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Title 1
GENERAL PROVISIONS

Chapters:

1.01 Administrative Code
1.02 Board Policies
1.03 Media Relations Policy
1.04 Emergency Authority
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Chapter 1.01
ADMINISTRATIVE CODE

Sections:

1.01.010 Intent
1.01.020 Administrative Code Adoption
1.01.030 Title, Citation and Reference
1.01.040 Reference Applies to All Amendments
1.01.050 Title, Chapter and Section Headings
1.01.060 Reference to Specific Ordinance and Resolutions
1.01.070 Effect on Past Actions and Obligations
1.01.080 Modification of Administrative Code

Section 1.01.010
Intent

It is the intent of the Board of Directors of the Rainbow Municipal Water District to maintain an Administrative Code containing a comprehensive record of the District's current policies, rules and legally enforceable regulations enacted by the Board of Directors. The regulations contained herein are based on the authority granted to the Board of Directors by the Municipal Water District Act of 1911 as contained in Section 71000 et seq of the California Water Code and other applicable provisions of State Law. The Administrative Code will serve as a resource for Directors, staff and members of the public in determining the manner in which matters of District business are conducted.

Section 1.01.020
Administrative Code Adoption

Rainbow Municipal Water District adopted the "Rainbow Municipal Water District Administrative Code" in its entirety on August 3, 2005. The version of this Administrative Code in effect at any given time is inclusive of any modifications made after the adoption date by one or more ordinances passed by the Board of Directors.

Section 1.01.030
Title, Citation and Reference

This Code shall be known as the "Rainbow Municipal Water District Administrative Code" and it shall be sufficient to refer to this code as the "Rainbow Municipal Water District Code" in any prosecution for the violation of any provision thereof, or in any proceeding at law or equity. It shall be sufficient to designate any ordinance adding to, amending, correcting or repealing all or any part or portion thereof as an addition to, amendment to, correction or repeal of the "Rainbow Municipal Water District Administrative Code." Further, reference may be had to the titles, chapters, sections and subsections of the "Rainbow Municipal Water District Administrative Code" and such reference shall apply to that numbered title, chapter, section or subsection as it appears in the Code.

Section 1.01.040
Reference Applies to All Amendments

Whenever a reference is made to this Code as the "Rainbow Municipal Water District Administrative Code" or to any position thereof, or to any ordinance, resolution or policy of the Rainbow Municipal Water District codified in the Code, the reference shall apply to all amendments, corrections and additions heretofore, now or hereafter made.

In addition, from time to time the Board of Directors of the Rainbow Municipal Water District may adopt Ordinances that may not be chaptered into this Code directly. These Ordinances, once duly adopted by the Board of Directors, shall be incorporated into this Code as though fully set forth herein, and these Ordinances shall carry the full weight of this Code.

Section 1.01.050
Title, Chapter and Section Headings

Title, chapter and section headings contained in this Code shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions of any title, chapter or section hereof.

Section 1.01.060
Reference to Specific Ordinance and Resolutions

The provisions of this Code shall not in any manner affect matters of record which refer to, or are otherwise connected with, ordinances, resolutions or policies which are therein specifically designated by number or otherwise, and which are included within the Code, but such reference shall be construed to apply to the corresponding provisions contained within this Code.

Section 1.01.080
Modification of Administrative Code

Consideration by the Board of Directors to modify this Code shall be accomplished by adoption of an ordinance.

Section 1.01.070
Effect on Past Actions and Obligations

The adoption of this Code does not affect prosecutions for ordinance, resolution or policy violations committed before the effective date of this Code, does not waive any fee or penalty due and unpaid on the effective date of this Code, and does not affect the validity of any bond or cash deposit posted, filed or deposited pursuant to the requirements of any ordinance or resolution.

Chapter 1.02
BOARD POLICIES

Sections:

1.02.010 Adoption/Amendment of Policies
1.02.020 Conflict of Interest
1.02.030 Public Complaints
1.02.030.01 Method Used for Addressing Public Complaints
1.02.040 Claims Procedure Policy
1.02.040.01 Purpose
1.02.040.02 Claims Notification Procedure
1.02.040.03 Presentation and Consideration of Claim
1.02.040.04 Investigation of Claim
1.02.040.05 Determination of Claim
1.02.040.06 Necessity of Written Claim; Limitations of Actions

Section 1.02.010
Adoption/Amendment of Policies

Consideration by the Board of Directors to adopt a new policy or to amend an existing policy may be initiated by any Director or the General Manager. The proposed adoption or amendment is initiated by submitting a written draft of the proposed adoption or amendment to the General Manager and requesting the item be included for consideration on the agenda of the appropriate regular meeting of the Board of Directors.

Adoption of a new policy or amendment of an existing policy shall be accomplished at a regular meeting of the Board of Directors and shall require a majority vote of the Board of Directors.

Before considering adoption of or amendment to any policy, Directors shall have the opportunity to review the proposed adoption or amendment prior to the meeting at which consideration for adoption or amendment is to be given. Copies of the proposed policy adoption or amendment shall be included in the agenda packet for any meeting of consideration.

