitan, testifying in person before Metropolitan, or otherwise acting to influence the officers of Metropolitan.

(c) These restrictions shall not apply to representation of not-for-profit charitable entities before Metropolitan.

Section 7305 renamed and adopted by M.I. 43915 - March 14, 2000; paragraphs A, A2 amended, and paragraph D repealed by M. I. 45085 - November 19, 2002; former Sec. 7305 - Revolving Door Policy renumbered 7122, renamed, and amended by M. I. 46109 – February 8, 2005.

Article 3

GIFTS AND HONORARIA

Sec.

7130. Gifts; Additional Requirements

7131. Honoraria; Additional Requirements

§ 7130. Gifts; Additional Requirements.

(a) Board members, officers, and employees are subject to the rules and restrictions regarding the receipt of gifts set forth in the Political Reform Act and regulations of the Fair Political Practices Commission.

(b) No Board member, officer, or employee, shall receive or agree to receive, directly or indirectly, any compensation, reward or gift from any source, except from his or her appointing authority or employer, for any action related to the conduct of Metropolitan's business.

(c) A gift or gratuity, the receipt of which is prohibited under this Section shall be returned to the donor within 30 days. If return is not possible, the gift or gratuity shall be turned over to a public or charitable institution without being claimed as a charitable deduction and a report of such action, and the reasons why return was not feasible shall be made on the records of the Board or in the cases of officers and employees, on the records of Metropolitan. When possible, the donor also shall be informed of this action.

M.I. 41598 – October 10, 1995; Section renumbered and amended by M.I. 43915 – March 14, 2000; former Sec. 7306 – Gifts, renumbered 7130, renamed and amended by M.I. 46109 – February 8, 2005.

§ 7131. Honoraria; Additional Requirements.

Board members, officers, and employees are subject to the prohibition on the receipt of honoraria set forth in the Political Reform Act and regulations of the Fair Political Practices Commission.

M. I. 46109 – February 8, 2005; paragraph (b) repealed and paragraph (a) left unnumbered by M. I. 46838 – October 10, 2006.

Article 4

ENFORCEMENT

Sec.

7140. Violation of Ethics Provisions

§ 7140. Violation of Ethics Provisions

(a) When the Ethics Officer concludes, with the advice of General Counsel, that a preponderance of evidence exists that indicates that a member of the Board is in non-compliance with state law, the matter will be referred to the Fair Political Practices Commission, Attorney General, or District Attorney, as applicable, with notice of the referral provided to the Audit and Ethics Committee, director and the appointing member agency at the time of the referral. When the Ethics Officer concludes, after investigation, with the advice of General Counsel, that a preponderance of evidence exists that indicates that a member of the Board is in non-compliance with the ethics provisions contained in the Administrative Code, the matter will be referred to a designated subcommittee of the Audit and Ethics Committee, with prompt notice to the Board member. A director shall not participate in the selection of, or as a member of this designated subcommittee with regard to any matters in which the director is a subject of the investigation. This subcommittee shall make a recommendation to the Executive Committee for appropriate action, which can include, but is not limited to: (1) find that the complaint was unsubstantiated or substantiated; (2) public or private censure by the Executive Committee with or without a copy of the letter to the appointing agency; (3) temporary or permanent removal of the Board member from one or more Board committees; (4) request to the appointing agency for replacement of the Board member; or (5) any other sanction determined by the Executive Committee to be appropriate and reasonable based upon the nature of the violation. All sanctions are subject to review of General Counsel for legal compliance. The Chair will be responsible for carrying out the determination of the Executive Committee. For the purposes of this section, “preponderance of evidence” means that the evidence indicates it is more likely than not that a violation has occurred.

(b) The Ethics Officer, prior to making findings on the investigation of a complaint, shall notify the Director, officer, or employee of the investigation and provide him or her with an opportunity to submit any material he or she would like the Ethics Officer to review and to meet with the Ethics Officer.

(c) Any Director, including one who has brought a concern to the Ethics Office, who is dissatisfied with a determination by the Ethics Officer that no violation or non-compliance occurred, may appeal to the Executive Committee for further review.

(d) Violations of the ethics provisions contained in the Administrative Code by officers or employees will be handled through existing disciplinary procedures. Findings from the Ethics Officer will be referred to the appropriate Department Head for further action. An officer or employee who is subject to a finding of non-compliance with the ethics provisions contained in the Administrative Code may challenge such determination pursuant to Section 6218(b) and (c) of the Administrative Code or the applicable memorandum of understanding.

(e) The Ethics Officer shall review and summarize all ethics complaints in a monthly report to the Board of Directors. The General Counsel shall receive a copy of all findings, reports and actions concerning complaints.

M.I. 41598 - October 10, 1995; Section renumbered and amended by M.I. 43915 - March 14, 2000; paragraphs (a), (b), and (c) added and paragraph (d) amended by M. I. 45990 – November 9, 2004; former Sec. 7315 renumbered 7140 and amended by M. I. 46109 – February 8, 2005; paragraph (d) amended by M. I. 47286 - November 20, 2007; paragraphs (a-d) amended by M.I. 47889 - May 12, 2009; paragraph (a) amended, new paragraph (b) added, former paragraph (b) deleted, paragraph (c) and (d) amended, paragraph (e) added by M.I. 48081 – November 10, 2009; amended paragraph (a) by M.I. 49648 - January 14, 2014.

[§ 7141 Inquiry and Review Committee, Repealed by M. I. 48081 – November 10, 2009.]

Chapter 2

DISCLOSURE OF ECONOMIC INTERESTS

Article

1	Conflict of Interest Code	7200
2	Designated Positions and Categories of Disclosure Index	7210

Article 1

Conflict of Interest Code

Sec.

7200. Political Reform Act - Incorporation of Title 2, California Code of Regulations
7205. Filing of Statements of Economic Interest

§ 7200. Political Reform Act - Incorporation of the Title 2, California Code of Regulations.

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict-of-interest codes. The Fair Political Practices Commission has adopted a regulation, (2 Cal. Code of Regs. Sec. 18730) that contains the terms of a standard conflict-of-interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the following sections in this Division VII, designating positions and establishing disclosure categories, shall constitute the conflict-of-interest code of The Metropolitan Water District of Southern California ("Metropolitan").

Section 361.1, M.I. 32171 – February 14, 1978; amended by M.I. 33561 – January 13, 1981; Sec. 361.1 repealed and Sec. 7100 adopted by M.I. 36464 – January 13, 1987, effective April 1, 1987; amended by M.I. 38350 – July 10, 1990; amended by M.I. 38584 – November 20, 1990; amended by M.I. 40504 – October 12, 1993; preliminary amended by M.I. 41210 – January 10, 1995; approval with change by FPPC – February 14, 1995 and final Board approval by M.I. 41309 – March 14, 1995; preliminary amendment by M.I. 45156 – January 14, 2003; former Sec. 7100 renumbered 7200 by M.I. 46109 – February 8, 2005; amended by M.I. 48847 – October 11, 2011.

§ 7205. Filing of Statement of Economic Interests.

Individuals holding designated positions shall file their statements of economic interests with Metropolitan, which will make the statements available for public inspection and reproduction. (Gov. Code Sec. 81008.) Upon receipt of the statements for the Board of Directors and other designated Public Officials Who Manage Public Investments (see Section 7221), Metropolitan shall make and retain copies and forward the originals to the Fair Political Practices Commission. All other statements will be retained by Metropolitan.

Section 361.2 – M.I. 32171 – February 14, 1978; amended by M.I. 33561 – January 13, 1981; Sec. 361.2 repealed and Sec. 7105 adopted by M.I. 36464 – January 13, 1987, effective April 1, 1987; amended by FPPC in their letter dated 1/19/94; preliminary amendment by M.I. 41210 – January 10, 1995, approval with change by FPPC – February 14, 1995, and final Board approval by M.I. 41309 – March 14, 1995; preliminary amendment by M.I. 45156 – January 14, 2003; former Sec. 7105 renumbered 7205 by M.I. 46109 – February 8, 2005; amended by M.I. 48847 – October 11, 2011.

Article 2

DESIGNATED POSITIONS AND CATEGORIES OF DISCLOSURE INDEX

Sec.

7210. Disclosure Categories

7211. Officers of the District

7212. Office of the Chief Financial Officer

7213. Water System Operations Group

7214. Engineering Services Group

7215. Business Services and Information Technology Group

7216. Water Resources Management Group

7217. Real Property Development and Management Group

7218. Office of the General Manager

7219. Ethics Office

7220. Legal Department

7221. Public Officials Who Manage Public Investments

7222. Consultants and New Positions

§ 7210. Disclosure Categories

The disclosure categories listed below identify the types of investments, business entities, sources of income, including gifts, loans and travel payments, or real property that the designated position must disclose for each disclosure category to which he or she is assigned.

Category	Description
1	All sources of income, including gifts, loans, and travel payments, and all items listed in the categories 2 through 13, interests in undeveloped real property within 2 miles of Metropolitan land or facilities, and investments and business positions in entities of the type contracting with, doing business with, or providing supplies or services to Metropolitan.
2	Investments, business positions and sources of income, including gifts, loans, and travel payments, involving financial services of the type provided to Metropolitan, including banks, savings and loan institutions, financial audits services, financial reporting services, financial consulting services and securities dealers, water pricing, economists and related services.
3	Investments, business positions and sources of income, including gifts, loans, and travel payments, involving the provision of insurance of the type provided to Metropolitan, including insurance companies, insurance services, insurance brokers, insurance consultants and related services.
4	All sources of income, including gifts, loans and travel payments, related to real estate services, including real estate sales and investment firms, title insurance and escrow services, real estate development firms, concessionaire services, farming and related services, and undeveloped real property within 2 miles of Metropolitan land or facilities.

Category	Description
5	Investments, business positions and sources of income, including gifts, loans and travel payments, involving the provision of facility maintenance and supply services of the type provided to Metropolitan including landscape services and supplies, janitorial services, security and guard services, emergency preparedness, maintenance supplies, facility maintenance equipment rentals, food services and supplies, weed abatement and related services.
6	Investments, business positions and sources of income, including gifts, loans, and travel payments, involving the provision of office equipment and supplies, including computer equipment services and supplies, employment agencies, computer software and programming, information technology consulting services, data processing, printing and reproduction services, photographic equipment and services and supplies, newspapers, books and periodicals, typographical services, paper supplies, mail services, art supplies and related services.
7	Investments, business positions and sources of income, including gifts, loans, and travel payments, involving employment consulting services, the training of personnel, and employment agencies of the type utilized by Metropolitan.
8	Investments, business positions and sources of income, including gifts, loans and travel payments, related to water treatment and the supply of water, including chemicals, water quality testing equipment services and supplies, related consulting services, boating related supplies and services, control systems (including SCADA), related training materials and supplies and services.
9	Investments, business positions and sources of income, including gifts, loans, and travel payments, involving the provision of construction and building services and water resource planning services of the type provided to Metropolitan, including construction equipment and supplies, construction related consulting services, including engineering consultants, architectural services, environmental consultants, pipes, valves, fittings, pumps, meters, safety equipment, cathodic protection equipment and supplies, hardware, tools and supplies, electrical equipment and supplies, telecommunications equipment and supplies, energy equipment, supplies and consultants, electronics equipment and supplies, and related services and supplies.
10	Investments, business positions and sources of income, including gifts, loans, and travel payments, related to the provision of transportation equipment including motor vehicles and specialty vehicles and supplies, petroleum products, airplane equipment and supplies, boating supplies and services, and related services and supplies.
11	Investments, business positions and sources of income, including gifts, loans and travel payments, related to health and health safety services and equipment of the type used by Metropolitan including hazardous water disposal and treatment services, safety, health and medical supplies, safety equipment and supplies, safety and health training materials, and related consulting services and supplies.

Category	Description
12	Investments, business positions and sources of income, including gifts, loans and travel payments, related to the dissemination of information, including transportation and lodging services, printing and reproduction services, newspapers, books and periodicals, advertising and mail services, audio and visual aids, art supplies, typographical services, educational equipment and supplies and services and related consulting services and supplies.
13	Investments, business positions and sources of income, including gifts, loans, and travel payments, from sources providing services or procurements or receiving grants of the type utilized or given by the designated position's group.

Section 361.8.1 - M.I. 33561 - January 13, 1981, amended by FPPC to add current Section 361.8.1.7 - effective May 6, 1981; Sections 361.1 through 361.8.1.7 - M.I. 32171 - February 14, 1978, amended and approved by FPPC May 2, 1978; further amended by M.I. 33561 - January 13, 1981, amended and approved by FPPC - effective May 6, 1981. Section 361.8.1 repealed and Section 7200 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 36811 - September 22, 1987; amended by M.I. 37135 - May 10, 1988; deleted prior paragraphs (b), (d), (e) and (f), paragraphs (a), (b) and (c) amended by M.I. 38350 - July 10, 1990; amended by M.I. 38584 - November 20, 1990; paragraphs (a),(b), and (c) amended by M.I. 40504 - October 12, 1993; paragraphs (a)(2)(b) and (c) amended by M.I. 41210 - January 10, 1995 and approved by FPPC February 14, 1995; paragraphs (a) through (c) amended by M.I. 42148 - November 19, 1996; paragraphs (a)-(c) preliminary amendment by M. I. 45156 - January 14, 2003; paragraph (d) added by M. I. 46074 – January 11, 2005; Former Sec. 7200 renumbered 7210 and amended by M. I. 46109 – February 8, 2005 and approved by FPPC December 16, 2005; paragraphs (a) (1) – (4), paragraph (b) amended, and paragraph (d) repealed by FPPC letter dated December 20, 2005, all 2005 amendments to be effective January 15, 2006; paragraphs (a) (b) and (c) amended by M.I. 46910 - December 12, 2006; title and section amended by M.I. 48847 – October 11, 2011.

Filing Codes

§ 7211. Officers of the District.

(a)

General Manager 1

Assistant General Managers

Deputy General Managers

General Counsel

Assistant General Counsel

General Auditor

Assistant General Auditor

Ethics Officer

(b)

Members of the Board of Directors See Section 7221

Chief Financial Officer

Treasurer

Assistant Treasurer

§ 7212. Office of the Chief Financial Officer.

Financial Services

(a) Section Managers 2,6

--Controller

--Treasury & Debt Management

--Budget & Financial Planning

(b) Assistant Section Managers 2,6

--Assistant Controller

(c) Unit Managers 2,6

--Accounting Manager

(d) Team Managers 2,6

--Accounts Payable Administrator

--Payroll Administrator

§ 7213. Water System Operations Group.

(a)

Water System Operations Group Manager 4,5, 6,7,8,9,10,11,13

Water System Operations Group Assistant
Manager

(b)

Apprenticeship Program Team

Apprenticeship Program Team Manager 5, 7,13

	<u>Filing Codes</u>
(c)	
Security Management Unit	
Security Management Unit Manager	5,13
Security Team Manager	5,13
(d)	
Business Management Team	
Business Management Team Manager	5,13
(e)	
Environmental, Health & Safety Section	
Environmental, Health & Safety Section Manager	8,11
Team Managers	8,11
--Site Support Teams	
--Health & Safety Program Support	
--Environmental, Health & Safety Training	
--Environmental Program Support	
(f)	
Operations and Planning Section	
Operations and Planning Section Manager	4,6,8,9
Special Projects Manager	
(g)	
Operations Planning – Power Resources Unit	4,8,9
Operations Planning – Power Resources Unit Manager	
(h)	
Operations Planning – Planning and Program Development Unit	
Operations Planning – Planning and Program Development Unit Manager	4,8
(i)	
System Operations Unit	
System Operations Unit Manager	6,8,9
Operations Control Center Team Manager	
Control System Application Services Team Manager	
(j)	
Conveyance and Distribution Section	
Conveyance and Distribution Section Manager	4,5,8,9,10
Conveyance and Distribution Unit Managers	4,5,8,9,10
--Eastern Region	
--Western Region	
--Desert Region	

Filing Codes

Team Managers	4,5,8,9,10
--Business Support for Eastern Region	
--Business Support for Western Region	
--Business Support for Desert Region	
--Orange County	
--Riverside	
--Lake Skinner	
--Diamond Valley Lake	
--Eastern Region Coatings	
--Los Angeles Team	
--Western Region Coatings	
--La Verne	
--Valley	
--Aqueduct Maintenance	
--Trades	
--Pump Maintenance	
--Powerline Maintenance	
--Gene/Intake	
--Iron Mountain	
--Eagle Mountain	
--Hinds	
--Facilities Services	
--Control Systems – Desert Region	
(k)	
Water Treatment Section	4,5,8,9,10
Water Treatment Section Manager	
Unit Managers	4,5,8,9,10
--Jensen	
--Weymouth	
--Diemer	
--Mills	
--Skinner	
Team Managers	4,5,8,9,10
--Business Support for Jensen	
--Business Support for Weymouth	
--Business Support for Diemer	
--Business Support for Mills	
--Jensen O & M Teams	
--Weymouth O & M Teams	
--Diemer O & M Teams	
--Mills O & M Teams	
--Skinner O & M Teams	
--Control Systems for Jensen	
--Control Systems for Weymouth	
--Control Systems for Diemer	

Filing Codes

--Control Systems for Mills	
--Control Systems for Skinner	
(l)	
Water Quality Section	
Water Quality Section Manager	8,10
Unit Managers	8,10
--Microbiology	
--Water Purification	
--Chemistry	
Team Managers	8,10
--Treated Water Microbiology	
--Source Water Microbiology	
--Reservoir Management	
--Operations Compliance	
--Engineering Compliance	
--Quality Assurance and Compliance Sampling	
--Chemistry Compliance	
--Emerging Chemicals	
--Treatment Plant Laboratory	
--Laboratory Services	
(m)	
Operations Support Services Section	
Operations Support Services Section Manager	4,5,9,10,11
Operations Support Services Unit Managers	4,5,9,10,11
--Construction Services	
--Maintenance Support	
--Power Support	
--Fleet Services	
Team Managers	4,5,9,10,11
--Business Support Teams	
--Construction Teams	
--Electrical	
--Production Planning	
--Fabrication / Machine Shops	
--Valve / Dive	
--Coatings	
--HVAC	
--Maintenance Services	
--Hydro Electric	
--Maintenance	
--Engineering & Support	
--Fleet Services	
--East	
--West	

Filing Codes

§ 7214. Engineering Services Group

(a)

Chief Engineer - Engineering Services Group Manager 1

(b)

Capital Projects Unit Manager 4,6,8,9,10,13
Engineering Services Section Manager 4,6,8,9,10,13
--Engineering Program Manager 4,6,8,9,10,13
--Inland Feeder Program Manager
--Technical Control Team Manager

Business Management Team Manager for Engineering Services Group 4,6,8,9,10,13
Design Unit Manager 4,6,8,9,10,13

Team Managers 4,6,8,9,10,13
--Treatment Plant Design
--Equipment Design
--Pipeline and Facility Design
--Power Design
--Instrumentation Design
--General Design

Infrastructure Unit Manager 4,6,8,9,10,13

Team Managers 4,6,8,9,10,13
--Materials & Metallurgy
--Corrosion Control
--Survey Mapping
--Safety of Dams
--Right-of-Way Engineering
--Field Survey

Inspection Unit Manager 4,6,8,9,10,13

Team Managers 4,6,8,9,10,13
--Inspection
--Soils & Concrete

Program Management Unit Manager 4,6,8,9,10,13

Team Managers 4,6,8,9,10,13
--Construction Contract Administration
--Construction Contract Development
--Project Support

Filing Codes

--Distribution System Program Management	
--Treatment Plant Program Management	
--Conveyance/Storage Program Management	
Engineering Systems Planning Unit Manager	4,6,8,9,10,13
Team Managers	
--Facility Planning	
--Environmental Planning	
--Substructures	
--Hydraulics	

**§ 7215. Business Services & Information
Technology Group.**

(a) Business Services & Information Technology Group Manager	1
(b) Grant Management Program & Business Support Manager	1
(c) Information Technology Section Manager	6,8,13
(1) Client Services Unit Manager	6,8
Team Managers	
--Desktop Services	
--Technical Assistance	
(2) Project Management Unit Manager	
Program Managers	
--Control Systems	
(3) Infrastructure Unit Manager	
Team Managers	
--Database & Information Technology	
--Telecommunications Services	
--Server Maintenance Services	
--Infrastructure and Security	
--Quality Assurance/Quality Control	
(4) Application Services Unit Manager	
Team Managers	
--Business Applications Services	
--Enterprise Application Services	
--GIS Application Services	
(d) Business Services Section Manager	1
--Team Manager Business Support	
Contracting Services Unit Manager	1
Team Managers	
--Procurement	
--Inventory Management	
--Professional Services Contract	
--Warehousing	

	<u>Filing Codes</u>
Document Services Unit Manager	12,13
Team Managers	
--Graphic Design	
--Reprographics	
--Technical Writing	
--Records Management	
Facilities Services Unit Manager	12,13
--Team Manager Facility Management	
Team	
(e) Business Outreach Section Manager	1
§ 7216. Water Resources Management Group.	
(a)	
Group Manager – Water Resource Management	4,6,9,13
Resource Planning & Development Section	4,6,9,13
Manager	
--Resource Analysis Unit Manager	4,6,9,13
--System Analysis Unit Manager	
--Program Manager – Water Transfers and	4,6,9,13
Exchanges	
--Program Manager – Groundwater Storage	
Issues	
Resource Implementation Section Manager	4,6,9,13
--Imported Supply Unit Manager	4,6,9,13
--Regional Supply Unit Manager	
--Program Manager – Water Use Efficiency	4,6,9,13
Business Support Team Manager	4,6,9,13
Manager Support Team Manager	4,6,9,13
§ 7217. Real Property Development and Management Group	
(a)	
Real Property Development and Management	1,4,8,9,10,13
Group Manager	
Assistant Real Property Development and	
Management Group Manager	
(b)	
Section Manager	4,6,8,9,10,13
--Revenue Optimization	
Unit Managers	
--Right-of-Way	
--Property Management	
Team Managers	4,6,9,13
--Acquisition/Appraisal	
--Property Management	

Filing Codes

§ 7218. Office of the General Manager

(a)		
	Board Executive Secretary	12
(b)		
	Executive Strategist	1
	Special Projects Manager	1
	Business Outreach Section Manager	1
	Program Manager	1
	Staff Assistant to the General Manager	1
(c)		
(1)		
	Human Resources Group Manager	3,6,7
	Human Resources Section Manager	3,6,7
	--Total Compensation and Human	
	Resources Information Systems Manager	3,6,7
	--Benefits Unit Manager	3,6,7
	--Classification/Compensation Unit Manager	
	Employee Relations Manager	3,6,7
	--Employee Relations Specialists	
	--Equal Employment Office Manager	
	--Talent Management Manager	
	--Human Resources Strategic Program	
	Manager	
	Workers' Compensation Unit Manager	3,6
(2)		
	Risk Management Unit Manager	3,6
(d)		
	External Affairs Group	
(1)		
	Group Manager / External Affairs	1
	Executive Strategist	
	Executive Legislative Representative	
	--Washington, DC	
	--Sacramento	

Filing Codes

(2)		
Media and Communications Section Manager	12	
--Press Office Program Manager		
--Web Program Manager		
Conservation and Community Services Section Managers		
--Program Manager		
Unit Managers		
--Education		
--Community Programs		
Business Management Team Manager		
Customer Services Unit Manager		
(3)		
Section Manager / Legislative Services	1	
(4)		
Government and Regional Affairs	12,13	
Representatives		
(e)	4,5,7,9	
Strategic Water Initiatives		
(1) Bay-Delta Initiatives Manager		
(2) Program Manager-Bay Delta Issues		
(3) Program Manager-Colorado River		
Resources Issues		

§ 7219. Ethics Office

Ethics Educator	1
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§ 7220. Legal Department.

(a)	
Chief Deputy General Counsel	1
Senior Deputy General Counsel	1
Deputy General Counsel	1
Associate Deputy General Counsel	1

§ 7221. Public Officials Who Manage Public Investments.

The following positions are not covered by the conflict-of-interest code because they must file under Government Code Section 87200 and, therefore, are listed for information purposes only:

Members of the Board of Directors
Chief Financial Officer
Treasurer
Assistant Treasurer

An individual holding one of the above listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by Section 87200.

§ 7222. Consultants and New Positions.

A “designated position” includes an individual serving in a new position in which the individual makes or participates in the making of decisions and an individual who is a consultant as defined in FPPC Regulation 18701. These individuals must file under the broadest disclosure set forth in this conflict-of-interest code. However, the General Manager may determine disclosure that is tailored to the range of duties or contractual obligations for such individuals as long a clear explanation of the duties and disclosure requirements is provided in writing. Individuals serving in a new position must file under this provision until the position is added to this conflict-of-interest code. The written determination is a public record and shall be retained for public inspection in the same manner and location as this conflict-of-interest code. (Gov. Code Section 81008, 82019; FPPC Regulations 18219 and 18734.)

Consultants providing the services of designated positions shall be included in the list of designated employees and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation:

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

Section 7211: [Former Section 7201] Formerly Section 361.8.2 - M.I. 32171 - February 14, 1978, amended and approved by FPPC May 2, 1978; amended by M.I. 33034 - December 11, 1979; amended and approved by FPPC February 6, 1980; amended by M.I. 3356 - January 13, 1981; entire Chapter 361, as amended approved by FPPC May 4, 1982; amended by M.I. 34632 - March 8, 1983 and approved by FPPC June 6, 1983, amendments to be effective July 6, 1983; paragraph (a) [formerly Section 361.8.2.1] amended by M.I. 35433 - December 11, 1984. Section 361.8.2 repealed and Section 7201 adopted by M.I. 36464 - January 13, 1987; paragraph (b) amended by M.I. 38350 - July 10, 1990; amended by M.I. 38584 - November 20, 1990; amended by M.I. 40504 - October 12, 1993 and approved by FPPC February 11, 1994; amended by M.I. 41210 - January 10, 1995 and approved by FPPC February 14, 1995; Auditor's title amended by M.I. 43968 - April 11, 2000; paragraphs (a)-(c) amended as preliminary amendment by

M. I. 45156 - January 14, 2003; amended by M. I. 46074 – January 11, 2005 and approved by FPPC December 16, 2005; Sec. 7201 - Officers of the District renumbered 7211 by M.I. 46109 – February 8, 2005; former Sec. 7201 – Officers of the District, renumber 7211 and amended by M. I. 46109 – February 8, 2005, all 2005 amendments to be effective January 15, 2006; paragraph (a) amended by M. I. 46910 - December 12, 2006 to be approved by FPPC at a later date; paragraph (a) amended by M.I. 47732 - December 9, 2008, to be approved by FPPC at a later date; paragraph (a) amended by M.I. 48473 – November 9, 2010; paragraph (a) –(b) amended by M.I. 48847 – October 11, 2011.

Section 7212: [Former Section 7202] Formerly Section 361.8.3 - M.I. 32171 - February 14, 1978; amended and approved by FPPC May 2, 1978; amended by M.I. 33034 - December 11, 1979; amended and approved by FPPC February 6, 1980; amended by M.I. 33561 - January 13, 1981 and M.I. 34019 - December 8, 1981 and approved by FPPC Executive Director on February 24, 1982; entire Chapter 361, as amended approved by FPPC May 4, 1982; amended by M.I. 34632 - March 8, 1983 and approved by FPPC June 6, 1983, amendments to be effective July 6, 1983; paragraph (c) [formerly Sections 361.8.3.3.1 through 361.8.3.3.3] amended by M.I. 35023 - February 14, 1984 and approved by FPPC May 7, 1984, amendments to be effective June 6, 1984; paragraphs (b) and (c) [formerly Sections 361.8.3.2 and 361.8.3.3] amended by M.I. 35921 - January 14, 1986. Section 361.8.3 repealed and Section 7202 adopted by M.I. 36464 - January 13, 1987; heading amended by M.I. 38350 - July 10, 1990; amended by M.I. 38584 - November 20, 1990; amended by M.I. 40504 - October 12, 1993 and approved by FPPC February 11, 1994; amended by M.I. 41210 - January 10, 1995 and approved by FPPC February 14, 1995; contents of Section 7202 (Administrative Services Division) deleted, former Section 7203 (Finance Division) renumbered to Section 7202 and amended by M.I. 42148 - November 19, 1996 and approved by FPPC; heading renamed (Office of the Chief Financial Officer) and paragraphs (a), (b) (1)-(3) amended, and paragraphs (c) (1) through (c) (4) repealed as preliminary amendment by M.I. 45156 - January 14, 2003; paragraphs (1)-(2) amended by M. I. _46074 – January 11, 2005 and approved by FPPC December 16, 2005; former Sec. 7202 – Office of the Chief Financial Officer, renumbered 7212 by M. I. 46109 – February 8, 2005, all 2005 amendments to be effective January 15, 2006; paragraph amended and (a) (b) & (c) added by M. I. 46910 - December 12, 2006, to be approved by FPPC at a later date; paragraphs (1) (2) deleted, paragraphs (a) thru(d) amended by M.I. 47732 - December 9, 2008, to be approved by FPPC at a later date; paragraphs (b)-(d) amended by M.I. 48473 – November 9, 2010; paragraphs (a)-(d)- amended by M.I. 48847 – October 11, 2011.

Section 7213: [Former Section 7203] Formerly Section 361.8.4 - M.I. 32171 - February 14, 1978; amended and approved by FPPC May 2, 1978; amended by M.I. 33034 - December 11, 1979; amended and approved by FPPC February 6, 1980; amended by M.I. 33561 - January 13, 1981 and M.I. 34019 - December 8, 1981 and approved by FPPC Executive Director on February 24, 1982; entire Chapter 361, as amended approved by FPPC May 4, 1982; amended by M.I. 34632 - March 8, 1983 and approved by FPPC June 6, 1983, amendments to be effective July 6, 1983; paragraph (a) [formerly Section 361.8.4.1] amended by M.I. 35433 - December 11, 1984. Section 361.8.4 repealed and Section 7203 adopted by M.I. 36464 - January 13, 1987; amended by M.I. 37135 - May 10, 1988; heading amended by M.I. 38350 - July 10, 1990; amended by M.I. 38584 - November 20, 1990; amended by M.I. 40504 - October 12, 1993 and approved by FPPC February 11, 1994; amended by M.I. 41210 - January 10, 1995 and approved by FPPC February 14, 1995; former Section 7204 (Operations Division) renumbered to Section 7203 and amended by M.I. 42148 - November 19, 1996 and approved by FPPC March 30, 1997; Former heading (Operations Division) renamed (Water System Operations Group), old paragraphs repealed, and new paragraphs (a) through (h) added as preliminary amendment by M. I. 45156 - January 14, 2003; paragraphs (a)-(c) amended, (e)-(m) re-numbered by M. I. 46074 – January 11, 2005 and approved by FPPC December 16, 2005; former Sec. 7203 – Water System Operations Group, renumbered 7213 and amended by M.I. 46109 – February 8, 2005, all 2005 amendments to be effective January 15, 2006; paragraphs (a) through (m) amended and renumbered by M. I. 46910 - December 12, 2006 to be approved by FPPC at a later date; paragraphs (c) (k) (l) and (n) amended, paragraphs (d) (e) added, and remaining paragraphs renumbered; paragraph (c) & (n) amended, (d) added, (j) repealed, and remaining paragraphs renumbered by M.I. 47732 - December 9, 2008, to be approved by FPPC at a later date; paragraphs (e)-(g) and (l)-(m) amended by M.I. 48473 – November 9, 2010; paragraph (a)-(e) amended, paragraph (f) deleted, former paragraph (g)-(n) renumbered, new paragraph (l)-(m) added by M.I. 48847 – October 11, 2011.

Section 7214: [Former Section 7204] Formerly Section 361.8.5 - M.I. 32171 - February 14, 1978; amended and approved by FPPC May 2, 1978; amended by M.I. 33034 - December 11, 1979; amended and approved by FPPC February 6, 1980; amended by M.I. 33561 - January 13, 1981 and M.I. 34019 - December 8, 1981 and approved by FPPC Executive Director on February 24, 1982; entire Chapter 361, as amended approved by FPPC May 4, 1982; amended by M.I. 34632 - March 8, 1983 and approved by FPPC June 6, 1983, amendments to be effective July 6, 1983; paragraph (a) [formerly Sections 361.8.5.1.1 through 361.8.5.1.2] and paragraph (g) [formerly Section 361.8.5.7] amended by M.I. 35023 - February 14, 1984 and approved by FPPC May 7, 1984, amendments to be effective June 6, 1984; paragraph (d) [formerly Section 361.8.5.4] amended by M.I. 35589 - April 9, 1985 and approved by FPPC May 6, 1985, amendments to be effective June 5, 1985; paragraph (d) repealed and paragraphs following (d) renumbered by M.I. 36327. Section 361.8.5 repealed and Section 7204 adopted by M.I. 36464 - January 13, 1987; amended by M.I. 36811 - September 22, 1987; amended by M.I. 37135 - May 10, 1988; heading amended by M.I. 38350 - July 10, 1990; amended by M.I. 38584 - November 20, 1990; amended by M.I. 40504 - October 12, 1993 and approved by FPPC February 11, 1994; amended by M.I. 41210 - January 10, 1995 and approved by FPPC February 14, 1995; former Section 7205 (Engineering Division) renumbered to Section 7204 and amended by M.I. 42148 - November 19, 1996 and approved by FPPC March 30, 1997; heading renamed (Corporate Resources Group) old paragraphs repealed and new paragraphs (a) through (f) added as preliminary amendment by M. I. 45156 - January 14, 2003; paragraphs amended and (e) renumbered by M. I. 46074 – January 11, 2005 and approved by FPPC December 16, 2005; former Sec. 7204 – Corporate Resources Group, renumbered 7214 and amended by M. I. 46109 – February 8, 2005, all 2005 amendments to be effective January 15, 2006; amended and remembered, (b) (1), (6), (7) added by M. I. 46910 - December 12, 2006, to be approved by FPPC at a later date; paragraphs (b) thru (d) amended by M.I. 47732 - December 9, 2008, to be approved by FPPC at a later date; paragraphs (a)-(d) and (a1) amended, former paragraph (a6) deleted, new paragraph (a6) added, paragraph (d3) amended, new paragraph (d6) added, paragraphs (e), (e1)-(e2) added by M.I. 48473 – November 9, 2010; title and paragraphs (a)-(b) amended, former paragraphs (c)-(e) amended and added as part of new Section 7215 by M.I. 48847 – October 11, 2011;

Section 7215: [Former Section 7205]: Formerly Section 361.8.6 - M.I. 32171 - February 14, 1978; amended and approved by FPPC May 2, 1978; amended by M.I. 33034 - December 11, 1979; amended and approved by FPPC February 6, 1980; amended by M.I. 33561 - January 13, 1981 and M.I. 34019 - December 8, 1981 and approved by FPPC Executive Director on February 24, 1982; entire Chapter 361, as amended approved by FPPC May 4, 1982; amended by M.I. 34632 - March 8, 1983 and approved by FPPC June 6, 1983, amendments to be effective July 6, 1983; paragraph (i) [formerly Section 361.8.6.9] amended by M.I. 35023 - February 14, 1984 and approved by FPPC May 7, 1984, amendments to be effective June 6, 1984; paragraph (b) [formerly Section 361.8.6.2] amended by M.I. 35921 - January 14, 1986. Section 361.8.6 repealed and Section 7205 adopted by M.I. 36464 - January 13, 1987; amended by M.I. 37135 - May 10, 1988; heading amended by M.I. 38350 - July 10, 1990; amended by M.I. 38584 - November 20, 1990; amended by M.I. 40504 - October 12, 1993 and approved by FPPC February 11, 1994; amended by M.I. 41210 - January 10, 1995 and approved by FPPC February 14, 1995; former Section 7206 (Human Resources Division) renumbered to Section 7205 and amended by M.I. 42148 - November 19, 1996 and approved by FPPC March 30, 1997; Former heading (Human Resources Division) renamed (Water Resource Management Group), old paragraphs repealed, and new paragraph (a) added as preliminary amendment by M. I. 45156 - January 14, 2003; paragraph amended by M. I. 46074 - January 11, 2005 and approved by FPPC December 16, 2005; former Sec. 7206 - Water Resources management Group, renumbered 7215 by M. I. 46109 February 8, 2005, all 2005 amendments to be effective January 15, 2006; amended by M. I. 46910 - December 12, 2006, to be approved by FPPC at a later date; paragraph (a) amended by M. I. 47732 - December 9, 2008, to be approved by FPPC at a later date; paragraph (a) amended by M.I. 48473 - November 9, 2010; new paragraphs (a)-(c) added, former section (c) deleted by M.I. 48847 - October 11, 2011.

Section 7216: [Former Section 7206] Formerly Section 361.8.7 - M.I. 32171 - February 14, 1978; amended and approved by FPPC May 2, 1978; amended by M.I. 33034 - December 11, 1979; amended and approved by FPPC February 6, 1980; amended by M.I. 33561 - January 13, 1981 and M.I. 34019 - December 8, 1981 and approved by FPPC Executive Director on February 24, 1982; entire Chapter 361, as amended approved by FPPC May 4, 1982; amended by M.I. 34632 - March 8, 1983 and approved by FPPC June 6, 1983, amendments to be effective July 6, 1983; paragraphs (c) and (d) [formerly Sections 361.8.7.3 and 361.8.7.4] amended by M.I. 35023 - February 14, 1984 and approved by FPPC May 7, 1984, amendments to be effective June 6, 1984. Section 361.8.7 repealed and Section 7206 adopted by M.I. 36464 - January 13, 1987; amended by M.I. 37135 - May 10, 1988; heading amended by M.I. 38350 - July 10, 1990; amended by M.I. 38584 - November 20, 1990; amended by M.I. 40504 - October 12, 1993 and approved by FPPC February 11, 1994; heading and paragraph amended by M.I. 41210 - January 10, 1995 and approved by FPPC February 14, 1995; former Section 7207 (Public Affairs Division) renumbered to Section 7206 and amended by M.I. 42148 - November 19, 1996 and approved by FPPC March 30, 1997; Former Section 7206 (Public Affairs) repealed and new §7206 renamed (Office of the Chief Executive Office), and new paragraphs (a) through (c) added as preliminary amendment by M. I. 45156 - January 14, 2003; new paragraph 7206 amended by M. I. 46074 - January 11, 2005 and approved by FPPC December 16, 2005; former Sec. 7206 - Office of the Chief Executive Officer, renumbered 7216 and amended by M. I. 46109 - February 8, 2005, all 2005 amendments to be effective January 15, 2006; Section title amended by deleting CEO and restoring that of General Manager, and paragraph (a) changed COO to Assist. General Mgr(s), Exec VP to Chief Administrative Officer, VP to Deputy Gen. Mgr., VP - Colorado River deleted, VP changed to Deputy General Mgr. - State Water Project, by M. I. 46838 - October 10, 2006; Section renumbered from 7216 to 7217 amended, and (d) (1)-(4) added by M. I. 46910 - December 12, 2006, to be approved by PFFC at a later date; paragraph (d) added by M. I. 47732 - December 9, 2008, to be approved by PFFC at a later date; paragraphs (a)-(b) amended, paragraphs (b12)-(b13) added, paragraphs (c) (c1)-(c8) deleted, former paragraph (c) renumbered to (d), paragraph (c7) added by M.I. 48473 - November 9, 2010; [Former Section 7215] paragraph (a) amended by M.I. 48847 - October 11, 2011.

Section 7217: [Former Section 7207] Formerly Section 361.8.8 - M.I. 32171 - February 14, 1978; amended and approved by FPPC May 2, 1978; amended by M.I. 33034 - December 11, 1979; amended and approved by FPPC February 6, 1980; amended by M.I. 33561 - January 13, 1981 and M.I. 34019 - December 8, 1981 and approved by FPPC Executive Director on February 24, 1982; entire Chapter 361, as amended approved by FPPC May 4, 1982; amended by M.I. 34632 - March 8, 1983 and approved by FPPC June 6, 1983, amendments to be effective July 6, 1983; paragraph (a) [formerly Section 361.8.8.1] amended and paragraphs (e) and (f) [formerly Sections 361.8.8.5 and 361.8.8.6] added by M.I. 35589 - April 9, 1985 and approved by FPPC May 6, 1985, amendments to be effective June 5, 1985; amended by M.I. 35765 - August 20, 1985. Section 361.8.8 repealed and Section 7207 adopted by M.I. 36464 - January 13, 1987; heading amended by M.I. 38350 - July 10, 1990; amended by M.I. 38584 - November 20, 1990; amended by M.I. 40504 - October 12, 1993 and approved by FPPC February 11, 1994; amended by M.I. 41210 - January 10, 1995 and approved by FPPC February 14, 1995; former Section 7208 (Planning and Resources Division) renumbered to Section 7207 and amended by M.I. 42148 - November 19, 1996 and approved by FPPC March 30, 1997; Former §7207 (Planning and Resources Division) repealed, and renamed (Office of the Chief Operating Officer), and new paragraph (a) added as preliminary amendment by M. I. 45156 - January 14, 2003; Former §7206 (Office of the Chief Executive Officer) renumbered § 7207 and titled changed to Office of Ethics by M. I. 46074 - January 11, 2005 and approved by FPPC December 16, 2005; former Sec. 7207, renumbered 7217 and renamed Ethics Office and amended by M. I. 46109 - February 8, 2005, all 2005 amendments to be effective January 15, 2006; Ethics Office renumbered from 7217 to 7218 by M. I. 46910 - December 12, 2006, to be approved by FPPC at a later date; paragraphs (c) (d) amended and (e) added by M. I. 47732 - December 9, 2008, to be approved by FPPC at a later date; paragraph (b)-(e) amended by M.I. 48473 - November 9, 2010; [Former Section 7216] paragraphs (a) and (b) amended, paragraph (c) deleted by M.I. 48847 - October 11, 2011.