Section 1.02.020
Conflict of Interest

1.02.020.01 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 Regs. Section 18730) that contains the terms of a standard conflict of interest code and may be incorporated by reference in any 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.

1.02.020.02 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 attached Appendix designating positions, and establishing disclosure requirements, shall constitute the conflict of interest code of the Rainbow Municipal Water District.

1.02.020.03 Individuals holding designated and non-designated positions shall file their Statements of Economic Interest with Rainbow Municipal Water District, which will make the statements available for public inspection and reproduction. (Gov. Code Section 81008.) Upon receipt of the statements for the Board Members and General Manager, the Board Secretary shall make and retain copies and forward the originals of these statements to the County Board of Supervisors. Statements for all other designated employees shall be retained by Rainbow Municipal Water District.

Any public officials who manage public investments shall be considered non-designated positions under Government Code section 87200 and shall make the disclosures required by law. Originals of all Statements of Economic Interest filed by non-designated positions will be maintained at the District office.

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Appendix A
Rainbow Municipal Water District Conflict of Interest Code

Preamble

Any person designated in Section I of this Appendix who is unsure of any right or obligation arising under this Code may request a formal opinion or letter of advice from the FPPC or an opinion from Rainbow Municipal Water District's General Counsel. (Gov. Code § 83114; 2 CCR § 18730(b)(11).) A person who acts in good faith in reliance on an opinion issued to them by the FPPC shall not be subject to criminal or civil penalties for so acting, provided that all material facts are stated in the opinion request. (Gov. Code § 83114(a).)

Opinions rendered by General Counsel do not provide any statutory defense to an alleged violation of conflict of interest statutes or regulations. The prosecuting agency may, but is not required to, consider a requesting party's reliance on General Counsel's opinion as evidence of good faith. In addition, Rainbow Municipal Water District may consider whether such reliance should constitute a mitigating factor to any disciplinary action that Rainbow Municipal Water District may bring against the requesting party under Government Code section 91003.5.

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Part I - Designated Positions

Designated Employees	Categories Disclosed
Members of the Board of Directors	All
General Manager	All
General Counsel	All
Engineering and Capital Improvement Program Manager	All
Operations Manager	All
Deputy Operations Manager	All
Administrative Services Manager	All
Information Technology Manager	All
Construction & Maintenance Supervisor	All
Water Operations Supervisor	All
Wastewater Superintendent	All
Wastewater Supervisor	All
Senior Engineer/Engineer/Associate Engineer/Assistant Engineer	All
Senior Accountant	All
Public Affairs Representatives/Public Information Officer	All
Purchasing & Inventory Control Specialist I/II	All
Purchasing & Facilities Lead	All

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Senior Risk Management Officer/Safety and Risk Manager	All
Officer/Safety and Risk Management Analyst	All
Senior Engineering Inspector	All
Cross Connection Control and Backflow Technician	All
Information Technology and Applications Analyst and Senior	All
Information Systems Specialist I/II/III	All
Senior Project Manager/Project Manager	All
Administrative Analyst I/II/Management Analyst	All
Meter Services Supervisor	All
Customer Service Supervisor	All
Customer & Meter Services Supervisor	All
Construction and Meters Supervisor	All
[1]Consultants	2

[1] With respect to consultants, the General Manager may determine in writing that a particular consultant, although a "designated employee," is hired to perform a range of duties that is limited in scope and thus is not required to comply with the written disclosure requirements described in these categories. 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 by Rainbow Municipal Water District in the same manner as this Conflict of Interest Code. Nothing herein excuses any such consultant from any other provision of this Conflict of Interest Code.

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Part II – Non-Designated Positions

Finance Manager	Pursuant to Applicable Laws
Auditor	2

Part III - Disclosure Categories

Category 1.

A designated employee or person in this category shall report all interests in real property, and investments in, and income from, business entities of the type to operate or provide any of the following:

Accounting or auditing services
Banks and savings and loans
Computer hardware or software, or computer services or consultants
Communications equipment or services
Insurance brokers and agencies
Insurance adjusting, claims auditing or administration, or underwriting services
Office equipment or supplies
Personnel and employment companies and services
Printing or reproduction services, publications, and distribution
Securities, investment or financial services companies
Title insurance and escrow
Construction supplies, service or equipment
Engineering and surveying services
Land development services

Category 2.

A designated employee in this category shall disclose all business positions in, investments in, and income from any business of the type to provide personnel, services, supplies, material, machinery, or equipment to Rainbow Municipal Water District and is associated with the job assignment or position of the designated employee or person.

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Appendix B
Statement of Duties of Employees of
and Consultants to Rainbow Municipal Water District

Members of the Board of Directors

The Board of Directors acts as the Rainbow Municipal Water District's governing body. Members of the Board of Directors formulate general policy and programs of Rainbow Municipal Water District, and each member of the Board of Directors is therefore designated.

General Manager

General Manager oversees the day-to-day operations of Rainbow Municipal Water District and participates in the formulation and implementation of the policies and programs of Rainbow Municipal Water District and is therefore designated.