Section 7218: [Former Section 7208]: Formerly Section 361.8.9 - M.I. 32171 - February 14, 1978; amended and approved by FPPC May 2, 1978; amended by M.I. 33034 - December 11, 1979; amended and approved by FPPC February 6, 1980; amended by M.I. 33561 - January 13, 1981 and M.I. 34019 - December 8, 1981 and approved by FPPC Executive Director on February 24, 1982; entire Chapter 361, as amended approved by FPPC May 4, 1982; amended by M.I. 34632 - March 8, 1983 and approved by FPPC June 6, 1983, amendments to be effective July 6, 1983; paragraph (a) [formerly Section 361.8.9.1] amended by M.I. 35589 - April 9, 1985 and approved by FPPC May 6, 1985, amendments to be effective June 5, 1985; paragraphs (a) and (b) [formerly Sections 361.8.9.1 and 361.8.9.2] amended by M.I. 35921 - January 14, 1986; paragraphs (a), (b) and (c) amended and paragraphs (d) and (e) [formerly Sections 361.8.9.4 and 361.8.9.5] added by M.I. 36327. Section 361.8.9 repealed and Section 7208 adopted by M.I. 36464 - January 13, 1987; amended by M.I. 37135 - May 10, 1988; heading amended by M.I. 38350 - July 10, 1990; amended by M.I. 38584 - November 20, 1990; amended by M.I. 40504 - October 12, 1993 and approved by FPPC February 11, 1994; heading and paragraph amended by M.I. 41210 - January 10, 1995 and approved by FPPC February 14, 1995; former Section 7210 (Water Quality Division) renumbered to Section 7208 and amended by M.I. 42148 - November 19, 1996 and approved by FPPC March 30, 1997; Former Section 7208 (Water Quality Division) repealed and renamed (Legal Department), new paragraph (a) added as preliminary amendment by M. I. 45156 - January 14, 2003; Former § 7207 renumbered §2708 and renamed Office of the Chief Operating Officer by M. I. 46074 - January 11, 2005 and approved by FPPC December 16, 2005; former Sec. 7208 - Office of the Chief Operating Officer, renumber 7218 and amended by M. I. 46109 - February 8, 2005, all 2005 amendments to be effective January 15, 2006; Section 7218 Office of the Chief Operating Officer deleted by M. I. 46910 - December 12, 2006, to be approved by FPPC at a later date; [Former Section 7217] paragraph (a) - (e) amended by M.I. 48847 - October 11, 2011.

Section 7219: [Former Section 7209] Formerly Section 361.8.10 - M.I. 32171 - February 14, 1978; amended and approved by FPPC May 2, 1978; amended by M.I. 33034 - December 11, 1979; amended and approved by FPPC February 6, 1980; amended by M.I. 33561 - January 13, 1981 and M.I. 34019 - December 8, 1981 and approved by FPPC Executive Director on February 24, 1982; entire Chapter 361, as amended approved by FPPC May 4, 1982; amended by M.I. 34632 - March 8, 1983 and approved by FPPC June 6, 1983, amendments to be effective July 6, 1983. Section 361.8.10 repealed and Section 7209 adopted by M.I. 36464 - January 13, 1987; amended by M.I. 37135 - May 10, 1988; heading amended by M.I. 38350 - July 10, 1990; amended by M.I. 40504 - October 12, 1993 and approved by FPPC February 11, 1994; heading renamed by M.I. 41210 - January 10, 1995 and approved by FPPC February 14, 1995; former Section 7209 (Information Systems Division) deleted, former Section 7211 (Environmental Compliance Division) renumbered to Section 7209 and amended by M.I. 42148 - November 19, 1996 and approved by FPPC March 30, 1997; Former Section 7209 (Environmental Compliance Division) repealed, and §7209 renamed (Officials Who Manage Public Investments) by preliminary amendment by M. I. 45156 - January 14, 2003; Former paragraph § 7208 (Legal Department) renumbered § 7209 by M. I. 46074 - January 11, 2005 and approved by FPPC December 16, 2005.; former Sec. 7209 - Legal Department, renumbered 7219 and amended by M. I. 46109 - February 8, 2005, all 2005 amendments to be effective January 15, 2006; [Former Section 7218] paragraph amended by M.I. 48847 - October 11, 2011.

Section 7220: [Former Section 7210] Formerly Section 361.8.11 - M.I. 32171 - February 14, 1978; amended and approved by FPPC May 2, 1978; amended by M.I. 33034 - December 11, 1979; amended and approved by FPPC February 6, 1980; amended by M.I. 33561 - January 13, 1981 and M.I. 34019 - December 8, 1981 and approved by FPPC Executive Director on February 24, 1982; entire Chapter 361, as amended approved by FPPC May 4, 1982; amended by M.I. 34632 - March 8, 1983 and approved by FPPC June 6, 1983, amendments to be effective July 6, 1983; paragraph (a) [formerly Section 361.8.11.1] amended and paragraph (d) [formerly Section 361.8.11.4] added by M.I. 35589 - April 9, 1985 and approved by FPPC May 6, 1985, amendments to be effective June 5, 1985; paragraphs (b) and (d) [formerly Sections 361.8.11.2 and 361.8.11.4] amended by M.I. 35921 - January 14, 1986; paragraph (c) amended by M.I. 36327. Section 361.8.11 repealed and Section 7210 adopted by M.I. 36464 - January 13, 1987; amended by M.I. 37135 - May 10, 1988; heading amended by M.I. 38350 - July 10, 1990; amended by M.I. 38584 - November 20, 1990; amended by M.I. 40504 - October 12, 1993 and approved by FPPC February 11, 1994; heading renamed by M.I. 41210 - January 10, 1995 and approved by FPPC February 14, 1995; former Section 7212 (Office of the General Manager) renumbered to Section 7210 and amended by M.I. 42148 - November 19, 1996 and approved by FPPC March 30, 1997; Former Section 7210 (Office of the General Manager) repealed and renumbered to §7206 and renamed (Office of the Chief Executive Officer) as preliminary amendment by M. I. 45156 - January 14, 2003; Former paragraph 7209 (Officials Who Manage Public Investments) renumbered 7210, title changed (Public Officials Who Manage Public Investments) and amended by M. I. 46074 - January 11, 2005 and approved by FPPC December 16, 2005.; former Sec. 7210 - Public Officials Who Manage Public Investments, renumbered 7220 by M. I. 46109 - February 8, 2005; paragraph amended by FPPC letter dated December 20, 2005, all 2005 amendments to be effective January 15, 2006; [Former Section 7219] paragraph amended by M.I. 48847 - October 11, 2011.

Section 7221: [Former Section 7211] Formerly Section 361.8.12 - M.I. 32171 - February 14, 1978; amended and approved by FPPC May 2, 1978; amended by M.I. 33034 - December 11, 1979; amended and approved by FPPC February 6, 1980; amended by M.I. 33561 - January 13, 1981 and M.I. 34019 - December 8, 1981 and approved by FPPC Executive Director on February 24, 1982; entire Chapter 361, as amended approved by FPPC May 4, 1982; amended by M.I. 34632 - March 8, 1983 and approved by FPPC June 6, 1983, amendments to be effective July 6, 1983. Section 361.8.12 repealed and Section 7211 adopted by M.I. 36464 - January 13, 1987; amended by M.I. 37135 - May 10, 1988; heading amended by M.I. 38350 - July 10, 1990; Former Section 7211 renumbered to 7214, and new Section 7211 added by M.I. 38584 - November 20, 1990; amended by M.I. 40504 - October 12, 1993 and approved by FPPC February 11, 1994; heading renamed by M.I. 41210 - January 10, 1995 and approved by FPPC February 14, 1995; former Section 7213 (Legal Department) renumbered to Section 7211 and amended by M.I. 42148 - November 19, 1996 and approved by FPPC March 30, 1997; Former Section 7211 (Legal Department) renumbered to §7208 as preliminary amendment by M. I. 45156 - January 14, 2003; Former paragraph 7210 (Budget Disbursement Agents) renumber 7211 by M. I. 46074 – January 11, 2005 and approved by FPPC December 16, 2005; former Sec. 7211 Budget Disbursement Agents, renumbered 7221 and amended by M. I. 46109 – February 8, 2005; paragraph 7221 (Budget Disbursement Agents) **repealed** by FPPC letter dated December 20, 2005, all 2005 amendments to be effective January 15, 2006.

New Section 7221: [Former Section 7222] [Former Section 7212] Formerly Section 361.8.13 - M.I. 32171 - February 14, 1978; amended and approved by FPPC May 2, 1978; amended by M.I. 33034 - December 11, 1979; amended and approved by FPPC February 6, 1980; amended by M.I. 33561 - January 13, 1981 and M.I. 34019 - December 8, 1981 and approved by FPPC Executive Director on February 24, 1982; entire Chapter 361, as amended approved by FPPC May 4, 1982; amended by M.I. 34632 - March 8, 1983 and approved by FPPC June 6, 1983, amendments to be effective July 6, 1983. Section 361.8.13 repealed and Section 7212 adopted by M.I. 36464 - January 13, 1987; amended by M.I. 37135 - May 10, 1988; heading amended by M.I. 38350 - July 10, 1990; Former Section 7212 renumbered to 7215, and new Section 7212 added by M.I. 38584 - November 20, 1990; amended by M.I. 40504 - October 12, 1993 and approved by FPPC February 11, 1994; heading renamed by M.I. 41210 - January 10, 1995 and approved by FPPC February 14, 1995; renumbered to Section 7210 and amended by M.I. 42148 - November 19, 1996 and approved by FPPC March 30, 1997; Section 7212 (Officials Who Manage Public Investments) renumbered to Section 7209 as preliminary amendment by M. I. 45156 - January 14, 2003; Former paragraph 7211 (Consultants) amended and renumbered 7212 by M. I. 46074 – January 11, 2005; former Sec. 7212 Consultants, renumbered 7222 by M. I. 46109 – February 8, 2005, and approved by FPPC December 16, 2005; §7222 (Consultants) renumbered §7221 by FPPC letter dated December 20, 2005, all 2005 amendments to be effective January 15, 2006; [Former Section 7220] paragraph amended by M.I. 48847 – October 11, 2011.

New Section 7222: Former Section 7221 amended by M.I. 48847 – October 11, 2011.

Division VIII

CONTRACTS/DISTRICT PROPERTY

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Chapter 1

CONTRACTS

Article		
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Article 1

GENERAL PROVISIONS

Sec.	
8100.	Definitions
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§ 8100. Definitions.

The definitions contained in this section govern the interpretation of this chapter:

(a) Best Value Procurement – “Best value procurement” means a competitive procurement method where factors in addition to price are considered in order to award a contract that provides the best overall value to the District.

(b) Change Order – “Change order” means an amendment modifying the terms of an existing contract.

(c) Contract – “Contract” means any written agreement, including purchase orders, to which the District is a party.

(d) Construction – “Construction” includes erection, demolition, alteration, repair, and relocation.

(e) Form of Agreement – “Form of agreement” is the document evidencing the contractual relationship of the District and the successful bidder.

(f) Notice Inviting Bids. - "Notice inviting bids" means a notice inviting proposals for entering into a contract upon the terms of contract documents incorporated in said notice by reference.

(g) Professional and Technical Services – “Professional and technical services” mean a specialized personal service rendered by an independent contractor who has specialized knowledge, skill and expertise in an area generally recognized to be practiced exclusively by such contractors.

(h) Proposal. – “Proposal” means the prospective contractor’s offer to enter into a contract upon the terms set forth therein or in the contract documents.

(i) Public Works – “Public works” mean contracting for the erection, construction, alteration, repair, or improvement, including demolition and installation work, of any public structure, building, road, or other public improvement of any kind. Public works does not include work done by the District’s force account, work not paid for out of public funds, or contracting for the purchase of finished products, materials, or supplies.

(j) Purchase Order – “Purchase order” means an authorization under which the party designated therein as contractor is to provide materials or services for which the District agrees to pay pursuant to the terms contained thereon or in a separate contract.

(k) Request for Proposals – “Request for proposals” means documents, whether attached or incorporated by reference, used for soliciting technical proposals through a competitive sealed proposal process.

(l) Request for Qualifications” – “Request for qualifications” means all documents, whether attached or incorporated by reference, used for soliciting qualifications statements for the purpose of evaluating and pre-qualifying prospective contractors for a proposed contract or specified kinds of work or, where appropriate, selecting the most qualified contractor for a particular contract.

Ords. 114 and 144; repealed by Ord. 146; Section 451.1, Section 451.6 and Section 451.4 added, as amended, by M.I. 32690 - April 10, 1979. Section 451.1 repealed and Section 8100 adopted, Section 451.6 repealed and Section 8100(d) adopted, Section 451.4 repealed and Section 8100(h) adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

New paragraphs (a), (b), (i) added, old paragraph (f) deleted, and remaining paragraphs renumbered and amended by M. I. 46371 - September 13, 2005.

§ 8101. Contract Documents.

(a) General. - The contract documents shall consist of such documents as an Executive Officer may deem desirable in addition to those required by law.

(b) Documents Included. - The contract documents may include, among others, a notice inviting bids, proposal, bidder's bond, form of agreement, performance bond, payment bond, specifications and drawings.

(c) Authority to Carry out Power. - Whenever award is made by the Board, such award shall constitute approval of the contract documents and the Executive Officer authorized to enter into the contract shall be authorized to carry out the powers described in the contract documents.

Ords. 114 and 144; repealed by Ord. 146; Section 451.2 added, as amended, by M.I. 32690 - April 10, 1979. Section 451.2 repealed and Section 8101 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraphs (a) and (c) amended by M. I. 46371 - September 13, 2005.

§ 8102. Requisitions and Purchase Orders.

(a) All requests for purchases must be signed by an Executive Officer or someone designated in writing by an Executive Officer to sign such requests for purchases.

(b) All purchase orders must be signed by an Executive Officer or someone designated by an Executive Officer in writing to sign such purchase orders.

Ords. 29 and 113; repealed by Ord. 146; Section 451.24 added, as amended, by M.I. 32690 - April 10, 1979; renumbered Section 451.23 - June 3, 1985. Section 451.23 repealed and Section 8102 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (b) amended by M. I. 46371 - September 13, 2005.

§ 8103. Delegation of Authority.

Any power delegated to an Executive Office under this Chapter may be re-delegated by that officer in writing to any District employee designated by that officer.

[Former §8103 – Competitive Bids renumbered §8140 and renamed Competitive Procurement.] New §8103 – M. I. 46371 – September 13, 2005.

§ 8104. Approval by General Counsel.

The General Counsel shall approve, in writing, the following:

(a) Drafts of all contracts involving an expenditure in excess of \$250,000 before the same are entered into by or on behalf of the District.

(b) Indemnification agreements as provided in Section 8120.

(c) Relocation agreements as provided in Section 8122(c).

[FORMER §8116] Ords. 130 and 136; repealed by Ord. 146; Section 451.16 added, as amended by M.I. 32690 – April 10, 1979; amended by M.I. 33286 – June 10, 1980; amended by M.I. 35716 – July 9, 1985. Section 451.16 repealed and Section 8116 adopted by M.I. 36464 – January 13, 1987, effective April 1, 1987; amended by M.I. 39036 – June 11, 1991; former Section 8116 Approval by General Counsel renumbered Section 8104, paragraph (a) amended and paragraphs (b) and (c) added by M. I. 46371 - September 13, 2005.

Article 2

AUTHORITY TO CONTRACT

Sec.

8120. Indemnification Agreements

8121. General Authority of the General Manager to Enter Contracts

8122. General Manager's Contracting Authority in Specified Circumstances

8123. Authority of the General Manager to Amend Contracts

8124. Contracting Authority of Executive Officers Other Than The General Manager

§ 8120. Indemnification Agreements.

An Executive Officer is authorized to bind the Metropolitan Water District to indemnify, hold harmless, and defend another party whenever the Executive Officer, in his or her judgment, determines that such commitment will assist the District in carrying out its purposes and functions and such commitment is incidental to an agreement which the Executive Officer is otherwise authorized to execute. Any such agreement shall be subject to approval by the General Counsel.

[FORMER §8109] Res. 7226 - November 13, 1969; Section 451.2.4 renumbered Section 451.26 by M.I. 32690 - April 10, 1979; renumbered Section 451.25 - June 3, 1985. Section 451.25 repealed and Section 8109 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; former Section 8109 renumbered 8120 and the paragraph amended by M.I. 46371 - September 13, 2005.

§ 8121. General Authority of the General Manager to Enter Contracts.

(a) Contracts Over \$250,000. - Except as provided in Section 8122, if the amount payable or expected to be paid by the District under the terms of the contract is in excess of \$250,000, the contract shall be executed only upon prior approval of the Board, provided that the Board may designate an officer of the District to negotiate and execute classes of contracts without prior approval of the Board.

(b) Contracts of \$250,000 or less. – If the amount payable or expected to be paid by the District under the terms of a contract is \$250,000 or less the contract may be executed by the General Manager except as provided in Section 8122 or otherwise directed by the Board.

(c) Professional and Technical consultants. – The General Manager may exercise without restriction the contractual powers conferred by Section 8121(b) regardless of subject matter, provided that the amount payable under any one contract for professional and technical services during any one year shall not exceed \$250,000.

[FORMER §8117] Professional and Technical Consultants. Section 451.428000 – February 10, 1970; amended and renumbered 451.20 by M.I. 32690 – April 10, 1979; amended by M.I. 33286 – June 10, 1980; paragraph (b) [formerly Sec. 451.20.2] amended by M.I. 34807 – August 17, 1983; paragraph (a) [formerly Sec. 451.20.1] amended by M.I. 35716 – July 9, 1985; paragraph (b) amended by M.I. 35992 – March 11, 1986. Sec. 451.20 repealed and Sec. 8117 adopted by M.I. 36464 – January 13, 1987, effective April 1, 1987; amended and paragraph (d) repealed by M.I. 39036 – June 11, 1991. Moved to Section 8121 and renumbered paragraph (c) by M.I. 46371 - September 13, 2005.

[FORMER §8115] Negotiated Contracts. Ords. 29, 113, 114 and 136; repealed by Ord. 146; Section 451.15 added, as amended, by M.I. 32690 - April 10, 1979; amended by M.I. 33286 - June 10, 1980; paragraph (d) [formerly Section 451.15.4] added by M.I. 35350 - October 9, 1984; amended by M.I. 35716 - July 9, 1985. Section 451.15 repealed and Section 8115

adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraphs (a) through (d) amended by M.I. 39036 – June 11, 1991; paragraph (d) amended by M.I. 39926 - November 10, 1992; paragraph (b) amended by M.I. 41209 – January 10, 1995; paragraphs (a), (b), (b)(1), (b)(3), (c) and (d) amended by M. I. 44582 – August 20, 2001.

Former Section 8115 renumbered Section 8121 and renamed General Authority of the Chief Executive Officer to Enter Contracts, paragraph (a) amended, paragraph (b) moved to §8122, paragraph (c) renumbered (b) and amended. Former §8117 Professional and Technical Consultants renumbered paragraph (c) and amended. And former §8115 paragraph (d) moved to §8123 by M.I. 46371 - September 13, 2005.

§ 8122. General Manager's Contracting Authority in Specified Circumstances.

(a) Grants and Receipt of Funds. – The General Manager is authorized to negotiate and execute contracts in which the District receives funds of any amount, provided Board approval is not otherwise required.

(b) Emergency Contracts. – The General Manager is delegated the authority to waive competitive bid requirements and execute contracts over the amount of \$250,000 for the construction of works or structures, for the purchase of equipment, materials or supplies, or performance of labor or services and take any directly related and immediate action required by that emergency when such construction, purchase of equipment, materials or supplies is determined by the General Manager to be for an emergency, subject to the following requirements:

(1) The General Manager shall report to the Board not later than 7 days after the emergency action or at its next regularly scheduled meeting if that meeting will occur not later than 14 days after the action, the details of the emergency and reasons justifying the actions taken.

(2) At each regularly scheduled meeting following the emergency action, the Board shall determine by four-fifths vote whether there is a need to continue the action or terminate action at the earliest possible date that conditions warrant so that the remainder of the emergency action may be completed through competitive bid procedures.

(3) Such contracts shall not be binding on the District in an amount exceeding \$250,000 unless the General Manager obtains ratification of such contract by a four-fifths vote of the Board.

(c) Relocation Agreements

(1) The General Manager is authorized to execute any agreement involving an amount not exceeding \$500,000 under which the District is to pay the cost of relocation or protection, or both, of facilities owned by others whenever the General Manager deems that such action is necessary to the construction of District facilities.

(2) The General Manager is authorized to issue all appropriate orders necessary to implement any such agreement, and, in the General Manager's discretion, to advance funds therefore.

(3) The General Manager is authorized to execute and to perform any agreement involving an amount not exceeding \$500,000 for the relocation or protection, or both, of District-owned facilities to accommodate the improvement of facilities owned by others

and to determine whether a deposit shall be made prior to the commencement of work, and if so, in what amount.

(4) The General Manager shall report quarterly to the Engineering and Operations Committee the General Manager's execution under the authority of this Section of any agreements involving an amount in excess of \$100,000.

(5) All such agreements shall be subject to the approval of the General Counsel.

(d) Contracts for Utility Services. - The General Manager is authorized to negotiate and execute contracts for utility services, other than electrical energy for the pumping of Colorado River water, to facilities owned or operated by the District without limitation as to amount.

(e) Power and Transmission Contracts.