General Counsel

General Counsel, currently hired on a contract basis, advises Rainbow Municipal Water District on its day-to-day activities, including its relationships with the independent contractors who serve in a staff capacity to Rainbow Municipal Water District, and compliance with applicable laws and regulations. General Counsel participates in the formulation and implementation of the policies and programs of Rainbow Municipal Water District and is therefore designated.

Finance Manager

An employee of the Rainbow Municipal Water District, the Finance Manager is Rainbow Municipal Water District's Chief Financial Officer and helps manage the finances of Rainbow Municipal Water District. The Finance Manager makes reports from time to time on the financial results of operations of Rainbow Municipal Water District and recommends fiscal policies to the Board of Directors. The Finance Manager "manages public investments" within the meaning of applicable regulations and is therefore not designated.

Engineering and Capital Improvement Program Manager

The Engineering and Capital Improvement Program Manager provides oversight of engineering services to Rainbow Municipal Water District, including implementation of capital replacement projects and participates in the formulation of Rainbow Municipal Water District's general policies and programs in the area of engineering and is therefore designated.

Operations Manager

The Operations Manager oversees the operation and maintenance of the water and wastewater lines and structures, participates in the formulation of Rainbow Municipal Water District's general policies and programs in the area of operations and maintenance and is therefore designated.

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Administrative Services Manager

The Administrative Services Manager plans, directs and oversees the following programs and activities: human resources; risk management and safety; labor relations; public relations, community outreach, and educational programs and is therefore designated.

Information Technology Manager

The Information Technology Manager manages Rainbow Municipal Water District's information technology staff, services and systems, user support, specific applications support, hardware and software installation, troubleshooting and maintaining computer systems, telephony, and mobile services. This position also supervises the purchasing, inventorying, maintenance and the disposing of computing and communication devices, hardware and software and is therefore designated.

Construction & Maintenance Supervisor

The Construction/Maintenance Supervisor has supervisorial responsibilities to direct and oversee the Construction Division. This position coordinates and manages the installation, maintenance and repair of water mains, service lines, fire hydrants and other related appurtenances used in the District water distribution, treatment and storage facilities and is therefore designated.

Water Operations Supervisor

The Water Operations Supervisor has supervisorial responsibilities to direct and oversee the Water Operations Division. This position will coordinate and manage the installation, maintenance, repair and operation of District water distribution, treatment, pumping and storage facilities and is therefore designated.

Wastewater Superintendent/Wastewater Supervisor

The Wastewater Superintendent and Wastewater Supervisor positions have managerial responsibility to direct and oversee the Wastewater Division. This position coordinates and manages the repair, maintenance and operation of the wastewater pumping and collection system as well as may assist with installation, maintenance and repair of water distribution facilities and is therefore designated.

Senior Engineer/Engineer/Associate Engineer/Assistant Engineer

The Senior Engineer, Engineer, and Associate Engineer position performs a variety of routine and semi-routine professional level civil engineering work in the research, design and construction of water and sewer capital improvement and construction projects as well as reviews development plans and is therefore designated. The scope and complexity of assigned work varies by classification. The Assistant Engineer performs entry-level professional engineering work under close supervision, supporting engineering staff with routine assignments while developing technical knowledge, skills, and experience for progression to higher-level engineering classifications and is therefore designated.

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Senior Accountant

The Senior Accountant performs highly complex and professional accounting and financial analysis to provide accurate and timely financial statements and reports to management, the Board, other government agencies, and the public and serves as a subject matter expert and is therefore designated.

Public Affairs Representative/Public Information Officer

The Public Affairs Representative/Public Information Officer oversees the District's comprehensive communications program by executing the strategic communications plan, emphasizing marketing, branding, advertising spend coordination, media placement, and creative direction. The incumbent manages vendor contracts, budgetary resources, and program metrics, ensuring effective and fiscally responsible outreach efforts, and is therefore designated.

Purchasing & Inventory Control Specialist I/II

The Purchasing & Inventory Control Specialist I/II has responsibility for all functions associated with the warehouse including purchasing, receiving and inventory control and administration of the office cleaning contract as well as maintaining inventory of parts and supplies and is therefore designated.

Purchasing & Facilities Lead

The Purchasing & Facilities Lead has responsibility for all functions associated with purchasing, receiving, inventory control, maintaining inventory of parts and supplies, janitorial services, and building and grounds facilities maintenance contracts, and is therefore designated.

Senior Risk Management Officer/Safety and Risk Management Officer/Safety and Risk Management Analyst

The Senior Risk Management Officer, Safety and Risk Management Officer, and Risk Management Analyst positions have responsibility for the planning and administration of the District programs and services related to safety, security, emergency preparedness, environmental compliance functions, property and liability insurance and processing liability, worker’s compensation, and property claims and is therefore designated.

Senior Engineering Inspector

The Senior Engineering Inspector performs highly specialized and complex public works construction inspection work. This position acts as the District’s representative on the construction site for the expressed intent of enforcement of District construction standards and regulations and is therefore designated.

Cross-Connection Control and Backflow Technician

The Cross-Connection Control and Backflow Technician performs a variety of work in connection with implementing and enforcing the cross-connection control programs including

the Backflow Prevention Program, inspects, tests, and repairs backflow devices, and creates and submits results, records, and related documentation and is therefore designated.

Information Technology and Applications Analyst /Senior IT and Applications Analyst

The Senior Information Technology and Applications Analyst/Senior Information and Applications Analyst position monitors, maintains, troubleshoots, and diagnoses hardware, software, database and network problems and identifies courses of action and is therefore designated.

Information Systems Specialist I/II/III

The Information Systems Specialist I/II/III provides technical assistance to end users of computer hardware, software, printers, and mobile devices and assists in configuring and administering Rainbow Municipal Water District's electronic records management system and is therefore designated.

Senior Project Manager/Project Manager

The Senior Project Manager and Project Manager position manages Capital Improvement Projects (CIP) and development projects related to the design and construction of water and wastewater distribution and collection systems. Manages projects from start to finish, from project planning to final inspection. Coordinates with District staff, contractors, and other agencies to deliver projects and is therefore designated.

Administrative Analyst I/II/Management Analyst

The Administrative Analyst I/II/Management Analyst series classification provides complex technical, analytical, administrative, and professional work within the assigned department. May coordinate with District staff, contractors, customers, developers, and other agencies to deliver projects, as well as may support public relations, community outreach, and educational programs and is therefore designated.

Meter Services Supervisor

The Meters Services Supervisor supervises and participates in work related to water services, oversees the cross-connection control and backflow testing programs, tests water services including pressure regulators, water meters, meter boxes, backflow devices and associated appurtenances, and responds to escalated customer service inquiries regarding customer water use and water service issues and is therefore designated.

Customer Service Supervisor

The Customer Service Supervisor oversees activities and staff in the Customer Service Department, handles complex and escalated customer service issues and educational programs and is therefore designated.

Customer & Meter Services Supervisor

Oversees activities and staff in both the Customer Service and Meter Services functions. Handles complex and escalated customer service issues, supervises water service operations including meter testing, pressure regulators, and backflow devices, and manages cross-connection control and backflow testing programs. Provides customer education and ensures effective response to water service inquiries and concerns.

Construction and Meters Supervisor

The Construction and Meters Supervisor directs and oversees the Construction and Meters Divisions. This position participates in work related to water services, oversees the cross-connection control and backflow testing programs, as well as coordinates and managers the installation, maintenance and repair of water mains, service lines, fire hydrants, and other related appurtenances used in the District water distribution, treatment and storage facilities and is therefore designated.

Auditor

Rainbow Municipal Water District has contracted with one or more accounting firms to handle financial audits of Rainbow Municipal Water District's finances and investments. These firms implement decisions of the Rainbow Municipal Water District's Board of Directors. Because these auditors' duties are restricted in the manner described herein, they do not participate in the formulation and implementation of the policies and programs of Rainbow Municipal Water District, and also do not "manage public investments" within the meaning of applicable regulations; therefore, the Auditor(s) shall be considered non-designated positions and will file Statements of Economic Interest forms with the District only for public review and information purposes.

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Section 1.02.030
Public Complaints

A public complaint is an assertion by a member of the public that the District has intentionally or unintentionally created a condition where the individual has been adversely affected.

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

1.02.030.01 Method Used for Addressing Public Complaints

The individual with a complaint may discuss the matter with staff with the objective of resolving the matter informally.

If the individual registering the complaint is not satisfied by staff, a written complaint may be filed with the General Manager. Within ten (10 days), the General Manager will acknowledge the complaint and shall then communicate with the person filing the complaint to resolve the matter. The General Manager is under no obligation to meet in person and may choose to communicate via phone, letter, or email to attempt to reach a resolution of the matter. At the option of the General Manager, they may conduct conferences and take testimony or written documentation in the resolution of the complaint. A written decision from the General Manager shall be provided to the individual filing the complaint.

If the individual filing the complaint is not satisfied with the disposition of the matter by the General Manager, a written complaint may be filed with the Board of Directors within thirty (30) days of receiving the General Manager's decision. The Board will consider the matter at the next available meeting. The Board will endeavor to expeditiously resolve the matter. In making the final decision, the Board may conduct conferences, hear testimony, as well as utilize the record of written documentation. A written decision from the Board shall be provided individual filing the complaint.

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

Section 1.02.040
Claims Procedure Policy

1.02.040.01 Purpose

The purpose of this policy is to provide the public, District staff and Board of Directors guidelines on how all claims for money or damages against the District are to be handled. Pursuant to Government Code sections 910 et seq., claims against the District shall be governed by the procedures laid out in this policy, including all deadlines set forth herein.

1.02.040.02 Claims Notification Procedure

When an individual, corporation or entity, including another local public agency, first notifies District staff in person, by telephone, or in writing, damage has been done, or is being done, to their person, business or property, and describing a set of circumstances or facts as to how the District is responsible, the staff person receiving the information will do the following:

A. Record the time and date of telephone calls or office visits and take notes as to the information provided by the claimant on the phone or in the office.