(1) General Authorization. - The General Manager is authorized to negotiate and execute contracts of up to 24 months duration from the end of the current month to furnish power or transmission capability to the District or dispose of power or transmission capability available to the District. Such contracts for power or transmission capability may not exceed a total payment obligation of \$50 million within any 24-month period unless authorized by the Board.

(2) Reporting. - The General Manager shall report at the next regular meeting of the Board the execution of any contract authorized by this Section 8122(e).

(3) Risk management. – The General Manager shall maintain a risk management policy to provide guidance and management oversight for the purchase of supplemental energy for the Colorado River Aqueduct operations. The risk management policy shall address market and credit risks associated with the purchase of supplemental energy.

(f) Insurance Pertaining to Employees

The General Manager is authorized to negotiate, renegotiate and enter into contracts with various insurance carriers for current plans of coverage or replacement plans of coverage consistent with the system of insurance for various types of employee group insurance plans heretofore approved or to be approved in the future by the Board.

(g) Contracts for Equipment, Materials, Supplies, and Routine Services.

(1) The General Manager may execute contracts for the purchase or lease of operating equipment, regardless of dollar value, which is specifically identified in the budget provided that the amount of any contract does not exceed 110 percent of the amount identified in the budget for that operating equipment and that sufficient funds are available within the adopted budget.

(2) The General Manager may execute contracts for the purchase of materials, supplies, other consumable items such as fuels, water treatment chemicals, materials for construction projects and other bulk items, and for routine services such as waste disposal and maintenance services, which are generally identified in the budget, regardless of

dollar value, provided that sufficient funds are available within the adopted budget for such materials, supplies and routine services.

(3) All contracts under this section shall be awarded after competitive procurement unless otherwise exempted by this Code.

(h) Travel – The General Manager may execute contracts for the handling of District airline ticketing, lodging, automobile rental reservations, and miscellaneous travel-related services.

[FORMER §8120] Insurance Pertaining to Employees. Sec 439.4.1 based on Res. 7537 – September 18, 1973. Sec. 439.4.1 repealed and Sec.8120 adopted by M.I. 36464 – January 13, 1987, effective April 1, 1987.

[FORMER §8121] Contracts for Equipment, Materials, Supplies, and Routine Services. M.I. 39036 – June 11, 1991; paragraph (a)(b)(c) added by M.I. 43275 – November 10, 1998; Sec. Title, paragraphs (a) and (b) amended by M.I. 44582 – August 20, 2001.

[FORMER §8118] Contracts in Excess of \$250,000 Not Requiring Prior Board Approval. Section 451.3 based on Res. 7163 – April 15, 1969; renumbered Sections 451.19.1 through 451.19.5 by M.I. 32690 – April 10, 1979; renumbered Sections 451.19.1.1 through 451.19.1.5 and paragraph (b) [formerly Section 451.19.2] added by M.I. 35341 – October 9, 1984; paragraph (a)(4) [formerly 451.19.1.4] amended by M.I. 36065 – May 13, 1986. Section 451.19 repealed and Section 8118 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (c) added by M.I. 36681 - June 9, 1987; paragraph (c)(1) amended, paragraphs (c)(2) and (c)(3) added by M.I. 37096 – April 12, 1988; paragraph (a) amended by M.I. 39036 - June 11, 1991; all paragraphs amended by M.I. 44582 – August 2001; paragraph (c)(1) amended, paragraph (c)(2) deleted, paragraph (c)(3) renumbered, and new paragraph (c)(3) added by M. I. 45033 – October 8, 2002.

Section 8122 M.I. 46371 - September 13, 2005. Former §8115(a), and Emergency Contracts (b) (1)(2)(3) renumbered, amended and moved to new §8122, Former §8118(a) Relocation Agreements renumbered (c), 8118(b) Contracts for Utility Services renumbered (d), 8118(c)(1)(2)(3) Power & Transmission Contracts renumbered (e)(1)(2)(3) amended and moved to new §8122, Former §8120 renumbered paragraph (f) amended and moved to new §8122, Former §8121(a)(b)(c) renumbered paragraph (g) (1) (2) (3) and amended and moved to new §8122, and Former §8103(k) renumbered (h) and moved to new §8122, by same M.I. 46371 - September 13, 2005; paragraph (c)(4) amended by M.I. 46983 - February 13, 2007; paragraph (c)(4) amended by M.I. 47998 - August 18, 2009; paragraph (e)(1) amended by M.I. 48592 – March 8, 2011 paragraphs (c)(4) and (g)(1)-(g)(2) amended by M.I. 48800 – September 13, 2011.

§8123. Authority of the General Manager to Amend Contracts.

(a) Except for capital construction contracts, if the amount payable under a change order is \$250,000 or less, the General Manager is authorized to execute the change order even if the change order will bring the total amount payable under the contract to more than \$250,000. Notwithstanding the foregoing, the General Manager shall not, without prior Board approval, issue one or more change orders totaling more than \$250,000 to a contract involving an original total amount payable of \$250,000 or less, or a change order that would cause the amount payable under a contract for professional and consulting services to exceed the limit established by Section 8121(c).

(b) Change orders for capital construction projects may be executed by the General Manager without prior Board approval for an aggregate amount of \$250,000 per contract or an aggregate amount not to exceed 5 percent of the initial amount of the contract, whichever is greater.

Former §8115(d) Change Orders – moved to new §8123 renumbered paragraphs (a) and (b) and amended by M.I. 46371 - September 13, 2005; paragraphs (a) and (b) amended by M. I. 46838 – October 10, 2006.

§8124 Contracting Authority of Executive Officers Other Than The General Manager.

(a) General Counsel – The contracting authority of the General Counsel is as provided in Section 6430 *et seq.*

(b) General Auditor – The contracting authority of the General Auditor is as provided in Section 6450 *et seq.*

(c) Ethics Officer – The contracting authority of the Ethics Office is as provided in Section 6470 *et seq.*

M.I. 46371 - September 13, 2005.

Article 3

AWARD OF CONTRACTS

Sec.

8140. Competitive Procurement

8141. Competitive Sealed Bidding

8142. Prebid Procedures for Competitive Sealed Bidding

8143. Specifications and Drawings for Competitive Sealed Bidding

8144. Posting and Advertising for Competitive Sealed Bidding

8145. Evaluation of Bids

8146. Rejection of Bids

8147. Execution

8148. Delegation of Hearing Power

8149. Best Value Procurement

§8140. Competitive Procurement

1. All contracts estimated to cost \$75,000 or more shall be made upon a competitive procurement method of either competitive sealed bidding or best value procurement as provided in this Chapter, except:

(a) Contracts for miscellaneous services, such as telephone, telegraph, light, power and water, where rates or prices are fixed by legislation or by federal, state, county or municipal regulations.

(b) Contracts deemed to be for an emergency under the procedures set forth in §8122(b) and in accordance with Public Contract Code Section 21567.

(c) Contracts executed in lieu of bringing an action in eminent domain, to reimburse an owner for the owner's costs of relocating or protecting facilities affected by District construction projects.

(d) If competitive procurement could not produce an advantage, or it is impracticable to obtain what is required subject to the competitive procurement provisions because of the unique, exploratory, or experimental nature of the work. Prior to award of contract, the General Manager's designee proposing such contract shall certify that the contract is exempt from competitive procurement and shall set forth in the certificate reasons for that determination.

(e) If, within six months previous to the date of execution of a proposed contract, advertising or posting for identical articles, or articles of the same general character, has failed to secure responsive proposals and, in the opinion of the General Manager, further advertising or posting will not alter this result.

(f) If the purchase is of used equipment which, in the opinion of the General Manager, is satisfactory for the work of the District.

(g) If the contract is with any governmental agency.

(h) Contracts for insurance or for services of a professional, artistic, scientific, or technical character.

(i) Change orders.

(j) Contracts for the handling of District airline ticketing, lodging, automobile rental reservations, and miscellaneous travel-related services.

(k) Contracts to buy or sell non-firm power on an hour-to- hour basis and other contracts of durations up to one year to furnish power or transmission capability to the District or dispose of power or transmission capability available to the District.

(l) Transactions pursuant to contracts secured by other public corporations which, in the opinion of the General Counsel, substantially comply with the competitive procurement requirements of this Chapter.

2. A designated product, material, thing, or service by a specific brand or trade name may be exclusively requested, either as a sole source or for competitive procurement, for any of the following purposes:

(a) If the articles wanted are patented, copyrighted, or otherwise unique.

(b) In order that a field test or experiment may be made to determine the designated product's suitability for future use.

(c) For replacement parts or for equipment where replacement parts or components from another supplier could compromise the safety or reliability of the product, or would void or invalidate a manufacturer's warranty or guarantee, as set forth in the certificate provided below.

(d) For replacement parts or components of equipment, where parts or components obtained from another supplier, if available, will not perform the same function in the equipment as the part or component to be replaced, as set forth in the certificate provided below.

(e) For upgrades, enhancement or additions to hardware or for enhancements or additions to software, where equipment or software from different manufacturers or developers will not be as compatible as equipment or software from the original manufacturer(s) or developer(s), as set forth in the certificate provided below.

When such an article is to be purchased, the General Manager's designee preparing the request for bids or proposals shall certify that the particular article will best serve the purpose of the District, and reasons for such conclusion shall be set forth.

[FORMER §8103 Competitive Bids] Ords. 29, 113, 114 and 144; repealed by Ord. 146; Section 451.9 added, as amended, by M.I. 32690 - April 10, 1979; paragraph (j) [formerly Section 451.9.10] amended by M.I. 33286 - June 10, 1980; paragraph (f) [formerly Section 451.9.6] amended by M.I. 34180 - April 13, 1982; paragraph (g) [formerly Section 451.9.7] amended by M.I. 34493 - December 7, 1982; paragraph (j) amended by M.I. 35350 - October 9, 1984; paragraph (k) [formerly Section 451.25] added by M.I. 34303 - July 13, 1982 and renumbered Section 451.24 - June 3, 1985; paragraph (b) [formerly Section 451.9.2] amended by M.I. 35992 - March 11, 1986. Sections 451.9 and 451.24 repealed and Section 8103 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (l) added by M.I. 36681 - June 9, 1987; paragraph (1)

amended by M.I. 37096 - April 12, 1988; amended by M.I. 37575 - March 14, 1989.; paragraphs (b), (f), (g), and (k) amended and paragraph (m) added by M. I. 44582 – August 20, 2001.

Former §8103 renumbered and renamed §8140 Competitive Procurement, paragraphs (b) (d) (e) (k) and (m) amended by M.I. 46371 - September 13, 2005; Numbered the first introductory paragraph as 1, repealed paragraph (d), renumbered paragraphs (e) through (m), added paragraph 2 by M.I. 48877 – November 8, 2011; amended paragraph 1 by M.I. 50322 - December 8, 2015.

§8141. Competitive Sealed Bidding.

(a) Except as otherwise provided in Section 8140, all contracts for public works estimated to cost \$25,000 or more shall be made upon competitive sealed bidding.

(b) For contracts other than public works contracts and for contracts estimated to cost less than \$75,000, the General Manager may prescribe the procedure for contracting, which may include competitive bidding as provided in this Article or as modified in the General Manager's discretion.

M.I. 46371 - September 13, 2005. Former §8110(c) Contracts Estimated to Cost Less Than \$25,000 remembered (b) amended and moved to new §8141 by M. I. 46371 - September 13, 2005; amended paragraph (b) by M.I. 50322 - December 8, 2015.

§8142. Prebid Procedures for Competitive Sealed Bidding.

(a) As used in this Section 8142, the term "applicants" includes prospective bidders and lower-tier contractors for contracts to be performed for the District.

(b) The notice inviting bids shall provide for the District's right to reject any and all proposals.

(c) The contracting procedure may provide one or more of the following:

(1) That, the General Manager shall determine the responsibility of applicants in advance of receipt of bids and that bidding shall be restricted to bidders determined by the General Manager to be responsible or that the performance of lower-tier contracts shall be restricted to lower-tier contractors determined by the General Manager to be responsible. In determining responsibility, the General Manager may consider:

(i) An applicant's experience in the design, construction, fabrication, assembly, or manufacture of works or materials similar to what will be called for under the contract documents;

(ii) The experience of others with the applicant in the construction, fabrication, assembly, or operation of similar works or materials designed, constructed, fabricated, or assembled by the applicant;

(iii) The physical plant, facilities, and equipment the applicant proposes to employ in the performance of a proposed contract or lower-tier contract;

(iv) The experience and expertise of an applicant's responsible managing personnel, key staff members, and other employees who would be assigned to the work if the applicant were awarded the contract or lower-tier contract;

(v) As to prospective bidders, the extent to which any part of the contract is to be performed by lower-tier contractors or suppliers;

(vi) The financial capability and resources of the applicant to perform the proposed contract or lower-tier contract; and

(vii) Any other factor bearing on the responsibility of an applicant.

(2) That, subject to standards to be set forth in the contract documents, each prospective bidder shall submit a technical proposal to the District and the responsiveness to the specifications of such proposal shall be determined by the General Manager in advance of receipt of bids and bidding shall be restricted to bidders determined by the General Manager to have furnished a technical proposal determined by the General Manager to be responsive.

Provisions implementing this Section 8142(c)(2) shall not be included in the contract documents unless the General Manager finds the following conditions to be true:

(i) There are no sufficiently definite or complete specifications or purchase descriptions available to permit free competition without engineering evaluation and discussion of the technical aspects of the procurement;

(ii) Criteria do exist for evaluating technical proposals, such as design, manufacturing, testing, and performance requirements; and special requirements for operational suitability and ease of maintenance; and

(iii) It is expected that more than one technically qualified source will be available, both initially and after technical evaluation.

(3) That, as a condition to submitting a bid or performing a specified portion of the proposed contract, an applicant shall comply with any and all conditions precedent determined by the General Manager to be necessary to enable the applicant to submit a bid to the District or to any other applicant, as the case may be, which takes into account all factors affecting performance of the work or portion of the work to be performed by the applicant.

(4) The General Manager may determine that an applicant is responsible to perform more than one contract for which notices inviting bids are to be posted and advertised after the date of the General Manager's determination. In the event of such prior determination, the General Manager may, at any time thereafter:

(i) Determine that an applicant is no longer responsible, or

(ii) Advertise and post additional notices requesting pre-qualification information and determine that additional applicants are responsible to perform contracts subsequent to the contract for which pre-qualification information is initially requested.

(d) In the event any applicant is determined by the General Manager not to be responsible or no longer responsible after previously having been determined to be responsible, or a prospective bidder's proposal is determined by the General Manager not to be technically

responsive to the contract documents, or the General Manager determines that a bidder or an applicant has failed to comply with a condition precedent, the General Manager shall set forth his or her determination in writing together with his or her reasons therefore and shall serve a copy of the determination and reasons on the bidder or applicant. The bidder or applicant may, within 10 days after service of the General Manager's decision, file with the Board Executive Secretary a notice of protest and demand for hearing by the Board.

(e) Any hearing requested pursuant to Section 8142(d) shall be conducted by the Board in accordance with the procedures provided for in Section 8148. The Board may, in its discretion, delegate its authority under Section 8142(d) or Section 8148 to a standing or ad hoc committee of the Board.

(f) In the event a decision on a bidder's or applicant's protest is made less than 20 days before the date set for the opening of proposals, such opening shall be postponed to a date not less than 20 days after the date of decision.

(g) Notwithstanding any provision to the contrary in this Section 8142, there shall be no right to a hearing on a bidder's or applicant's protest when the Executive Committee determines that award of contract is of an emergency.

[FORMER §8104 Prebid Procedures] Ords. 114, 136 and 144; repealed by Ord. 146; Section 451.3 added by M.I. 32690 - April 10, 1979; [former Section 451.3.6 amended by M.I. 34494 - December 7, 1982; former Section 451.3.5 and 451.3.6 renumbered 451.17.1.1 and 451.17.1.2 and amended by M.I. 36365 - November 18, 1986]; paragraph (e) [formerly Section 451.3.5] amended by M.I. 36365 - November 18, 1986. Section 451.3 repealed and Section 8104 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraphs (d) and (g) amended by M.I. 40004 - January 12, 1993.

Former §8104 renumber and renamed §8142 Prebid Procedures for Competitive Sealed Bidding, paragraphs (a), (c)(2), (c)(4)(i), (d), (e), and (g) amended by M.I. 46371 - September 13, 2005; paragraphs (c)(1)(vii), (d), and (e) amended by M.I. 48877 - November 8, 2011.

§8143. Specifications and Drawings for Competitive Sealed Bidding.

(a) Specifications and necessary drawings for the construction of public works shall be prepared by, or under the direction of, the General Manager or designee responsible for seeing the work performed.

(b) Specifications, including drawings, if any, shall be sufficient to clearly describe the work required to be done, the quality and properties of materials to be furnished, the results and performance required, and the method of payment for the work done and materials and equipment furnished.

[FORMER §8106 Specifications and Drawings] Ords. 113 and 114; repealed by Ord. 146; Section 451.8 added by M.I. 32690 - April 10, 1979. Section 451.8 repealed and Section 8106 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; former §8106 renumbered §8143 and renamed, and paragraph (a) amended by M.I. 46371 - September 13, 2005.

§8144. Posting and Advertising for Competitive Sealed Bidding.

(a) General. - No notice inviting bids for any contract required to be let upon competitive bidding shall be posted or advertised unless there is first prepared a complete set of contract documents detailing the terms of the agreement and the work to be performed, which set shall be available to any interested party.

(b) Public Works Contracts Estimated to Cost \$25,000 or More. - Whenever a contract required to be let upon competitive bidding is estimated to cost \$25,000 or more, a notice inviting bids shall be posted in a public place within the District and shall be published not less than once in a newspaper or periodical designated by the General Manager at least five days, exclusive of Saturday, Sunday and holidays, before the time for opening bids; provided, however, that the foregoing requirement shall not apply when bids will be considered only from bidders determined to be pre-qualified or whose technical proposal is determined to be responsive to the District's specifications, as determined under the procedure set forth in Section 8142.

(c) Other Notices. - A notice requesting pre-qualification information or a notice inviting technical proposals shall be posted and advertised in the manner required for the notice inviting bids for the proposed contract for which prospective bidders or prospective lower-tier contractors will be required to be pre-qualified or for which a technical proposal is requested; provided, however, that a notice inviting technical proposals need not be posted or advertised where bidding is restricted to bidders determined to be pre-qualified under the procedure set forth in Section 8142. Posting and advertising shall take place sufficiently in advance of the date of posting and advertising of the notice inviting bids to permit the General Manager to fully evaluate the information submitted in response thereto and to make a determination.

[FORMER §8110 Posting and Advertising] Ords. 23, 113, 114 and 144; repealed by Ord. 146; Section 451.10 added, as amended, by M.I. 32690 - April 10, 1979; paragraphs (b), (c) and (d) [formerly Sections 451.10.2 through 451.10.4] amended by M.I. 34619 - March 8, 1983. Section 451.10 repealed and Section 8110 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (b) and (d) amended, paragraphs (c)(1) and (c)(2) deleted, and paragraph (c)(3) renumbered and amended by M.I. 44582 - August 20, 2001.

Former §8110 renumbered and renamed §8144, paragraph (b) amended, paragraph (c) moved to §8141, and paragraph (d) renumbered (c) and amended by M.I. 46371 - September 13, 2005.

§8145. Evaluation of Bids.

(a) Unless otherwise directed by the Board, the General Manager shall compare all bids received pursuant to any notice inviting bids or other solicitation for compliance with the terms of the notice inviting bids or solicitation and shall determine the lowest responsive, responsible bid of all those received and, when award of contract is to be made by the Board, make a recommendation in writing to the Board.

(b) As permitted by law, the bids may be adjusted as stated in the notice requesting bids to include bid preference in furtherance of the District's Business Outreach goals.

[FORMER §8111 Evaluation] Ord. 114; repealed by Ord. 146; Section 451.11 added, as amended, by M.I. 32690 - April 10, 1979. Section 451.11 repealed and Section 8111 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; Former §8111 renumber §8145 and renamed, paragraph (a) amended and paragraph (b) added by M.I. 46371 - September 13, 2005.

§8146 Rejection of Bids.

The General Manager may reject all bids received, regardless of amount, but shall, whenever the lowest bid that is rejected is \$250,000 or more and the contract is recommended for award to another, report such action in the recommendation to the Board.

[FORMER §8112 Rejection of Bids] Ord. 136; repealed by Ord. 146; Section 451.12 added, as amended, by M.I. 32690 - April 10, 1979; amended by M.I. 33286 - June 10, 1980; amended by M.I. 35716 - July 9, 1985. Section 451.12 repealed and Section 8112 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 39036 - June 11, 1991; amended by M. I. 44582 - August 20, 2001; Former §8112 renumbered §8146 amended by M.I. 46371 - September 13, 2005.

[§8113 – Award. Repealed by M.I. 46371 - September 13, 2005]

§8147. Execution.

After award, all contracts required to be let upon competitive bidding shall be executed on behalf of the District by the General Manager unless otherwise directed by the Board.

[FORMER §8114 Execution.] Ords. 114 and 136; repealed by Ord. 146; Section 451.14 added, as amended, by M.I. 32690 - April 10, 1979. Section 451.14 repealed and Section 8114 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; Former §8114 renumber §8147 by M.I. 46371 - September 13, 2005.

§8148. Delegation of Hearing Power.

Hearings on Substitution of Subcontractors.

(a) Whenever the Board is required by Section 4107 of the Public Contract Code to hold a hearing the General Manager is authorized and directed to conduct such hearing, prescribe procedures therefore, give proper notice thereof, receive all evidence and testimony, rule on the admissibility of evidence, prepare a record of the proceedings, and submit such record and recommendations and based only upon such record, the Board shall make the determination required by law.

(b) The General Manager may consent to the substitution of another subcontractor for the subcontractor listed in a prime contractor's original bid whenever the listed subcontractor, after having been notified as required by law, fails to submit written objections within the time allowed by law and the General Manager determines that one of the grounds for substitution listed in Section 4107 of the Public Contract Code has been established to the General Manager's satisfaction.

(c) Any power delegated to the General Manager by this Section 8148 may be re-delegated by the General Manager to any officer or employee of the District.

[FORMER §8119 Delegation of Hearing Power.] Section 451.17 based on Res. 7656 - December 9, 1975; renumbered Section 451.17.1 through 451.17.3 by M.I. 32690 - April 10, 1979; paragraph (a) renumbered [formerly Sections 451.3.5 and 451.3.6, renumbered 451.17.1.1 and 451.17.1.2] and amended and paragraph (b) renumbered [formerly Sections 451.17.1 through 451.17.3, renumbered 451.17.2.1 through 451.17.2.3] by M.I. 36365 - November 18, 1986. Section 451.17 repealed and Section 8119 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (a)(2) amended by M.I. 39314 - November 19, 1991; paragraphs (a)(1) and (2) deleted and remainder of section renumbered by M.I. 40004 - January 12, 1993; paragraphs (a) and (b) amended by M.I. 41652 - November 14, 1995; Former §8119 renumbered §8148, and paragraph (c) amended by M.I. 46371 - September 13, 2005.

§8149. Best Value Procurement.

(a) Application – Whenever a contract other than a contract for public works is required to be competitively procured, but it is considered impractical or not advantageous to use the competitive sealed bidding method, a contract may be awarded by the best value method of procurement as provided in this Section. The Executive Officer or designee shall determine in writing that the best value method of procurement is practical or advantageous for a particular procurement prior to using this method.

(b) Posting and Advertising – Proposals shall be solicited through a request for proposals which shall be posted and advertised in a manner that provides adequate public notice of the request as determined by the Executive Officer.

(c) Evaluation Factors – The evaluation factors to be used in the determination of award and the numerical weighting for each factor shall be stated in the request for proposals.

(1) Contract cost must be a factor in the determination of the award.

(2) Evaluation factors may be defined to include, but are not limited to, the following:

- (i) Operational and other future costs and risks that the District would incur if the proposal is accepted;
- (ii) Quality and benefits of the product or service or its technical competency;
- (iii) Quality and effectiveness of management approach and controls;
- (iv) Qualifications of personnel and management team;
- (v) Financial stability of the prospective contractor;
- (vi) Past performance and past experience; and
- (vii) Furtherance of the District's Business Outreach Program goals.

(d) Evaluation of Proposals

(1) Proposals shall be evaluated on the basis of the criteria stated in the request for proposals and by adhering to the weighting as assigned. Award will be made to the bidder whose proposal is determined to be the most advantageous to the District, except that the Executive Officer may reject all proposals received.

(2) Where the best value proposal is not the lowest price proposal from a responsive, responsible bidder, that selection shall be based on a written determination by the Executive Officer or designee that the superiority of the selected proposal warrants the additional costs.

M.I. 46371 - September 13, 2005.

Article 4

CONTRACT TERMS AND CONDITIONS

Sec.

8160. Bonds

8161. Non-Discrimination Practices in District Contracts

8162. Payment of Prevailing Wages

§ 8160. Bonds.

(a) Every contract involving in excess of \$25,000 for the construction of public works shall be accompanied by a payment bond executed by a corporate surety authorized to do business in California, approved by the General Manager. The payment bond shall contain the provisions required by Title 15 of Part 4 of Division 3 of the Civil Code.

(b) Every contract involving in excess of \$100,000 for the construction of public works or for the purchase of equipment, materials or supplies specially made or fabricated to District plans and specifications must be accompanied by a performance bond in an amount fixed by the General Manager and executed by a corporate surety authorized to do business in California, approved by the General Manager, or by a cash guarantee deposit in like amount. The General Manager may require performance bonds for contracts of \$100,000 or less.

(c) Bidder's Bond. - Whenever a performance bond is required under Section 8160(b), the General Manager may require bids with respect to such work or purchase to be accompanied by either a certified or cashier's check, or bidder's bond executed by a corporate surety authorized to engage in such business in California, made payable to the District. Such check or bond shall be in an amount not less than specified in the notice inviting bids or, if no amount be so specified, then in an amount not less than 10 percent of the aggregate amount of the bid, and shall guarantee that the successful bidder will enter into a contract with the District on the terms stated in his or her proposal within the time specified in the contract documents.

[FORMER §8105 Bonds.] Ords. 29, 113, 114, 122 and 130; repealed by Ord. 146; Section 451.7 and Section 451.5 added, as amended, by M.I. 32690 - April 10, 1979; paragraphs (a) and (b) [formerly Sections 451.7.1 and 451.7.2] amended by M.I. 33481 - November 18, 1980. Sections 451.7 and 451.5 repealed and Section 8105 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraphs (a)-(c) amended by M. I. 44582 – August 20, 2001; Former §8105 renumbered §8160 and paragraphs (a) (b) and (c) amended by M.I. 46371 - September 13, 2005.

§ 8161. Non-Discrimination Practices in District Contracts.

The General Manager is authorized to adopt a program to promote equal employment opportunities and non-discrimination practices in all District contracts involving an estimated cost exceeding \$25,000.

[FORMER §8107.] Section 451.6 - M.I. 30757 - March 11, 1975; renumbered Section 451.22 by M.I. 32690 - April 10, 1979; renumbered Section 451.21 - June 3, 1985. Section 451.21 repealed and Section 8107 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M. I. 44582 – August 20, 2001; Former §8107 renumbered §8161 by M.I. 46371 - September 13, 2005.

§ 8162. Payment of Prevailing Wages.

If not otherwise required, the General Manager is authorized to include provisions relating to the payment of prevailing wages in service contracts at his or her discretion.

[FORMER §8108] Section 451.6 - M.I. 30867 - May 13, 1975; renumbered 451.23 by M.I. 32690 - April 10, 1979; renumbered Section 451.22 - June 3, 1985. Section 451.22 repealed and Section 8108 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; Former §8108 renumbered §8162 by M.I. 46371 - September 13, 2005.

Article 5

CONTRACTOR DEBARMENT

Sec.

8170. Definitions

8171. Purpose of Debarment

8172. Bases of Debarment

8173. Initiation of Debarment Actions

8174. Respondent Request for a Hearing

8175. Conduct of the Hearing

8176. Rights of Parties

8177. Evidence

8178. Decision

8179. Early Termination of Debarment

§ 8170. Definitions.

- (a) “Affiliate” means one of two entities and/or persons that, directly or indirectly, controls the other or has the power to control the other, or a third person or entity that has the power to control both.
- (b) “Civil Judgment” means a decision in a civil action at the trial or appellate level by any court of competent jurisdiction, whether entered by verdict, settlement, stipulation, or any other means that creates a civil liability for the wrongful acts complained of.
- (c) “Contractor” means persons, partnerships, corporations, joint ventures and their constituent parties, and other entities, including such entities’ officers, principals, employees, and agents, that contract directly or indirectly (e.g. as a subcontractor or through an Affiliate) with, or are seeking to contract with, the District to provide goods and services for, or on behalf of, the District pursuant to this Chapter. Contractor does not include persons, partnerships, corporations, joint ventures, or other entities contracting with the District to provide professional and technical services pursuant to this Chapter.
- (d) “Debarment” means an exclusion from bidding in response to a District solicitation for the procurement of goods and services, from being awarded a public work contract pursuant to this Chapter, or from working on a public work contract awarded pursuant to this Chapter.
- (e) “Debarring Official” means the Chair of the Board of Directors of the District, who is responsible for establishing debarment proceedings and making final determinations with respect to debarment actions.
- (f) “District” means the Metropolitan Water District of Southern California, acting through its Board of Directors or through any officer with powers delegated by the Board of Directors. “Executive Review Panel” means a three-member panel consisting of present members of the Board of Directors designated by the Debarring Official to preside over contractor debarment hearings. Members of the panel shall not have been involved in the

investigation of the grounds for debarment or have a financial interest in the matters giving rise to the debarment action or a financial relationship with the Respondent.

- (g) “Ex Parte Communication” means any communication with a decision-maker, whether direct or indirect, oral or written, concerning the merits of a pending proceeding which is made by one party in the absence of the other party.
- (h) “Hearing Officer” means a member of the Executive Review Panel designated by the Debarring Official to preside over the debarment proceedings.
- (i) “Initiating Official” means the General Manager, or his/her designee, who is responsible for initiating and prosecuting debarment actions. “Preponderance of the Evidence” means evidence which is of greater weight or more convincing than the evidence offered against it.
- (j) “Respondent” means any Contractor that has been served a written notice of proposed debarment pursuant to these regulations.

M.I. 48877 – November 8, 2011.

§ 8171. Purpose of Debarment.

The purpose of debarment from contracting with the District is two-fold: to protect the District and its rate-payers from the financial, legal, and operational consequences of doing business with dishonest, unethical, or otherwise irresponsible contractors and to ensure Contractor compliance with District regulations and generally applicable law. The District shall have the authority to debar a Contractor through the procedures described in this Article.

M.I. 48877 – November 8, 2011.

§ 8172. Bases for Debarment.

The District may debar a Contractor upon a finding of non-responsibility based on one or more of the following:

- (a) A criminal conviction of the Contractor in connection with obtaining, attempting to obtain, or performing a public contract or transaction;
- (b) A civil judgment involving fraud, the commission of a criminal offense, or a violation of the False Claims Act (California Government Code §§ 12650 et seq.), unfair competition laws, contractor licensing laws, or subcontractor listing laws, in connection with obtaining, attempting to obtain, or performing a public contract or transaction;
- (c) A violation by the Contractor of state or federal regulations pertaining to any aspect of the performance of a public contract or transaction resulting in a threat to the health or safety of the contractor’s employees, any other persons involved with the contract or transaction, or the general public;
- (d) A violation by the Contractor of state or federal antitrust statutes or of any law, regulation, or agreement relating to conflict of interest, including but not limited to price fixing, bid rigging, or bid collusion, with respect to government-funded procurement.
- (e) Noncompliance by the Contractor with state or federal laws or regulations pertaining to labor and employment standards, including those involving workplace safety and prevailing wages;

- (f) Falsification of any document relating to a bid in response to a District solicitation for the procurement of goods and services or a public work contract entered into pursuant to this Chapter;
- (g) Concealment, withholding, and/or destruction by the Contractor of records it is required by law or contract to maintain;
- (h) A pattern or practice by the Contractor of false claims, certifications, or statements or fraud in performance or billing;
- (i) A pattern or practice by the Contractor of submitting frivolous or overstated contract claims;
- (j) A pattern or practice by the Contractor of seeking or knowingly accepting non-public information relating to a solicitation in advance of the District's public disclosure of the information, in violation of the terms of that solicitation and in an attempt to gain a competitive advantage in the District's solicitation process;
- (k) Willful failure by the Contractor to perform in accordance with the terms and conditions of one or more public contracts with the District;
- (l) Gross negligence by the Contractor in its performance under one or more public contracts with the District; or
- (m) Debarment of the Contractor by any other governmental agency.

M.I. 48877 – November 8, 2011.

§ 8173. Initiation of Debarment Actions.

The Initiating Official shall initiate a debarment proceeding by serving upon the Respondent a written notice of proposed debarment by certified mail or personal service. The notice shall include the following:

- (a) A statement that debarment is being considered;
- (b) A listing of the bases for the proposed debarment, a detailed discussion of the facts underlying each basis, and documentary evidence supporting those facts;
- (c) The proposed period of debarment and the proposed effective date;
- (d) A statement regarding whether, upon good cause shown, the Respondent shall be temporarily excluded from bidding in response to District solicitations for the procurement of goods and services, pending the outcome of the debarment action;
- (e) A statement that the debarment will not become effective until after a hearing if such hearing is requested within thirty (30) days by the Respondent following receipt of the notice; and
- (f) A statement that, if no hearing is requested within thirty (30) days following receipt of the notice, an Executive Review Panel shall render a recommended decision to the Debarring Official based on the submissions of the Initiating Officer and the Respondent.

M.I. 48877 – November 8, 2011; amended paragraph (f) by M.I. 50498 – June 14, 2016.

§ 8174. Respondent Request for a Hearing.

- (a) The Respondent may file a written response and, if desired, request a hearing before an Executive Review Panel. The written response shall be served within 30 days following receipt of a notice of proposed debarment, and shall include a concise statement admitting, denying, or explaining each of the allegations set forth in the notice. The Respondent may also include copies of any supporting documentary evidence pertinent to the proposed debarment and may also include a request for discovery that concisely identifies information sought from the District. For good cause shown, the Debarring Official shall permit limited discovery within prescribed time limits and /or a supplemental response to the Notice of Proposed Debarment. The written response shall be addressed to the Debarring Official, delivered by certified mail or personal service to the Chair of the Board of Directors, Metropolitan Water District of Southern California, Box 54143, Los Angeles, California 90054-0153. A copy of the written response shall be served upon the Initiating Official by certified mail or personal service at the address indicated on the Initiating Official's Notice of Proposed Debarment.
- (b) Not more than 15 days following service of the Respondent's written response, the Initiating Official may submit to the Hearing Officer and the Respondent a reply to the materials submitted by the Respondent in its response to the Notice of Proposed Debarment, and may request a hearing before an Executive Review Panel.
- (c) Within 15 days of a timely request seeking a hearing, the Debarring Official shall issue an order granting the request, appointing an Executive Review Panel and a hearing officer, establishing the date, time and location of the hearing, and stating that the hearing will proceed and debarment may result even if the Respondent does not appear. The hearing date shall be no less than 30 days and no more than 60 days from the date of the issuance of the order granting the request for a hearing.
- (d) If the Respondent does not serve a timely written response to the Notice of Proposed Debarment, the Executive Review Panel shall render a recommended decision to the Debarring Official based upon the submission of the Initiating Officer within 45 days following service of the Notice of Proposed Debarment on the Contractor. If the Respondent serves a timely written response to the Notice of Proposed Debarment, the Executive Review Panel shall render a recommended decision to the Debarring Official within 30 days after receipt of all timely written submissions, or within 30 days after completion of the scheduled hearing, whichever last occurs.

M.I. 48877 – November 8, 2011.

§ 8175. Conduct of the Hearing.

The Hearing Officer shall have authority to:

- (a) Regulate the course of the hearing and the conduct of the parties;
- (b) Administer oaths and affirmations;
- (c) Receive evidence and examine witnesses;
- (d) Rule upon offers of proof, admissibility of evidence, and matters of procedure;
- (e) Maintain discipline and decorum and exclude from the hearing any person acting in an indecorous manner;

- (f) Render, on behalf of the Executive Review Panel, a final recommended decision to the Debarring Official; and
- (g) Take any further action as may be necessary to properly preside over the debarment proceeding and render a final recommended decision.

M.I. 48877 – November 8, 2011.

§ 8176. Rights of Parties.

All parties to the proceeding shall have the right to do any or all of the following:

- (a) Present evidence, orally or through the submission of documents, relevant to the issues;
- (b) Cross examine opposing witnesses on any matter relevant to the issues;
- (c) Impeach any witness irrespective of which party first called the witness to testify; and
- (d) Rebut evidence submitted by the other party.

M.I. 48877 – November 8, 2011.

§ 8177. Evidence.

- (a) Oral testimony shall be taken only on oath or affirmation.
- (b) Evidence presented at the hearing shall be limited to the bases for debarment stated in the Initiating Official's notice of proposed debarment.
- (c) The parties shall exchange, and provide copies to the Executive Review Panel, all exhibits each party intends to offer at the hearing (other than exhibits exclusively used for impeachment or rebuttal) and a list of all witnesses to be called at least five (5) days in advance of the hearing.
- (d) Unless otherwise ordered by the Hearing Officer, parties must provide the Hearing Officer four (4) copies of all documentary evidence presented at the hearing.
- (e) The hearing need not be conducted according to technical rules relating to evidence and witnesses. Any relevant evidence, including hearsay, shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs. The rules of privilege shall be effective to the same extent that they are recognized in civil actions, and irrelevant and unduly repetitious evidence shall be excluded.
- (f) Ex parte communications with the Executive Review Panel and the Debarring Official are prohibited throughout the debarment proceedings.

M.I. 48877 – November 8, 2011.

§ 8178. Decision.

- (a) The Executive Review Panel shall review all evidence submitted in the proceeding and determine, by majority vote, whether debarment of the Respondent is appropriate and the period of such debarment. The period of debarment shall not exceed ten (10) years.

- (b) The standard of proof to be employed by the Executive Review Panel is Preponderance of the Evidence. The Initiating Official has the burden of proving that one or more bases for debarment exist. If the alleged basis for debarment is a criminal conviction or a Civil Judgment under Section 8172(a) or (b), the Initiating Official's burden will be met by submitting evidence of the criminal conviction or civil judgment.
- (c) The Hearing Officer shall, on behalf of the Executive Review Panel and within fifteen (15) days after the conclusion of the hearing, submit a final recommended decision to Debarring Official. Such decision shall include a summary of the evidence, a determination with respect to debarment, and the conclusions underlying the decision.
- (d) Within thirty (30) days of receiving the final recommended decision of the Executive Review Panel, the Debarring Official shall review the recommendation and affirm, reject, or modify it. Debarment may only be imposed upon a finding that a (1) cause for debarment exists and (2) debarment is necessary to protect the District's interests. The Debarring Official's decision shall be in writing, signed by the Debarring Official, and transmitted by to the Respondent by certified mail.
- (e) The period of debarment shall be based upon (1) the actual or potential harm that resulted or may result from the Contractor's actions or inactions, (2) the frequency, number, and duration of the incidents giving rise to the debarment, and (3) whether the Contractor's conduct involve gross negligence, willful misconduct, or a reckless disregard for the consequences of that conduct.

M.I. 48877 – November 8, 2011.

§ 8179. Early Termination of Debarment

Anytime after two (2) years from the date a Contractor has been debarred from doing business with the District, the Contractor may request to be removed from the list of debarred contractors. The request to terminate debarment must be submitted to the Debarring Official and must detail corrective actions the Contractor has taken to address the conduct leading to its debarment. Evidence of these corrective actions must be submitted with the request and must establish that the corrective actions taken by the Contractor has adequately remedied the problems leading to the debarment and that the Contractor has, since its debarment, satisfactorily performed for other entities the same type of services for which it was originally debarred. Upon receipt of the request to terminate debarment, the Debarring Official shall appoint a three-member panel, consisting of present members of the Board of Directors, to review the request and determine by majority vote if a termination of the debarment is in the best interests of the District. The Debarring Official shall provide the Contractor with written notice of the decision of the panel within sixty (60) days of the receipt of the request to terminate debarment.

M.I. 48877 – November 8, 2011.

Chapter 2

DISTRICT PROPERTY

Article	Sec.
1	General Provisions
2	Acquisition of Real Property
3	Management of Real Property
4	Disposal of Real Property
5	Disposal of Surplus Personal Property

Article 1

GENERAL PROVISIONS

Sec.
8200. Definitions
8201. Authorization to General Manager
8202. Restriction on District Directors and Employees

§ 8200. Definitions.

As used in this Chapter 2:

(a) Real property means the fee estate in land, including improvements or minerals therein, the fee estate in minerals in land, or any real property interest as defined in Section 8200(b).

(b) Real property interest means the interest created by an easement in, or a lease or license or permit to use, real property.

(c) Personal property means property upon but severed from, or otherwise not affixed to, real property.

(d) Acquisition price means the amount paid by the District for the acquisition of real property.

(e) Disposal price means the amount received by the District for the disposal of District real property.

(f) Annual payment means (1) the amount paid annually by the District for the grant of any real property interest to the District; or (2) the amount received annually by the District for the grant of any real property interest.

(g) Qualified appraiser means a professional appraiser who is either an independent appraiser or an employee of the District, and who has been determined by the General Manager to be qualified to appraise real property after demonstrating to the General Manager's satisfaction a relevant and acceptable combination of training, experience, common sense, professional designation, license, if legally required, and, in the case of an independent appraiser, reputation and availability.

Section 461.1 based on Res. 7313 - January 12, 1971; amended by M.I. 32671 - April 10, 1979 and M.I. 32690 - April 10, 1979; paragraphs (b)(1) through (b)(4) [formerly 461.1.3.1 - 461.1.3.4] amended by M.I. 34433 - October 12, 1982. [Former Section 461.1.1 - repealed by M.I. 35951 - February 11, 1986] Section 461.1 repealed and Section 8200 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 36758 - August 18, 1987; paragraph (b)(4) amended by M.I. 39355 - December 10, 1991; former Section 8200 repealed (paragraph (b)(1) became part of Section 8220; paragraph (b)(2), (3) and (4) became part of Section 8221 (a), (b) and (c)) and new Section 8200 adopted by M.I. 39982 - December 8, 1992.