B. Refrain from discussing liability or responsibility and refrain from making any admissions that would implicate the District; staff should respond to questions, be cordial, but refrain from commenting on liability questions.

C. Ask the claimant to fill out a District claim form which should always be available on request. The staff person should not assist in filling out the claim form. When completed and filed with the District, the claim form should be date stamped with the date the claim is actually received by the District.

If an individual sends a letter or written request appearing to be a claim, the letter or written request shall be date-stamped when received by the District. The District shall consider whether to send a notice of insufficiency pursuant to Government Code section 910.8; whether no response is required based on the content provided in the letter or written request; or whether to send a response letter requesting the following categories of information:

A. Name and address of claimant.

B. Address where notices should be sent.

C. Date, place and other circumstances of the occurrence or transaction which gave rise to the claim.

D. A general description of the alleged injury or damage.

E. Name(s) of the employee(s) who would be aware of the alleged inquiry or damage (if known).

F. Estimated amount of loss (Gov. Code §910.).

The response letter should include a District claim form with a request that it be completed if the individual wishes to file a claim.

If the written request is not on a District claim form, but includes the name and address of claimant, an address where notices should be sent, the date, place and other circumstances of the occurrence or transaction which gave rise to the claim, a general description of the alleged injury or damage, the name(s) of the employee(s) who would be aware of the alleged injury or damage (if known), and the estimated amount of loss, the written request should be treated like a formal claim, date-stamped and submitted to the General Manager.

Immediately upon receipt of a District claim form or any written request appearing to be a claim, will be submitted along with all details of the claim to the General Manager, who will determine the proper person to investigate the matter.

1.02.040.03 Presentation and Consideration of a Claim

All claims shall be presented and considered in the manner set forth herein and as required by Government Code Sections 910-915.4.

1.02.040.04 Investigation of Claim

Investigation of the claim should be done as soon as possible after it is filed. The investigation shall be conducted by the appropriate member of the District staff as determined by the General Manager.

Board members will not perform independent investigations of claims.

Investigations may include photos, interviews, and the use of outside experts if appropriate.

1.02.040.05 Determination of Claim

The General Manager is authorized by this section to perform the functions of the Board with respect to claims, including paying, settling, and rejecting claims in amounts not exceeding $20,000, in accordance with Government Code Section 935.4. Claims not exceeding $20,000 may be evaluated by the General Manager and either rejected or accepted based on their determination in accordance with Government Code Section 912.4. The General Manager may present smaller claims to the Board of Directors for consideration where the nature of the claim may warrant advice from the Board of Directors.

All claims in excess of $20,000, and/or all claims that, based on existing facts and circumstances, present significant exposure to litigation against the District, shall be presented to the Board of Directors for consideration in Closed Session and shall be processed in accordance with Government Code Section 912.4 and 912.6. Staff shall present the Board with information related to the claim and carry out the direction of the Board related to the claim.

Claims determined to be justified should be resolved in the most direct and efficient manner possible.

In exchange for settlement of a claim, the claimant shall execute a Settlement and Release Agreement with the District. The District Counsel shall approve the form of this agreement before settlement is final.

The District will attempt to act on the claim within forty-five (45) days after it is presented pursuant to Government Code Section 912.4, unless this deadline is extended by written agreement under the terms of this section. The District's decision on how the claim is going to be handled will be communicated to the claimant as soon as is practicable. When possible and applicable, the District shall communicate rejections of claims consistent with Government Code Section 913.

1.02.040.06 Necessity of Written Claim; Limitations of Actions

A written claim for money or damages must be submitted to the District prior to the filing of any lawsuit for money or damages, as provided by Government Code Section 945.4, which section is specifically incorporated herein by reference. The limitation practices on claims required to be presented pursuant to this policy shall be governed by Government Code Section 945.6, which section is specifically incorporated herein by reference.

Chapter 1.03
MEDIA RELATIONS POLICY

Sections:

1.03.010 Media Relations
1.03.010.01 Purpose
1.03.010.02 Press Releases and Official Statements
1.03.010.03 Media Requests for Information
1.03.010.04 Handling of Media Relations
1.03.010.05 Personal Comments or Contact with Media
1.03.020 Digital Media Policy
1.03.020.01 Purpose
1.03.020.02 Scope
1.03.020.03 Definitions
1.03.020.04 Authorized Users
1.03.020.05 Policy
1.03.020.06 Public Comment Moderation
1.03.020.07 Confidentiality and Records
1.03.020.08 Employee Off-Duty Postings on Social Media
1.03.020.09 Board Member Postings on Social Media
1.03.020.10 Online Public Meeting Standards
1.03.020.11 Photography and On-Site Imaging

Section 1.03.010
Media Relations

1.03.010.01 Purpose

Good media relations benefit the Rainbow Municipal Water District (RMWD). When RMWD helps the media with the job of gathering and reporting the news, we are also helping communicate our story to the public. Through good media relations, RMWD can strengthen community support and build a positive image in the community. Providing this kind of assistance also discharges our responsibility to be accountable to the public.