§ 8201. Authorization to General Manager.

The General Manager is authorized to acquire, manage, and dispose of real property on behalf of the District in accordance with Articles 2, 3, and 4, and to dispose of District surplus personal property in accordance with Article 4, of this Chapter 2, or any action by the Board, by documents which shall be approved as to legality by the General Counsel.

Res. 6615 - November 17, 1964. Section 461.3 repealed and Section 8201 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (b) added by M.I. 36758 - August 18, 1987; former Section 8201 repealed (paragraph 8201 (b) became part of new Section 8224) and new Section 8201 adopted by M.I. 39982 - December 8, 1992.

§ 8202. Restriction on District Directors and Employees.

District directors and employees, their spouses and dependent children may not acquire real or personal property owned by the District, or make exchange for any such property, or represent in any manner a prospective lessee, licensee, permittee, or purchaser of, or party seeking to make exchange for, any such property.

M.I. 36758 - August 18, 1987; former Section 8202 amended and renumbered to Section 8226, and new Section 8202 derived and amended from Section 8272 adopted by M.I. 39982 - December 8, 1992.

Article 2

ACQUISITION OF REAL PROPERTY

Sec.

8220. Authority to Procure Options

8221. Authority to Acquire Real Property; Appraisal

8222. Terms and Conditions of Acquisition Documents

8223. Payment of Expenses for Acquisitions

8224. Recordation of Notices of Public Easements

8225. Adoption of Resolutions of Necessity

8226. Relocation Assistance Programs

§ 8220. Authority to Procure Options.

The General Manager is authorized to procure options for the purchase of any real property which the General Manager determines to be required for District purposes at a price not more than the lesser of \$250,000 or the appraised market value for an option to purchase contract which shall have been determined by a qualified appraiser who may be either an employee of the District or an independent appraiser.

Section 461.8 based on Res. 6931 - February 14, 1967. Section 461.8 repealed and Section 8220 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; former Section 8220 replaced by Section 8240 and new Section 8220 derived and amended from former Section 8200(b)(1) adopted by M.I. 39982 - December 8, 1992.

§ 8221. Authority to Acquire Real Property; Appraisal.

The General Manager is authorized to acquire any real property which the General Manager determines to be required for District purposes as provided herein:

(a) When the acquisition price or the annual payment therefor is less than \$10,000, it shall have been determined by a qualified appraiser to be the fair market value thereof. If the acquisition price, including any option price paid, or annual payment is \$10,000 or more but less than \$500,000, the real property shall have been appraised prior to acquisition by a qualified appraiser.

(b) If the acquisition price or annual payment for any real property is \$500,000 or more, the real property shall have been appraised prior to acquisition by a qualified appraiser who shall be an independent appraiser, and, if deemed appropriate by the General Manager, by a second qualified appraiser.

(c) The acquisition price or annual payment shall not exceed the lesser of 110 percent of or \$250,000 over the appraised value of the property established by the single appraisal if only one appraisal is obtained, or by the higher of the two appraisals if two appraisals are obtained, unless otherwise approved by the Board. In addition, if an action has been filed by the District to acquire the property by eminent domain, then either the General Manager, by contract to purchase the property upon payment of the acquisition price as provided above, or the General Counsel, by stipulated judgment in an action to acquire the property upon such payment, may

pay an amount equal to interest thereon that would be required to be paid if the property were otherwise acquired by judgment in condemnation under the California Eminent Domain Law.

(d) If the General Manager recommends adoption by the Board pursuant to Section 8225 of a resolution of necessity to acquire real property by eminent domain, the General Manager shall first make the offer required by law to purchase the real property. Such offer to purchase shall be made for a price not less than the highest appraised value established by appraisal(s) prepared for, and approved by, the General Manager.

(e) In any action in eminent domain filed by the District, or any inverse condemnation action filed against the District alleging a taking of real property, the General Counsel is authorized to acquire the property by stipulated judgment providing for payment of not more than the acquisition price which the General Manager is authorized to pay by Section 8221(c), unless otherwise authorized by the Board, together with interest thereon as provided in Section 8221(c).

(f) The General Manager, and the General Counsel in the event of litigation, is authorized to acquire any remainder, or portion of a remainder, in connection with acquisition of real property for District purposes whenever any appraisal obtained by the District of the required property establishes that the remainder or portion thereof will be left in such size, shape or condition as to be of little market value. The acquisition price of the real property, including the remainder, shall not exceed the limit set forth in paragraph (c) without prior approval by the Board.

(g) The General Manager is authorized pursuant to Government Code Section 27281 to accept deeds or grants of any real property acquired pursuant to this Section 8221 and cause the same to be recorded on behalf of the District.

Section 461.9 based on Res. 4315 - September 15, 1953. Section 461.9 repealed and Section 8221 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; former Section 8221 replaced by new Section 8243 and new Section 8221 derived and amended from former Section 8200 (b)(2), (3) and (4) adopted by M.I. 39982 - December 8, 1992; paragraph (e) amended by M.I. 40174 - April 13, 1993; paragraph (e) amended by M.I. 41633 - November 14, 1995; paragraph (e) amended by M. I. 45943 - October 12, 2004; paragraph (d) amended by M. I. 47286 - November 20, 2007.

§ 8222. Terms and Conditions of Acquisition Documents.

The documents by which any real property is acquired for District purposes shall contain such terms and conditions as the General Manager deems to be reasonable and proper.

Section 461.11 based on Res. 7135 - November 19, 1968; paragraph (b) [formerly Section 416.11.2] amended by M.I. 32690 - April 10, 1979; paragraph (c) [formerly Section 416.11.3] amended by M.I. 34174 - April 13, 1982; paragraph (a) [formerly Section 416.11.1] amended by M.I. 35592 - April 9, 1985; paragraph (a) amended by M.I. 36034 - April 8, 1986. Section 461.11 repealed and Section 8222 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; former Section 8222 replaced by new Section 8240 and new Section 8222 adopted by M.I. 39982 - December 8, 1992.

§ 8223. Payment of Expenses for Acquisitions.

The General Manager is authorized to pay the following expenses, where applicable, connected with the acquisition of real property, provided that such expenses do not exceed \$250,000 for each acquisition:

(a) All fees charged by an escrow holder for services rendered.

- (b) The charge made for a reconveyance.
- (c) Any premium payable for a policy of title insurance.
- (d) The cost of obtaining copies of documents referred to in title reports and records relating thereto.
- (e) Any documentary tax lawfully payable by the seller.
- (f) Any cost for an independent appraisal ordered by the property owner up to the amount required by, and in accordance with, the provisions of the Eminent Domain Law.
- (g) Any other expenses required to eliminate or minimize potential risks or liabilities associated with the acquisition of real property.

Ords. 29, 113 and 124; repealed by Ord. 146; Section 461.12 added, as amended, by M.I. 32690 - April 10, 1979. Section 461.12 repealed and Section 8223 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (a) amended by M.I. 36758 - August 18, 1987; former Section 8223 replaced by new Section 8242 and new Section 8223 adopted by M.I. 39982 - December 8, 1992; new paragraph (f) added and renumbered by M. I. 47286 - November 20, 2007.

§ 8224. Recordation of Notices of Public Easements.

The General Manager is authorized to comply with the Streets and Highway Code in order to cause to be recorded in the name of the District a document in the form of a notice of public easement for District facilities in the event of the vacation of any public street or highway in which the facilities are installed pursuant to Section 142 of the Metropolitan Water District Act.

Section 451.2 based on Res. 7178 - May 13, 1969; amended and renumbered Section 451.18 by M.I. 32690 - April 10, 1979. Section 451.18 repealed and Section 8224 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; former Section 8224 replaced by new Section 8242 and new Section 8224 derived and amended from former Section 8201 (b) by M.I. 39982 - December 8, 1992.

§ 8225. Adoption of Resolutions of Necessity.

The General Manager shall give the notice and the Board of Directors shall hold the hearing required of the Board by Code of Civil Procedure Section 1245.235(c). The hearing shall be attended by not less than a quorum of the Board.

Section 461.17 based on M.I. 22279 - July 24, 1962; renumbered Section 461.18 by M.I. 32690 - April 10, 1979; renumbered Section 461.16 - June 3, 1985. Section 461.16 repealed and Section 8225 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; former Section 8225 replaced by new Section 8242 and new Section 8225 previously Section 8207 (Derivation of Section 8207: Section 461.19 - M.I. 36326 - October 14, 1986. Section 461.19 repealed and Section 8207 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; former Section 8225 replaced by new Section 8242 and new Section 8225 previously Section 8207 adopted by M.I. 39982 - December 8, 1992; paragraphs (a) and (b) amended by M.I. 42193 - December 10, 1996; paragraphs (a) and (b) amended by M.I. 43692 - August 17, 1999; paragraph (a) amended and paragraph (b) deleted by M. I. 44582 - August 20, 2001.

§ 8226. Relocation Assistance Program.

The General Manager is authorized to implement a relocation assistance program, including a relocation assistance appeals procedure where required, in connection with the acquisition of real property, in accordance with Government Code Section 7260 et seq., and California Code of Regulations, Title 25, Article 1, Section 6000, et seq., and Article 5, Section 6150, et seq.

Section 461.18 based on Res. 7002 - August 8, 1967; renumbered Section 461.19 by M.I. 32690 - April 10, 1979; renumbered Section 461.17 - June 3, 1985. Section 461.17 repealed and Section 8226 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 36758 - August 18, 1987; former Section 8226 replaced by new Section 8241 and new Section 8226 derived and amended from former Section 8202 adopted by M.I. 39982 - December 8, 1992.

Article 3

MANAGEMENT OF REAL PROPERTY

Sec.

8230. Grants of Real Property Interests

8231. Appraisal of Real Property Interests

8232. Terms and Conditions of Management Documents

8233. Consent to Subdivision

§ 8230. Grants of Real Property Interests.

(a) The General Manager is authorized to grant to public entities, public utilities, private persons and private entities, any real property interests in District real property that will not interfere with the District's operations; provided, however, that: (1) any such grant to a public entity or public utility is required for its operations; (2) the consideration for any one such grant (annual payment in the case of any lease, license or permit) to a private person or private entity is less than \$250,000; and (3) if it will be necessary for District facilities to be relocated or protected in order to avoid interference from the use of the real property interest, the General Manager shall obtain approval of a relocation or protection agreement by the Board prior to granting such real property interest, except as to any agreement which the General Manager is authorized to execute pursuant to Section 8122(c).

(b) Prior to granting any authorization to use District real property, the General Manager shall determine that the proposed use shall not damage, delay, hinder, or otherwise obstruct, the safe and effective use, operation or maintenance of the District's rights of way, conveyance, distribution, treatment or other facilities and equipment, or any activities associated with the operation and protection of the District's system. The General Manager shall further determine that the proposed use will be compatible with the District's existing and planned operations, and District objectives related to sustainability, and stewardship of publicly-owned property, rights-of-way, and facilities.

(c) The following real property transactions shall require Board approval: (i) a purchase or sale; (ii) a grant of any interest or partial interest having a duration greater than five years; and (iii) all term extensions having a duration greater than five years.

Section 8240 derived and amended from former Section 8220 and 8222 adopted by M.I. 39982 - December 8, 1992; Section reference 8118(a)(3) amended to read Section 8122(c) by M. I. 46371 – September 15, 2005; former paragraph numbered as paragraph (a), paragraphs (b) and (c) added by M.I. 48766 - August 16, 2011; paragraph (c) amended by M.I. 49187 - September 11, 2012.

§ 8231. Appraisals of Real Property Interests.

(a) The General Manager shall have any real property interest proposed to be granted appraised as follows:

(i) When the value of the property to be granted is less than \$10,000, the value shall be based on the opinion of a qualified appraiser;

(ii) When the value of the property to be granted is greater than \$10,000, but less than \$250,000, the fair market value of the property shall have been appraised by a qualified appraiser;

(iii) When the value of the property to be granted is greater than \$250,000, the fair market value of the property shall have been appraised by a qualified appraiser who shall be an independent appraiser, and, if deemed appropriate by the General Manager, by a second qualified appraiser. The grant of any real property interest exceeding \$250,000 in fair market value shall require approval of the Board.

(b) The grant of any real property interest by the General Manager shall be at fair market value, as determined by the appraisal, unless the General Manager determines that the grant will directly benefit or enhance the District's interests, operations, facilities, or property. Direct benefit or enhancement is defined as a benefit that increases the value of, or reduces the cost to maintain or operate, the District's real property, water storage, conveyance, and distribution systems, the District's transmission and electrical systems, the District's environmental reserves and mitigation properties, or other interests or activities related to the purposes and authority of the District.

(c) In the event that the grant of any real property interest by the General Manager is to a nonprofit entity, a direct benefit may be shown if the purposes for which the entity promotes, educates, researches, or develops water protection, water conservation, environmental conservation, or other similar purpose. Notwithstanding the foregoing, unless a mutual benefit can be determined, if such nonprofit entity engages in commercial activities on the District's real property under a lease, license, permit or other authorization, the grant shall be conditioned upon payment to Metropolitan of additional consideration based on the proposed use and profitability of the activity to take place on the property.

Section 8241 derived and amended from former Section 8226 adopted by M.I. 39982 - December 8, 1992; Former paragraphs renumbered from (a)-(c) to (i)-(iii), paragraphs (a)- (c) added, paragraph (d) deleted by M.I. 48766 - August 16, 2011.

§ 8232. Terms and Conditions of Management Documents.

Documents conveying real property interests which the General Manager is authorized to grant by this Article 3, shall contain such terms and conditions, as the General Manager deems to be reasonable and proper, but shall include, as a minimum, the following:

(a) Any lease, permit or license to use District real property, other than a lease to a public entity or a public utility or for telecommunication purposes, shall be subject to cancellation upon order of either the Board or the General Manager upon no more than one year's written notice to the lessee, permittee or licensee.

(b) Any lease, permit or license to use District real property shall contain insurance and indemnification, defense, and hold harmless provisions protecting the District against liability arising from use of such property thereunder.

(c) The District may charge reasonable fees, including recovery of administrative and operational costs associated with the processing of documents conveying real property interests.

Section 8242 replaced former Sections 8223, 8224, and 8225, adopted by M.I. 39982 - December 8, 1992; paragraph (a) amended by M.I. 42407 - May, 13, 1997; Paragraph (a) amended by M.I. 43006 - June 9, 1998; Paragraph (a) amended, paragraph (c) added by M.I. 48766 - August 16, 2011.

§ 8233. Consent to Subdivision.

The General Manager is authorized to consent on behalf of the District to the subdivision of real property owned by a subdivider, subject to any easement owned by the District, and to consent to recordation of the subdivision map provided that the certification expressing such consent shall reserve to the District any such easement in the property so subdivided.

Section 8243 derived and amended from former Section 8221 adopted by M.I. 39982 - December 8, 1992.

Article 4

DISPOSAL OF REAL PROPERTY

Sec.

8240. Preliminary Requirements

8241. Authority for General Manager to Sell or Lease Surplus Real Property;
Restriction on District Directors and Employees

8242. Quitclaims

8243. Disposal of Unnecessary Improvements

8244. Auction by District Staff

8245. Open Listing

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8247. Auction by Professional Auctioneers

8248. Required Deposit

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8250. Zoning

8251. Policy of Title Insurance

8252. Completion of Sale

8253. Forfeiture of Deposits

8254. Exceptions to Public Sale Requirements

8255. Reservation of Oil, Gas and Mineral Rights

8256. Retention of Oil and Mineral Rights

8257. Quarterly Reports

8258. Statement re Encumbering of Property

§ 8240. Preliminary Requirements.

The General Manager shall establish a procedure for the continuous review of real property owned by the District for the purpose of determining which of such property is surplus to the District's needs. When the General Manager determines that property is surplus, the General Manager shall notify the Real Property and Asset Management Committee of that determination, unless the estimated value of the property is less than \$75,000.

(a) If the Real Property and Asset Management Committee does not overrule such determination and the estimated value of the property is \$75,000 or more, the General Manager shall:

(1) Notify the Real Property and Asset Management Committee of the estimated value of the property and recommend the appropriate marketing procedure authorized by this Article 4;

(2) Cause the property to be appraised by one or more independent appraisers.

(b) If the estimated value of the property is less than \$75,000, the General Manager shall cause the property to be appraised by a member of the staff of the General Manager or an independent appraiser, and disposed of as authorized by Article 4;

(c) The General Manager shall comply with the California Environmental Quality Act and the legal requirements pertaining to the disposition of property in cities or counties which have a general plan. If upon such compliance, any official body objects to the proposed sale, the Board of Directors shall first expressly uphold or reject the objections. There being no objections, or the objections having been rejected, and the appraisal or appraisals having been completed, the General Manager may then sell or lease the surplus property under the provisions of this Article 4.

Section 461.10.1 based on Res. 7647 - July 8, 1975. Section 461.10.1 repealed and Section 8240 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 36758 - August 18, 1987; amended by M.I. 37311 - September 20, 1988; paragraph (a)(1) amended by M.I. 42193 - December 10, 1996; paragraphs (a), (a)(1), (b) and (c) amended by M. I. 44582 - August 20, 2001; paragraphs (a) (1), (b), and (c) amended by M. I. 46838 - October 10, 2006; paragraphs (a) and (a)(1) amended by M.I.46983 - February 13, 2007; paragraphs (a)(1) amended by M.I. 48534 - January 11, 2011; paragraphs (a) and (a) (1) amended by M.I. 48624 - April 12, 2011.

§ 8241. Authority for General Manager to Sell or Lease Surplus Real Property; Restriction on District Directors and Employees.

If after offering the property for sale or lease to certain public agencies, as required by law, at the fair market value as determined by the General Manager after review of any or all appraisals of the property, no such offer is accepted, the General Manager may lease it, or sell it either by public auction or by using the services of real estate brokers or a professional auctioneer; provided, however, that District directors and employees, their spouses and dependent children may not purchase such property or lease it or represent in any manner a prospective lessee or purchaser of such property.

Section 461.10.1 based on Res. 7647 - July 8, 1975; amended by M.I. 32123 - January 10, 1978; amended by M.I. 33362 - August 19, 1980; amended by M.I. 33479 - November 18, 1980. Section 461.10.2 repealed and Section 8241 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 36758 - August 18, 1987.

§ 8242. Quitclaims.

(a) The General Manager is authorized to quitclaim, in form approved by the General Counsel, any temporary easement or lease to which the District is a party and which has expired by its own terms.

(b) The General Manager is authorized to quitclaim, in form approved by the General Counsel, any temporary easement or lease prior to its expiration

(1) Upon the recording of a Notice of Completion of the construction contract for which the easement or lease was acquired; or

(2) If no such notice has been recorded, then upon the release of the temporary easement area by the contractor in form approved by the General Counsel; provided, however, that if a Notice of Completion has not been recorded, consideration shall be required in such amount as the General Manager deems proper under the circumstances.

(c) The General Manager is authorized to quitclaim, in form approved by the General Counsel, any easement for access to a District facility over adjoining lands at such times as the General Manager may determine that adequate access thereto from a dedicated public street is available.

(d) Notwithstanding any other provisions of Article 4, the General Manager is authorized to quitclaim to the United States of America, in form approved by the General Counsel, any property acquired by the District under and pursuant to the Act of Congress approved June 18, 1932 (47 Stats. 324), when the General Manager determines that the property is no longer required for the District's needs.

Paragraphs (a) and (b) [formerly Sections 461.2.1 through 461.2.2] based on Res. 7499 - May 8, 1973; paragraphs (c) [formerly Section 461.2.3] based on Res. 7626 - February 11, 1975. Section 461.2 repealed and Section 8242 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (d) added by M.I. 36758 - August 18, 1987.

§ 8243. Disposal of Unnecessary Improvements.

(a) The General Manager is authorized to dispose of, in the manner the General Manager deems to be in the best interest of the District, any improvements that must be removed to make land acquired for District operations suitable for District use.

(b) The General Manager shall report quarterly to the Real Property and Asset Management Committee the details of any transactions during the preceding quarter in which an improvement was disposed of in such a manner as to make the improvement available for subsequent use by a party other than the District.

Section 461.6 based on Res. 6748 - November 9, 1965. Section 461.6 repealed and Section 8243 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (b) amended by M.I. 42193 - December 10, 1996; paragraphs (a) and (b) amended by M. I. 44582 - August 20, 2001; paragraphs (a) and (b) amended by M. I. 46838 - October 10, 2006; paragraph (b) amended by M.I. 46983 - February 13, 2007; paragraph (b) amended by M.I. 48534 - January 11, 2011; paragraph (b) amended by M.I. 48624 - April 12, 2011.

§ 8244. Auction by District Staff.

(a) If the General Manager elects to sell the property by public auction, the General Manager shall do so at such time and place as the General Manager may fix, with or without sealed bids having been first submitted.

(b) Whenever the General Manager determines that the sale shall be at public auction without sealed bids having been first submitted, no bid at the auction shall be considered unless the bidder shall, prior to the holding of the auction, deposit with the person designated by the General Manager to conduct such sale the percentage indicated in Section 8248 of the amount specified in the Notice of Sale as the minimum bid, in cash, cashier's check or check certified by a responsible bank, as a guarantee that the person making the bid will purchase the property under the terms specified in the Notice of Sale. The property shall be sold to the highest responsible bidder and the deposits of all other bidders returned forthwith.

(c) Whenever the General Manager determines that the sale shall be by sealed bids, all bids shall be filed in the office of the Right of Way and Land Program Manager, at or before the time specified in the Notice of Sale, shall be on forms approved by the General Counsel, and shall be accompanied by a cash deposit, cashier's check or check certified by a responsible bank

in an amount of not less than the percentage indicated in Section 8248 of the amount specified in the Notice of Sale as the minimum bid, as a guarantee that the person making the bid will purchase the property upon the terms and conditions specified in the Notice of Sale. The Right of Way and Land Program Manager, shall, at the time and place specified in the Notice of Sale, open the bids. Thereafter, there shall be a public auction at a time and place specified in the Notice of Sale, and any person shall be eligible to bid at the auction; provided, however, that any oral bid shall be ignored unless it exceeds by at least 5 percent the highest sealed bid made by a responsible person. No oral bid at such sale not preceded by a sealed bid from the same party shall be considered unless accompanied by a cash deposit, cashier's check or check certified by a responsible bank in an amount of not less than the percentage indicated in Section 8248 of the amount specified in the Notice of Sale as the minimum bid, as a guarantee that the person making the bid will purchase the property upon the terms and conditions specified in the Notice of Sale. If no oral bid is made at the public auction, or if such oral bid is not in accordance with the provisions hereof, the property shall be ordered sold to the highest responsible sealed bidder.

(d) A real estate commission shall be paid in connection with a sale at public auction on the following basis:

(1) The real estate commission shall not exceed the prevailing rate in the area where the property is located and it shall be stated in the bid for which a claim for the payment of a commission is made that it is subject to the same.

(2) The commission shall be distributed in this manner:

(i) When at a public auction, without sealed bids, the highest bid was procured by a licensed real estate broker, the commission shall be paid to the broker.

(ii) When at a public auction following submission of sealed bids, the successful bid is the highest sealed bid, and it was procured by a licensed real estate broker, the commission shall be paid to that broker.

(iii) When at a public auction following the submission of sealed bids, the successful bid was procured by a licensed real estate broker, but the highest sealed bid was not obtained by such a broker, the commission shall be paid to the broker.

(iv) When at a public auction following the submission of sealed bids, the highest sealed bid was procured by a licensed real estate broker, but the successful bid was procured by a different licensed real estate broker, the commission shall be divided equally between the brokers.

(v) When at a public auction following the submission of sealed bids, the highest sealed bid was procured by a licensed real estate broker, but the successful bid was not subject to a commission, one-half of the commission based upon the amount of the successful bid shall be paid to the broker.

(3) In determining which is the highest bid, there shall not be subtracted therefrom the commission, if any, which the bid provides shall be paid to a licensed real estate broker.

(e) The General Manager shall cause a Notice of Sale to be posted on the property in at least one conspicuous place. It shall specify the minimum bid which will be accepted for the property, which shall not be less than 90 percent of the lowest appraisal and shall state the terms of the sale which shall be in conformity with this Article 4. The General Manager shall cause one or more advertisements of the sale to be placed in a newspaper, or newspapers, so as to give reasonable notice of the sale.

Section 461.10.3 based on Res. 7647 - July 8, 1975. Section 461.10.3 repealed and Section 8244 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (c) amended by M.I. 40872 - June 14, 1994.

§ 8245. Open Listing.

If the General Manager elects to sell the property by using the services of licensed real estate brokers, the General Manager shall do so by offering it for sale by advertising in a newspaper or newspapers that the property is being offered for sale with courtesy to brokers, and by notifying real estate boards in the area in which the property is located that the property is being offered for sale with courtesy to licensed brokers. The initial offer for sale shall be for no less than the highest appraised valuation of the property. The General Manager is authorized to sell the property for the highest price obtainable; provided, however, that such price shall be no lower than the lowest appraisal without the approval of the Real Property and Asset Management Committee and no lower than 90 percent of the lowest appraisal without the approval of the Board. The General Manager is authorized to pay to the broker who procures the accepted offer, a commission not to exceed the prevailing rate in the area in which the property is located.

Section 461.10.4 based on Res. 7647 - July 8, 1975. Section 461.10.4 repealed and Section 8245 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 42193 - December 10, 1996; amended by M. I. 44582 – August 20, 2001; amended by M. I. 46838 – October 10, 2006; amended by M.I. 46983 - February 13, 2007; paragraph amended by M.I. 48534 - January 11, 2011; paragraph amended by M.I. 48624 - April 12, 2011.

§ 8246. Exclusive Listing.

The General Manager may with the approval of the Real Property and Asset Management Committee give an exclusive listing to an individual licensed broker; provided, however, that the property shall not be sold for less than the lowest appraisal without the approval of the Real Property and Asset Management Committee and for no less than 90 percent of the lowest appraisal without the approval of the Board. In such case, the General Manager is authorized to pay a commission, upon consummation of the sale, not to exceed the prevailing rate in the area in which the property is located.

Section 461.10.5 based on Res. 7647 - July 8, 1975. Section 461.10.5 repealed and Section 8246 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 42193 - December 10, 1996; amended by M. I. 44582 – August 20, 2001; amended by M. I. 46838 – October 10, 2006; amended by M.I. 46983 - February 13, 2007; paragraph amended by M.I. 48534 - January 11, 2011; paragraph amended by M.I. 48624 - April 12, 2011.

§ 8247. Auction by Professional Auctioneers.

The General Manager may sell the property by using the services of a professional auctioneer and may in connection therewith pay the reasonable expense of advertising the auction, and agree to pay a commission to the auctioneer not in excess of the prevailing rate in the area upon the consummation of the sale. Any such sale shall be subject to the approval of the Board of Directors.

Section 461.10.6 based on Res. 7647 - July 8, 1975. Section 461.10.6 repealed and Section 8247 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 8248. Required Deposit.

No bid offer made pursuant to Sections 8244, 8245, and 8246 above shall be considered unless the bidder or offeror shall at the time the bid or offer is made, deposit with the person designated by the General Manager the percentage indicated below of the specified amount in cash, cashier's check or check certified by a responsible bank as a guarantee that the bidder or offeror will purchase the property for the bid or offered price.

Specified Amount	Deposit
To \$1,000	Full amount of bid or offer
\$1,001 to \$10,000	\$1,000 + 10% over \$1,000
\$10,001 to \$100,000	\$1,900 + 10% over \$10,000
\$100,001 and above	\$10,900 + 2.5% over \$100,000

Section 461.10.7 based on Res. 7647 - July 8, 1975. Section 461.10.7 repealed and Section 8248 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M. I. 46838 - October 10, 2006.

§ 8249. Terms.

Any sale shall be for cash or on the following minimum terms:

20 percent down payment with balance amortized over 10 years at an interest rate equal to the prevailing rate charged by financial institutions in the area in which the property is located, and to be secured by a deed of trust on the property sold. No prepayment penalty shall be required.

Section 461.10.8 based on Res. 7647 - July 8, 1975. Section 461.10.8 repealed and Section 8249 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 8250. Zoning.

Where the property was appraised on the basis of a different zoning on the property than the existing zoning, the sale may be made contingent upon the bidder or offeror's obtaining a rezoning of the property within a reasonable time to be determined by the General Manager.

Section 461.10.9 based on Res. 7647 - July 8, 1975. Section 461.10.9 repealed and Section 8250 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 8251. Policy of Title Insurance.

The General Manager may furnish the successful bidder or offeror with a policy of title insurance, if possible, and open an escrow to complete the sale, paying the usual seller's charges in connection therewith; provided, however, that if it subsequently develops that the title company is unwilling to issue a policy insuring title to the bidder or offeror in the manner indicated by the General Manager prior to the sale, the General Manager shall not be required to furnish such a policy and the bidder may cancel the sale; whereupon money previously deposited

shall be refunded promptly and there shall be no further obligation on the part of either the bidder or the General Manager in connection with the sale; provided, further, that if under such circumstances the bidder or offeror elects not to cancel the transaction, the General Manager shall furnish such title insurance as the title company will then issue, and shall be released from liability on any representation relating to title theretofore made and not covered by the title insurance policy.

Section 461.10.10 based on Res. 7647 – July 8, 1975. Section 461.10.10 repealed and Section 8251 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 8252. Completion of Sale.

Execution and Delivery of Deed -- The General Manager shall apply the deposit made by the successful bidder, or offeror, on the purchase price or down payment if the sale is on terms, and, upon completion of the sale either directly or through an escrow, the General Manager is authorized to execute and deliver on behalf of the District a grant deed conveying the property to such bidder or offeror. In the case of a sale for cash (1) without an escrow, the successful bidder or offeror must pay the balance of the purchase price to the General Manager within thirty days after the auction or acceptance of the offer or (2) with an escrow, upon the closing thereof; provided, however, that the General Manager may give the successful bidder or offeror extensions of time in which to make the payment.

Section 461.10.11 based on Res. 7647 – July 8, 1975. Section 461.10.11 repealed and Section 8252 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 8253. Forfeiture of Deposits.

Any deposit made by a successful bidder or offeror shall be retained by the District as liquidated damages if the bidder or offeror shall fail to complete the purchase in accordance with the terms and conditions of the Notice of Sale or offer. If there is such failure, a licensed real estate broker, otherwise entitled to a commission under the provisions of this Article 4 shall be paid as a commission, an amount not to exceed one-half of the deposit so retained after deducting title and escrow expenses, if any; but in no event shall it exceed the commission which the broker would have received in the absence of such failure. If the successful bidder or offeror does not complete the sale as required by this Article 4 the property may be sold to the next highest bidder or offeror who wishes to buy.

Section 461.10.12 based on Res. 7647 - July 8, 1975. Section 461.10.12 repealed and Section 8253 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 8254. Exceptions to Public Sale Requirements.

The requirements of Sections 8241 and 8244 above do not apply in the case of:

(a) A sale of real property or interest therein to the United States, the State, the County or any city, school district, flood control, or other special district within the State; any such sale shall be for the fair market value as determined by the General Manager after review of any or all appraisals of the property.

(b) A sale of real property having an estimated value of \$2,500 or less.

(c) A sale to an adjoining property owner when the General Manager determines that the particular parcel is probably incapable of being developed independently.

(d) With respect to sales under Sections 8254(b) and 8254(c), the General Manager shall make a determination of the reasonable amount for which the property shall be sold.

Section 461.10.13 based on Res. 7647 – July 8, 1975; paragraphs (a) and (b) [formerly Sections 461.10.13.1 and 461.10.13.2] amended by M.I. 33479 – November 18, 1980]. Section 461.10.13 repealed and Section 8254 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 8255. Reservation of Oil, Gas and Mineral Rights.

The right to extract all oil, gas hydrocarbons or other minerals without the right of surface entry for the development thereof, shall be reserved in the sale of any real property under the provisions of this Article 4 provided, however, that there shall be no such extraction within 500 feet of the surface.

Section 461.10.14 based on Res. 7647 – July 8, 1975. Section 461.10.14 repealed and Section 8255 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M. I. 44582 – August 20, 2001.

§ 8256. Retention of Oil and Mineral Rights.

It shall be the general policy that oil and mineral rights shall be retained on all property sold by the District.

Section 461.16 - M.I. 21432 - May 23, 1961; renumbered Section 461.17 by M.I. 32690 - April 10, 1979; renumbered Section 461.15 - June 3, 1985. Section 461.15 repealed and Section 8256 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 8257. Quarterly Reports.

The General Manager shall report to the Real Property and Asset Management Committee quarterly on the property sold pursuant to this Article.

Section 461.10.15 based on Res. 7647 - July 8, 1975. Section 461.10.15 repealed and Section 8257 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 42193 - December 10, 1996; amended by M. I. 44582 – August 20, 2001; amended by M. I. 46838 – October 10, 2006; amended by M.I. 46983 - February 13, 2007; paragraph amended by M.I. 48534 - January 11, 2011; paragraph amended by M.I. 48624 - April 12, 2011.

§ 8258. Statement re Encumbering of Property.

The General Manager shall incorporate in letter of recommendation involving the disposal or the encumbering of property or rights of the District a statement declaring that the property or rights will not be required by the District nor adversely affect its operations.

Section 461.13 - M.I. 11000 – January 24, 1947; renumbered Section 461.14 by M.I. 32690 – April 10, 1979. Section 461.14 repealed and Section 8258 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

Article 5

DISPOSAL OF SURPLUS PERSONAL PROPERTY

Sec.

8270. Disposal of Excavated Materials

8271. Disposal of Surplus Personal Property

8272. Acceptable Bidders on Disposal of Surplus Property

§ 8270. Disposal of Excavated Materials.

The General Manager is authorized to dispose of surplus excavated materials, or other materials, from Metropolitan's construction projects, with or without monetary consideration, in a manner to accomplish the purposes herein recited and determined by him best to serve the interests of Metropolitan.

Section 501.2 based on Res. 6825 - May 10, 1966. Section 501.2 repealed and Section 8270 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 8271. Disposal of Surplus Personal Property.

Any personal property belonging to the District and which, in the opinion of the General Manager, is no longer required for the use of the District may be sold, or exchanged as part payment for the purchase of new equipment of like kind and nature, such sale or exchange to be made under such procedure, at such prices and upon such terms and conditions, as the General Manager may prescribe.

Ords. 38 and 113; repealed by Ord. 146; Section 501.10 added, as amended, by M.I. 32690 - April 10, 1979; renumbered Section 501.8 - June 3, 1985. Section 501.8 repealed and Section 8271 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 8272. Acceptable Bidders on Disposal of Surplus Personal Property.

District directors and employees, their spouses and dependent children may not make exchange for or purchase surplus personal property from the District under any terms and conditions for the disposal of surplus personal property prescribed by the General Manager under the authority delegated to him by Section 8271.

Section 461.20 - M.I. 32123 - January 10, 1978; amended and renumbered by M.I. 32690 - April 10, 1979; renumbered Section 461.18 - June 3, 1985. Section 461.18 repealed and Section 8272 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

Chapter 3

BUSINESS OUTREACH

Sec.

8300. Statement of Policy

8301. General Manager's Responsibility to Implement Business Outreach Policy

§ 8300. Statement of Policy.

(a) The Metropolitan Water District of Southern Water District of Southern California is committed to create an environment which affords all individuals open access to the business opportunities available within the regional service area in a manner that reflects the diversity of its service area.

(b) Therefore, it is the policy of the District to solicit participation in the performance of all construction professional services, procurement contracts, supplies, and equipment procured by the District by all individuals and businesses, including but not limited to small business, locally owned businesses, women minorities, and economically disadvantaged business enterprises.

M.I. 39828 - September 15, 1992; original paragraph deleted and paragraphs (a) and (b) added by M. I. 44582 – August 20, 2001.

§ 8301. General Manager's Responsibility to Implement Business Outreach Policy.

The General Manager shall establish, direct and monitor a detailed program implementing the Business Outreach Policy herein expressed and shall take appropriate steps to cause all personnel within the organization to abide by and affirmatively support said policy.

M.I. 39828 - September 15, 1992; amended by M. I. 44582 – August 20, 2001.

Division IX

RISK MANAGEMENT AND CLAIMS

Chapter		Sec.
1	Risk Management	9100
[2	Repealed. See Section 6433	9200]
3	Claims by Local Public Entities	9300

Chapter 1

RISK MANAGEMENT

Sec.
9100. Objectives
9101. Risk Retention and Procurements of Insurance

§ 9100. Objectives.

The District's policy with respect to management of risks of loss shall have as its objectives, to the extent physically and financially practicable:

(a) The establishment and maintenance of a suitable work and service environment in which District personnel and the public can enjoy safety and security in the course of their daily pursuits.

(b) The security and preservation of District assets and service capabilities from loss, destruction, or depletion.

Section 335.1 - M.I. 33858 - August 19, 1981. Section 335.1 repealed and Section 9100 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 9101. Risk Retention and Procurements of Insurance.

(a) To the extent risks of loss involving a combination of District property damage and third party claims exceed the reserves for emergency repairs and claims prescribed by Section 5201 of this Code, the District policy shall be to procure insurance for such losses to the extent it determines insurance is available at a reasonable cost.

(b) With respect to other risks of loss, the District policy shall be to self-insure in whole or in part as the best interests of the District warrant.

(c) To the extent practicable and financially feasible, the District shall transfer risks to third parties through appropriate contractual provisions.

Section 335.2 - M.I. 33858 - August 19, 1981. Section 335.2 repealed and Section 9101 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 38304 - June 12, 1990; amended paragraph (a) by M.I. 50155 - June 9, 2015.

Chapter 2

LITIGATION AND RELATED MATTERS

Sec.

[9200. Repealed. See Section 6433]

[9201. Repealed. See Section 6434]

[9202. Repealed. See Section 6435]

[Sections 9200 - 9202 repealed by M.I. 41615 - October 10, 1995.]

Chapter 3

CLAIMS BY LOCAL PUBLIC ENTITIES

Sec.

9300. Definition

9301. Necessity of Claim

9302. Contents of Claim

9303. Notice of Insufficiency of Claim

9304. Waiver of Defects in Claim

9305. Presentation of Claim to District

9306. Time for Presentation of Claims

9307. Grant or Denial of Application by Board

9308. Notice of Claim

9309. Contract Procedure for Presenting Claims

9310. Application of Chapter

§ 9300. Definition.

As used in this chapter, "local public entity" includes any county or city and any district, local authority or other political subdivision of the State but does not include the State or any office, officer, department, division, bureau, board, commission or agency thereof, claims against which are paid by warrants drawn by the Controller of the State of California. "Local public entity" shall include any chartered county, chartered city and county, and chartered city.

Based on former Section 481.4, Ords. 95, 113 and 122; repealed by Ord. 146; added, as amended, by M.I. 32690 - April 10, 1979; repealed and reenacted as Chapter 482, M.I. 33494 - November 18, 1980. Section 482.1 repealed and Section 9300 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 9301. Necessity of Claim.

No suit for money or damages shall be brought against the District by or on behalf of any local public entity on a cause of action until a written claim therefor has been presented in conformity with the provisions of this chapter.

Based on former Section 481.4, Ords. 95, 113 and 122; repealed by Ord. 146; added, as amended, by M.I. 32690 - April 10, 1979; repealed and reenacted as Chapter 482, M.I. 33494 - November 18, 1980. Section 482.2 repealed and Section 9301 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 9302. Contents of Claim.

A claim shall be presented by the local public entity and shall show:

(a) The name and post office address of the local public entity;

(b) The post office address to which the local public entity presenting the claim desires notices to sent;

(c) The date, place and other circumstances of the occurrence or transaction which gave rise to the claim asserted;

(d) A general description of the indebtedness, obligation, injury, damage or loss incurred so far as it may be known at the time of the presentation of the claim; and

(e) The amount claimed as of the date of presentation of the claim, together with the basis of computation thereof. The claim shall be signed by a duly authorized officer on behalf of the local public entity. A claim may be amended at any time, and the amendment shall be considered a part of the original claim for all purposes.

Based on former Section 481.4, Ords. 95, 113 and 122; repealed by Ord. 146; added, as amended, by M.I. 32690 - April 10, 1979; repealed and reenacted as Chapter 482, M.I. 33494 - November 18, 1980. Section 482.3 repealed and Section 9302 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 9303. Notice of Insufficiency of Claim.

(a) If in the opinion of the Board a claim as presented fails to comply substantially with the requirements of Section 9302 the Board may, at any time within 20 days after the claim is presented, give written notice of its insufficiency, stating with particularity the defects or omissions therein.

(b) Such notice may be given by mailing it to the address, if any, stated in the claim as the address to which the local public entity presenting the claim desires notices to be sent. If no such address is stated in the claim the notice may be mailed to the address, if any, of the local public entity as stated in the claim.

(c) The Board will not take action on the claim for a period of 20 days after such notice is given. A failure or refusal to amend the claim shall not constitute a defense to any action brought upon the cause of action for which the claim was presented if the court finds that the claim as presented complied substantially with Section 9302.

Based on former Section 481.4, Ords. 95, 113 and 122; repealed by Ord. 146; added, as amended, by M.I. 32690 - April 10, 1979; repealed and reenacted as Chapter 482, M.I. 33494 - November 18, 1980. Section 482.4 repealed and Section 9303 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 9304. Waiver of Defects in Claim.

Any defense based upon a defect or omission in a claim as presented is waived by failure of the Board to mail notice of insufficiency with respect to such defect or omission as provided in Section 9303.

Based on former Section 481.4, Ords. 95, 113 and 122; repealed by Ord. 146; added, as amended, by M.I. 32690 - April 10, 1979; repealed and reenacted as Chapter 482, M.I. 33494 - November 18, 1980. Section 482.5 repealed and Section 9304 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 9305. Presentation of Claim to District.

A claim may be presented to the District (1) by delivering the claim to the Secretary of the Board or the Board Executive Secretary within the time prescribed by Section 9306 or (2) by mailing the claim to such Secretary or Board Executive Secretary or to the Board at its principal office not later than the last day of such period. A claim shall be deemed to have been presented in compliance with this section even though it is not delivered or mailed as provided herein if it is actually received by the Secretary or Board Executive Secretary or Board within the time prescribed.