1.03.010.02 Press Releases and Official Statements

Generally speaking, all press releases or official statements regarding the policies of the RMWD or actions taken by its Board of Directors should be issued by the President of the Board of Directors or the General Manager. Press releases regarding the operational activities by RMWD or its staff should be issued by the District's General Manager.

1.03.010.03 Media Requests for Information

In order to assure compliance with this policy all requests for information from the media should be directed to the General Manager's office.

1.03.010.04 Handling of Media Relations

The RMWD Communications and Customer Service Committee will provide resources, support, and assistance to the General Manager and Board President as requested in handling media relations and may assist in drafting and reviewing and editing information released to the media as necessary. Generally speaking, whenever practical, the Board President and/or General Manager will attempt to review general press releases with the Communications and Customer Service Committee; however, the need for timely response to the media may preclude this vetting practice.

1.03.010.05 Personal Comments or Contact with Media

Nothing within this policy is intended to restrict or prevent individual Board Members from making personal comments or contact with the media; it only applies to official comments from the RMWD or its Board of Directors. District staff should not make any comments to the media without prior approval from the General Manager.

1.03.020
Digital Media Policy

1.03.020.01 Purpose

The Digital Media Policy establishes Rainbow Municipal Water District's standards on the use and management of social media to publish content. The use of social media for a public agency presents certain risks, and the policy was established to introduce guidelines for appropriate use by employees, temporary workers, and volunteers. This Policy encompasses all forms of digital media, social media and emerging technology as it relates to communications with the public.

Nothing in this Policy is intended to prohibit or infringe upon any communication that is protected and privileged under federal and state law. This includes but is not limited to speech and expression protected under the federal and/or California Constitution(s), as well as speech subject to statutory labor protections. This policy is meant to include, but not limited to, any social media interaction, such as a "Post," "Profile," "Comment," etc., and does not exclude any future social media interactions/terminology that may not yet be defined.

1.03.020.02 Scope

This Policy applies to District personnel (as defined below). This Policy applies to the District's website and social media channels.

1.03.020.03 Definitions

The following definitions apply to this Policy.

District is defined as the abbreviated version of Rainbow Municipal Water District.

1. Personnel include all District employees, temporary workers, interns, volunteers, Board members, committee members, or other third-party representatives acting on behalf of the District.
2. District business is defined as information related to the subject matter of the District's jurisdiction, including but not limited to past, current, or future agenda items, contracts, budgets, expenditures, and/or projects.
3. Internet Posting is defined as all means of communication or sharing information or content of any sort on the Internet (whether one's own or someone else's online content) including but not limited to: personal website; multi-media and social networking or affinity website (e.g. Meta/Facebook, LinkedIn, NextDoor, or Reddit); Wikis (e.g. Wikipedia) or other open sites where text can be posted; blogs and micro-blogs (e.g. X aka Twitter, Blue Sky, YouTube, Truth Social, Pinterest, TikTok); video hosting site (such as Teams or Zoom); email systems; or other form of electronic communication made online, whether or not associated or affiliated with the District.
4. Digital Media Spokesperson: Personnel who are authorized to engage on behalf of the District via official platforms.
5. Unauthorized Content: Any District-related content created or posted without approval from the General Manager or Digital Media Spokesperson.
6. Representative: Appointed/elected officials, contracted consultants, or volunteers.
7. Social Media Administrator: Authorized staff/consultant who disseminates approved content.
8. Website Administrator: Authorized staff/consultant managing website/microsite content.

1.03.020.04 Authorized Users

The District shall appoint a designated representative(s) to serve as Social Media Administrator(s). The Administrator will establish, create, monitor, update, and publish Internet Postings to the District's social media channels by District personnel. The Administrator will be trained to execute the duties and uphold the policy and best practices to effectively meet communication goals and standards.

The District has defined the following authorized social media channels for Internet Postings: Facebook, Instagram, LinkedIn, X, and YouTube.

Subject to the Administrator's review and express approval, District personnel may propose publishing Internet Postings on Facebook to communicate educational information as it relates to District operations, events, activities, projects, and emergency information in video and digital image format.

1. Subject to the Administrator's review and express approval, District personnel may propose publishing Internet Postings on Instagram to communicate educational information as it relates to District operations, water, events, projects, programs, and emergency information in video and digital image format.
2. Subject to the Administrator's review and express approval, District personnel may propose publishing Internet Postings on LinkedIn to communicate employment information as it relates to District employment opportunities, events, awards, and projects in digital image format.
3. Subject to the Administrator's review and express approval, District personnel may propose publishing Internet Postings on YouTube to communicate educational information and board meetings in a video format.
4. Subject to the Administrator's review and express approval, District personnel may propose publishing Internet Postings on X (aka twitter) to communicate emergency information, events, and projects.

Other social channels may be considered for approval by the General Manager and the Digital Media Administrator if they are found to be beneficial for District communications. If other social media channels are approved by the General Manager and the Digital Media Administrator, the District shall advise District personnel on the appropriate subject matter and use of those additional social media channels for publishing Internet Postings.