Based on former Section 481.4, Ords. 95, 113 and 122; repealed by Ord. 146; added, as amended, by M.I. 32690 - April 10, 1979; repealed and reenacted as Chapter 482, M.I. 33494 - November 18, 1980. Section 482.6 repealed and Section 9305 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 9306. Time for Presentation of Claims.

(a) A claim relating to a cause of action for death or for physical injury to the person or to personal property or growing crops shall be presented as provided in Section 9305 not later than six months after the accrual of the cause of action. A claim relating to any other cause of action shall be presented as provided in Section 9305 not later than one year after the accrual of the cause of action.

(b) For the purpose of computing the time limit prescribed by this section, the date of accrual of a cause of action to which a claim relates is the date upon which the cause of action accrued within the meaning of the applicable statute of limitations.

Based on former Section 481.4, Ords. 95, 113 and 122; repealed by Ord. 146; added, as amended, by M.I. 32690 - April 10, 1979; repealed and reenacted as Chapter 482, M.I. 33494 - November 18, 1980. Section 482.7 repealed and Section 9306 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (a) amended by M.I. 40976 - August 19, 1994.

§ 9307. Grant or Denial of Application by Board.

(a) The Board shall grant or deny the application within 45 days after it is presented to the Board. If the Board does not act upon the application within 45 days after the application is presented, the application shall be deemed to have been denied on the 45th day.

(b) If the Board acts on a claim, it will do so in one of the following ways:

(1) If the Board finds that the claim is not a proper charge against the District, it shall reject the claim;

(2) If the Board finds the claim is a proper charge against the District and is for an amount justly due, it shall allow the claim;

(3) If the Board finds the claim is a proper charge against the District but is for an amount greater than is justly due, it shall either reject the claim or allow it in the amount justly due and reject it as to the balance. If the Board allows the claim in part and rejects it in part it may require the local public entity if it accepts the amount allowed, to accept it in settlement of the entire claim.

Based on former Section 481.4, Ords. 95, 113 and 122; repealed by Ord. 146; added, as amended, by M.I. 32690 - April 10, 1979; repealed and reenacted as Chapter 482, M.I. 33494 - November 18, 1980. Section 482.8 repealed and Section 9307 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 9308. Notice of Claim.

Written notice of the action taken under Section 9307(b) or the inaction which is deemed rejection under Section 9307(a) shall be given in writing by the General Manager or General Counsel to the local public entity which presented the claim.

Based on former Section 481.4, Ords. 95, 113 and 122; repealed by Ord. 146; added, as amended, by M.I. 32690 - April 10, 1979; repealed and reenacted as Chapter 482, M.I. 33494 - November 18, 1980; amended by M.I. 35592 - April 9, 1985. Section 482.9 repealed and Section 9208 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 9309. Contract Procedure for Presenting Claims.

The Board may include in any written agreement to which the District and other local public entities are parties provisions governing the presentation, by or on behalf of such local public entities, of any or all claims arising out of or related to the agreement and the consideration and payment of such claims. The written agreement may incorporate by reference the claim provisions set forth in this chapter. A claims proceeding established by an agreement made pursuant to the section exclusively governs the claims to which it relates. This chapter does not apply to any agreement to which the District is a party, which was executed or which became effective prior to September 20, 1962.

Based on former Section 481.4, Ords. 95, 113 and 122; repealed by Ord. 146; added, as amended, by M.I. 32690 - April 10, 1979; repealed and re-enacted as Chapter 482, M.I. 33494 - November 18, 1980. Section 482.10 repealed and Section 9309 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 9310. Application of Chapter.

This Chapter 3 applies only to claims relating to causes of action which have accrued subsequent to September 20, 1962.

Based on former Section 481.4, Ords. 95, 113 and 122; repealed by Ord. 146; added, as amended, by M.I. 32690 - April 10, 1979; repealed and re-enacted as Chapter 482, M.I. 33494 - November 18, 1980. Section 482.11 repealed and Section 9310 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

Division X

RECORDS

Chapter		Sec.
1	Retention and Disposition of Records	10100
2	Inspection of Records	10200

Chapter 1

RETENTION AND DISPOSITION OF RECORDS

Sec.	
10100.	Retention and Disposition of Records
[10101.]	Repealed]
[10102.]	Repealed]
[10103.]	Repealed]
10104.	Custodian of Records
[10105.]	Repealed]
10106	Media Type

§ 10100. Retention and Disposition of Records.

The General Manager, acting in concert with the other department heads, shall have a Metropolitan Water District Records Retention Schedule prepared which shall govern the retention and disposition periods for all official District records. This Schedule shall be in compliance with the guidelines provided by the Secretary of State, and shall be reviewed at least annually and updated periodically as required or deemed necessary by executive management. Preliminary drafts (including notes, working papers, memoranda and other documents) accumulated in preparation of an official District record shall be destroyed when the record is prepared in final form, adopted or otherwise formalized, unless the preliminary draft or related documents have significant and lasting historical, administrative, engineering, legal, audit or fiscal research value.

Res. 7490 – April 10, 1973. Section 341.1 repealed and Section 10100 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; title amended by M.I. 36567 - April 14, 1987; amended by M.I. 42237 - January 14, 1997; amended by M. I. 46838 – October 10, 2006.

[§ 10101. Repealed -

Res. 7490 - April 10, 1973. Section 341.2 repealed and Section 10101 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (e) amended to include former Section 10108 (formerly Section 341.9 repealed and Section 10108 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987) by M.I. 36567 - April 14, 1987; paragraph (e) amended and renumbered to (f) and a new paragraph (e) added by M.I. 37492 - January 10, 1989; repealed by M.I. 42237 - January 14, 1997.]

[§ 10102. Repealed -

Res. 7490 - April 10, 1973. Section 341.3 repealed and Section 10102 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (a) formerly Section 10103 (Section 341.4 - Res. 7490 - April 10, 1973; Section 341.4 repealed and Section 10103 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987) renumbered and amended, paragraph (d) formerly Section 10102(a) renumbered and amended, paragraph (e) formerly Section 10102(d) renumbered and amended by M.I. 36567 - April 14, 1987; repealed by M.I. 42237 - January 14, 1997.]

[§ 10103. Repealed -

Previous Section 10103 renumbered Section 10102(a); Section 10103 - Res. 7490 - April 10, 1973; paragraphs (a) [formerly Section 341.5 repealed and Section 10104 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987], (b)(i) - (iii) [formerly Section 341.6 amended by M.I. 32690 - April 10, 1979, repealed and Section 10105 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987], paragraph (b)(iv) [formerly Section 341.7 repealed and Section 10106 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987], paragraph (c)(i) - (ii) [formerly Section 341.10 repealed and Section 10109 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987], paragraph (c)(iii) and (iv) [formerly Section 341.11 amended by M.I. 32690 - April 10, 1979, Section 341.11 repealed and Section 10110 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987], and paragraph (d) [formerly Section 341.8 repealed and Section 10107 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987] renumbered and amended by M.I. 36567 - April 14, 1987; par. (a) amended and renumbered to (b) and a new par. (a) added, par. (b) renumbered to par. (c), par. (b)(i) deleted and par. (b)(ii) amended and renumbered to par. (c)(i), par. (b)(iii) renumbered to par. (c)(ii), par. (b)(iv) renumbered to par. (c)(iii), pars. (c), (c)(i) through (c)(iv) renumbered to pars. (d), (d)(i) through (d)(iv), and finally par. (d)(i) amended and renumbered to par. (e) and par. (d)(ii) deleted by M.I. 39472 - January 10, 1989; paragraph (b) amended by M.I. 39314 - November 19, 1991; repealed by M.I. 42237 - January 14, 1997.]

§ 10104. Custodian of Records.

Each Department Head shall be the custodian for official District records under his department's responsibility and control. The Department Head shall ensure that classes of records under his responsibility and control are periodically disposed of in accordance with the provisions of the Metropolitan Water District Records Retention Schedule.

Ord. 130; repealed by Ord. 146; Section 341.12 added, as amended, by M.I. 32690 - April 10, 1979. Section 341.12 repealed and Section 10111 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; renumbered Section 10104 and amended by M.I. 36567 - April 14, 1987; amended by M.I. 42237 - January 14, 1997.

[§ 10105. Repealed -

M.I. 39314 - November 19, 1991; repealed by M.I. 42237 - January 14, 1997.]

§ 10106. Media Type.

Each Department Head shall determine the records media type (paper, microform, electronic, etc.) for retention purposes for official District records under his department's responsibility and control. Any written records which are converted to an alternative storage media, in accordance with the requirements in California Government Code section 60203, may be subject to destruction. Each official record shall be stored in only one media type, unless designated vital or historical. Records designated vital shall be retained in their original form and historical records shall be retained in paper form.

M.I. 42237 - January 14, 1997.

Chapter 2

INSPECTION OF RECORDS

Sec.

10200. General

10201. Procedure for Responding to Inspection Request

10202. Assistance to Public and Fees

10203. Search for Records and Restriction on Access

10204. Time and Place of Access to Records

§ 10200. General.

District records shall be made available to the public according to the procedures and requirements of the California Public Records Act (Government Code section 6250 et seq.) Any executive officer having possession of District records shall make all of said records freely available to the public unless the records are exempt from disclosure under the California Public Records Act.

Res. 7491 - April 10, 1973; Sections 342.1 through 342.1.7 renumbered 342.1.1 through 342.1.8 by M.I. 34112 - February 9, 1982; paragraph (h) [formerly Section 342.1.9] added by M.I. 34461 - November 9, 1982. Section 342.1 repealed and Section 10200 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended opening paragraph, and deleted paragraphs (a) –(h) by M.I. 50155 - June 9, 2015.

§ 10201. Procedure for Responding to Inspection Request.

The responsible executive officer shall, within 10 days after the receipt of a request to examine records, determine whether to comply with the request and notify the person making the request of his determination. If access is to be denied, the reason therefor shall be stated in the notification. The 10-day time limit may be extended in unusual circumstances through written notice by the responsible executive officer to the person making the request, setting forth the reasons for the extension and the date on which determination is expected to be dispatched. No such notice shall specify a date that would result in an extension for more than 10 working days.

Section 342.2 - M.I. 34112 - February 9, 1982. Section 342.2 repealed and Section 10201 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; deleted numbering from opening paragraph, deleted paragraph (b) by M.I. 50155 - June 9, 2015.

[§ 10202. Repealed

Res. 7491 – April 10, 1973; Section 342.2 renumbered 342.3 by M.I. 34112 – February 9, 1982. Section 342.3 repealed and Section 10202 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; repealed by M.I. 50155 - June 9, 2015.

§ 10202. Assistance to Public and Fees.

Any person requesting examination of records under the provisions of the California Public Records Act shall be assisted in locating them by a designated employee of the executive officer whose records are involved. Records may not be removed by the inspecting person from the designated inspection area without the express written permission of the executive officer

responsible for the records. The executive officers shall not permit removal of records which are required to be filed and preserved pursuant to state statute and records necessary to an audit by the Controller or the District's auditors. No charges shall be made to any person, or public or private entity for retrieval of records. The General Manager may establish reasonable fees to cover duplication costs, which may include staff time expended to make the requested copies.

Res. 7491 – April 10, 1973; Section 342.3 renumbered 342.4 by M.I. 34112 – February 9, 1982. Section 342.4 repealed and Section 10203 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 39314 - November 19, 1991; renumbered Section 10203 to 10202 by M.I. 50155 - June 9, 2015.

§ 10203. Search for Records and Restriction on Access.

A reasonable effort shall be made to locate requested records. If the records are located but restrictions on their access for public inspection are imposed, the requesting person is to be advised in writing of the reasons for the restrictions, and, in cases of denial of access, of the name and title of the person responsible for the denial. Any reasonably segregable portion of a record shall be provided to any person requesting such record after deletion of the portions which are exempt pursuant to the California Public Records Act. If the documents requested cannot be located after a reasonable search the requesting party is to be so advised.

Res. 7491 – April 10, 1973; Section 342.4 renumbered 342.5, and amended by M.I. 34112 – February 9, 1982. Section 342.5 repealed and Section 10204 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; renumbered Section 10204 to 10203, and amended Section 10203 by M.I. 50155 - June 9, 2015.

§ 10204. Time and Place of Access to Records.

Records of the District may be examined only during the District's normal business hours at its Headquarters Building or storage place if the responsible executive officer shall so designate.

Res. 7491 – April 10, 1973; Section 342.5 renumbered 342.6 by M.I. 34112 – February 9, 1982. Section 342.6 repealed and Section 10205 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; renumbered Section 10205 to 10204 by M.I. 50155 - June 9, 2015.

Division XI

MISCELLANEOUS

Chapter		Sec.
1	Environmental Matters	11100
2	Other Matters	11200
3	Purpose and Effect of Adoption of Administrative Code	11300

Chapter 1

ENVIRONMENTAL MATTERS

Sec.

11100. Time Limitation for Completion of Certain Documentation

§ 11100. Time Limitation for Completion of Certain Documentation.

(a) The maximum time limit for completion of environmental impact reports for District projects described in subdivision (c) of Public Resources Code Section 21065 shall be one year.

(b) The maximum time limit for completion of negative declarations for District projects described in subdivision (c) of Public Resources Code Section 21065 shall be 105 days.

(c) The time limits provided for in Sections 11100(a) and 11100(b) shall be measured from the date on which an application requesting approval of a project subject to such limits is received and accepted as complete by the General Manager.

(d) The General Manager is delegated the authority to adopt lists and criteria by which to determine the completeness of applications.

(e) Reasonable extensions of the aforesaid time periods may be made by the General Manager in the event Title 14 California Administrative Code Section 15109 or other applicable law permits additional time.

(f) This chapter is only applicable to projects for which the District is a lead agency as defined in Division 13 of the Public Resources Code and Division 6, Chapter 3 of 14 California Administrative Code.

Res. 7693 - December 7, 1976; Section 491.1 amended by M.I. 32199 - March 14, 1978; paragraph (e) [formerly Section 491.1.5] amended by M.I. 35124 - May 8, 1984. Section 491.1 repealed and Section 11100 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

Chapter 2

OTHER MATTERS

Sec.

11200. Reimbursement to Redevelopment Agencies

11201. Metropolitan Water District Federal Credit Union

11202. Payment of Dues

11203. Participation in Projects or Programs Serving District Purposes

§ 11200. Reimbursement to Redevelopment Agencies.

The General Manager is authorized to institute procedures, in form approved by the General Counsel, for reimbursement to redevelopment agencies within its declaring public agencies of moneys, including State subventions, received by the District as a result of redevelopment agencies' assessed valuations exceeding those for the base year for such redevelopment agencies.

Section 501.5 - M.I. 30549 - October 8, 1974. Section 501.7 repealed and Section 11200 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 11201. Metropolitan Water District Federal Credit Union.

A Metropolitan Water District Federal Credit Union may be established on condition that it be operated without obligation by the District.

Section 501.8 based on M.I. 16983 - February 14, 1956; renumbered Section 501.7 - June 3, 1985. Section 501.7 repealed and Section 11201 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 36811 - September 22, 1987.

§ 11202. Payment of Dues.

Each department head is authorized to join organizations whose purposes serve the interests of the District. The membership may be in the department head's name or in the name of the District, as appropriate. Each department head may approve payment of dues of any such organization so long as annual dues are \$10,000 or less. Each department head may approve payment of future dues of any organization which the department head was authorized to join under this section or by the Board, so long as any increase does not exceed \$10,000. Each department head shall annually report to the Board the exercise of authority granted by this section.

M.I. 37448 - December 13, 1988; amended by M.I. 42559 - August 19, 1997; amended by M.I. 50322 - December 8, 2015.

§ 11203. Participation in Projects or Programs Serving District Purposes.

In addition to the dues the General Manager is authorized to pay pursuant to Section 11202, the General Manager is authorized, without prior Board approval, to pay to any other public agency or private organization an amount not to exceed \$25,000 to participate in projects or programs desirable to carry out the objects and purposes of the District; provided, however, that such amount shall be available from funds previously authorized by the Board for such purposes.

M.I. 39036 - June 11, 1991.

Chapter 3

PURPOSE AND EFFECT OF ADOPTION OF ADMINISTRATIVE CODE

Sec.

11300. Purpose of Administrative Code

11301. Changes in Wording

11302. Consideration of Prior Board Action

11303. Consideration of Prior Legislative History

11304. Effect of Repeal of Ordinance or Code Provision

11305. Severability of Parts of Code

11306. Effects of Section Numbers and Headings

11307. Amendments

11308. Gender and Number

§ 11300. Purpose of Administrative Code.

It is the purpose of the adoption of this Administrative Code to codify operative provisions of existing ordinances, resolutions, actions recorded in minute orders and of other matters heretofore adopted by the Board of Directors to the extent such provisions have continuing effect.

Section 1000.1 - M.I. 31609 - January 11, 1977; amended by M.I. 32690 - April 10, 1979. Section 1000.1 repealed and Section 11300 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 11301. Changes in Wording.

Any change in wording from the wording found in any ordinance, resolution, minute order or other matter from which a provision of this Administrative Code is derived has been made solely for editorial reasons and was not and shall not be construed to have had as its purpose a change in intent, meaning or purpose of any such preexisting document.

Section 1000.2 - M.I. 31609 - January 11, 1977; amended by M.I. 32690 - April 10, 1979. Section 1000.2 repealed and Section 11301 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 11302. Consideration of Prior Board Action.

The adoption of this Administrative Code and the concurrent or subsequent repeal of preexisting ordinances, resolutions, actions recorded in minute orders, and other matters, all as listed in the "Resolution Repealing Existing Resolutions, Actions Recorded in Minute Orders and Other Matters" adopted by the Board of Directors at its meeting held January 11, 1977, or affected by "An Ordinance Repealing Ordinance No. 113, as Amended, The Code of Ordinances of The Metropolitan Water District of Southern California" adopted by the Board at its meeting held April 10, 1979, shall be considered in the interpretation of corresponding provisions of this Administrative Code. The Board Executive Secretary shall keep on file the original or a copy of all such ordinances, resolutions, minute orders and other matters.

Section 1000.3 - M.I. 31609 - January 11, 1977; amended by M.I. 32690 - April 10, 1979. Section 1000.3 repealed and Section 11302 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 11303. Consideration of Prior Legislative History.

The legislative history and administrative interpretation pertaining to all ordinances, resolutions, minute orders and other matters referred to in the "Resolution Repealing Existing Resolutions, Actions Recorded in Minute Orders and Other Matters" adopted by the Board of Directors at its meeting held January 11, 1977, or affected by "An Ordinance Repealing Ordinance No. 113, as Amended, The Code of Ordinances of The Metropolitan Water District of Southern California" adopted by the Board at its meeting held April 10, 1979, shall be considered in the interpretation of corresponding provisions of this Administrative Code. The Board Executive Secretary shall keep on file the original or a copy of all such ordinances, resolutions, minute orders and other matters.

Section 1000.4 - M.I. 31609 - January 11, 1977; amended by M.I. 32690 - April 10, 1979. Section 1000.4 repealed and Section 11303 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 11304. Effect of Repeal of Ordinance or Code Provision.

The repeal of a provision of this Code shall not revive any ordinance or Code provision in force before or at the time the Code provision repealed took effect.

Ord. 113; repealed by Ord. 146; Section 1000.5 added, as amended, by M.I. 32690 - April 10, 1979. Section 1000.5 repealed and Section 11304 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 11305. Severability of Parts of Code.

It is hereby declared to be the intention of the Board that the sections, paragraphs, sentences, clauses, and phrases of this Code are severable; and if any phrase, clause, sentence, paragraph, or section of this Code shall be declared unconstitutional or otherwise invalid by the valid judgment or decree of a court of competent jurisdiction, such unconstitutionality or invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Code.

Ord. 113; repealed by Ord. 146; Section 1000.6 added, as amended, by M.I. 32690 - April 10, 1979. Section 1000.6 repealed and Section 11305 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 11306. Effects of Section Numbers and Headings.

Division, chapter, section and subsection numbers and headings are not a part of and do not in any manner affect the scope, meaning, or intent of the provisions of this Code.

Section 1000.7 - M.I. 34814 - August 17, 1983. Section 1000.7 repealed and Section 11306 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 11307. Amendments.

Whenever a reference is made to any portion of this Code, the reference applies to all amendments hereafter made.

Ords. 113, 114, 117, 130 and 138; repealed by Ord. 146; Section 501.11 added, as amended, by M.I. 32690 - April 10, 1979; renumbered Section 501.9 - June 3, 1985. Section 501.9 repealed and Section 11307 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 11308. Gender and Number.

As used in this Code, the masculine gender includes the feminine and neuter, and the singular number includes the plural and the plural the singular, unless the context clearly indicates to the contrary.

Section 433.26 - M.I. 32297 - June 13, 1978; deleted from Chapter 433 and added, as amended, to Chapter 501 by M.I. 32690 - April 10, 1979; Section 501.13, renumbered Section 501.11 - June 3, 1985. Section 501.11 repealed and Section 11308 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

**THE METROPOLITAN WATER DISTRICT
ADMINISTRATIVE CODE**

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