1.03.020.05 Policy

The District's electronic communication and information systems, including but not limited to official District social media channels and website, are the District's property and should be used for District purposes only.

1. The District's website serves as the primary online communication with the public and provides timely emergency and informational updates to customers through other channels. The District's social media channels are a secondary avenue to provide information through authorized Internet Postings.
2. The District is responsible for adhering to applicable federal, state, and local laws.
3. The District has discretion to consider various factors when determining whether to approve an Internet Posting proposed by District personnel for publication to the District's social media channels.
4. Internet Postings shall be published during regular District business hours. After-hours emergency event notifications (e.g. fire, natural disaster, outage) provided via an

Internet Posting must still be authorized by the General Manager or Digital Media Administrator.

5. Authorized District personnel are permitted to engage with the media on matters of public concern as related to the District. Spokespersons who may communicate via District social media channels include the General Manager, Digital Media Spokesperson, Social Media Administrator, Public Information Officer, and District Incident Commander.
6. Communications with the media by authorized District personnel should not be conducted on District-managed social media channels via message, direct message, comment, or similar social sharing.
7. The District reserves the right to remove unauthorized Internet Postings published to the District's social media channels and the website by District personnel at any time, subject to applicable legal protections.
8. All Internet Postings by District personnel shall be professional and in line with the District's values and mission statement. All Internet Postings on the District's channels are intended to reflect the view and position of the District. All Internet Posting content should not affect safety or operations.
9. The District requires media releases for individuals featured in video and/or photo content prior to publication of an Internet Posting.

1.03.020.06 Public Comment Moderation

The District requests that all members of the public using the District's social media channels exercise good judgment when interacting and/or publishing comments.

The District reserves the right to turn off all new comments on its posts or remove content published to its social media channels by members of the public (who are not District personnel as defined above) that it deems inappropriate, legally unprotected, or otherwise contrary to District policy. Examples of interactions that the District will remove include:

1. Threats of violence against individuals or groups
2. Speech that seeks to incite illegal acts or activity
3. Obscene or sexually explicit content or child sexual abuse material
4. Defamatory, false statements presented as true that cause reputational damage
5. Personally abusive language intended to or likely to provoke a violent reaction
6. Targeted, repeated, severe conduct directed at an individual
7. Commercial deception, fraudulent, or spam content

1.03.020.07 Confidentiality and Records

The District's social media channels are subject to the California Public Records Act. All content posted to social media channels that is related to District business, the list of subscribers, and posted communication, is a public record. Personnel shall not disclose confidential, proprietary, or sensitive information on social media.

1. The Social Media Administrator is responsible for providing records in response to public records requests.
2. The District's social media channels shall state that the content posted is subject to the California Public Records Act.
3. All content on social media channels that violates this policy shall be removed, and information retained for future records requests.
4. Personnel shall not impersonate District officials or post District branding on personal accounts.

1.03.020.08 Employee Off-Duty Postings on Social Media

The District generally respects the right of District personnel in their private capacity and/or off-duty to engage in speech protected by the First Amendment and/or labor law. Off-duty non-work social media activity, including but not limited to content featuring non-District personnel but not posted by District personnel, should not negatively impact work-related decision making, performance of duties, and public perception of the District.

The District will not monitor employee social media use, but requests employees to use professional judgment. District personnel are encouraged to consider the following practices:

1. Include a disclaimer on the personal social media account to create a clear boundary to reduce risk. The disclaimer serves to establish that the social media account is personal, the account holder does not speak on behalf of the District, and any Internet Postings do not reflect the views of the District. Example statements:
    a. “The views expressed are my own. “
    b. “Opinions expressed are my own and do not reflect the views or positions of my employer.”
2. Shall not speak on behalf of the District, use District branding, or comment as a representative of the District to the public or media, unless specifically authorized.
3. Shall not post information or disclose media that is confidential, sensitive, or privileged information that causes harm, distrust, or confidential activities.
4. Shall not engage in off-duty unprotected speech which has an adverse and/or harmful effect on District personnel, including but not limited to abusive, defamatory, libelous, obscene, threatening, harassing, violent, or hateful speech.
5. Shall not use a District email to register for a personal social media account.
6. Shall not check in, tag, or geotag the District or its facilities on any social media account.
7. Shall limit the use of social media during work hours to break times and must not interfere with District personnel’s job responsibilities.
8. Shall use best judgment in publishing Internet Postings that may cause harm to their personal reputation, District personnel, Board members, and/or general operations.

Violation of these guidelines may result in corrective and/or disciplinary action. The policy will be reviewed periodically, and staff will be trained on changes.

1.03.020.09 Board Member Postings on Social Media

The District generally respects the right of District Board Members and Committee Members in their private capacity and/or off-duty to engage in speech protected by the First Amendment and/or labor law. Off-duty non-board-related social media activity, including but not limited to content featuring non-District personnel but not posted by District personnel, should not negatively impact board-related decision making, performance of duties, and public perception of the District. In addition, District Board Members are encouraged to consider the following practices:

Board members shall not directly respond to another board member's communication, comment, or post if they are serving on the same board or committee and the topic involves District business.

1. Include a disclaimer on the personal social media account to create a clear boundary to reduce risk. The disclaimer serves to establish that the social media account is personal, the account holder does not speak on behalf of the District, and any Internet Postings do not reflect the views of the District. Example statements:
    a. "The views expressed are my own. "
    b. "Opinions expressed are my own and do not reflect the views or positions of the District."
2. Shall not speak on behalf of the District or comment as a representative of the District to the public or media, unless specifically authorized to do so.
    a. Shall not post or disclose confidential information that causes harm, distrust, or confidential activities.
    b. Shall not post District branding on personal accounts.
3. Shall avoid personal use of social media platforms while using District computer systems and during public meetings, i.e., taking photos, making videos, and sharing information.
4. Shall not check-in, tag or geotag the District or its facilities on a social media account.
5. Shall use best judgment in publishing Internet Postings that may cause harm to their personal reputation, District personnel, Board members, and/or general operations.

1.03.020.10 Online Public Meeting Standards

The District hosts meetings and workshops in person and online, providing flexibility for personnel, its members, and the public to engage remotely. The meetings are regularly posted to the District YouTube channel and may be used on other social media channels. The District established standards of conduct for online meetings to maintain professionalism and carry boardroom decorum into virtual attendance.

The District requests that all personnel (including members of the board and committees) adhere to the following guidelines when attending an online public meeting:

1. Be conscious of the video being recorded and streamed for the public during board and committee meetings:
    a. Dress in business casual attire or District apparel.
    b. Position the camera to view the face in frame from the chest up.
    c. Use a District-approved virtual background.
    d. If a virtual background is not available, use a blank wall background.

2. Participate in the meeting at an office desk or table in an enclosed room, free from background noise, when available.

a. Minimize noise and distractions by using headphones when unable to join the meeting from an enclosed room.
b. Avoid participating from a space where other people and/or animals are visible.
c. Give full attention free from distractions.
d. Personnel may participate from the field and off-site while prioritizing their safety.

3. Mute yourself when not speaking. Listen and wait for the speaker to finish their comment before speaking.

1.03.020.11 <u>Photography and On-Site Imaging</u>

The District routinely uses photography in its day-to-day operations to document infrastructure, job sites, special events, and employee recognition; build a stock image catalog; and support other business activities. District personnel are encouraged to create content for the District's social media channels and shall submit proposed Internet Postings to management for approval before the Administrator posts this content to the District's social media channels.

The District has established the following standards for photography and on-site imaging occurring on work premises and District job sites:

1. Work Documentation (District Devices Only)
   a. All work-related photography and video content created by District employees for documenting District business or creating stock images shall be taken exclusively with District-issued devices, including but not limited to cellular devices and tablets.
   b. All images created, recorded, and/or stored on District-issued devices are District property and must be captured, stored, and transmitted in accordance with District procedures and records retention policies.

2. Personal Device Photography on District Property
   a. The District respects the right of District personnel in their private capacity and/or off-duty to engage in speech protected by the First Amendment and/or labor law while on District property or District-controlled job sites.
   b. The District encourages employees to serve as ambassadors for the District and to take photos and videos while using professional judgment. Personnel may share content with the Social Media Administrator for review and potential use on District-approved channels.

3. Publication & Sharing
   a. District-created images may be published only through the authorized content approvals workflow process, subject to the provisions outlined in Section 1.03.020.08 above.
   b. Personal postings off duty remain subject to the law; however, no post may imply District authorization or tag District locations.

4. Privacy & Permissions
   a. Photographs that include District personnel require permission consistent with District policy, and are subject to legal protections.

Chapter 1.04
EMERGENCY AUTHORITY

Sections:

1.04.010 Emergency Policy
1.04.010.01 Authority
1.04.010.02 Procedure for Terminating Emergency

Section 1.04.010
Emergency Policy

1.04.010.01 Authority

An emergency is defined as a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent and mitigate the loss or impairment of life, health, property, or essential public services. In the event the General Manager determines that an emergency exists requiring immediate action, the General Manager shall have the power without prior Board action, (i) to enter into contracts and/or agreements and to expend funds on behalf of the District, provided that such expenditures or contracts do not exceed, in total, $250,000 without competitive bidding; (ii) to control; limit, or redirect the delivery of water to District customers; (iii) to reassign District personnel and to employ additional personnel, (iv) to implement the District's emergency response plan; and (v) to perform all other acts deemed necessary or appropriate to alleviate the emergency and to protect the interests of the public and the District. Not later than 72 hours after determination by the General Manager of an emergency and any action taken pursuant to this section, the General Manager shall notify the Board President of the reasons necessitating such determination and the actions taken. If the President cannot be reached, then the General Manager must notify the Vice-President, and if the Vice-President cannot be reached, then the General Manager must notify the Secretary. The Board shall review the General Manager's emergency action not later than seven (7) days after the General Manager declares an emergency or at the next Board meeting if it occurs within fourteen (14) days of the emergency action.

1.04.010.02 Procedure for Terminating Emergency

At every regularly scheduled meeting thereafter, the Board of Directors shall review the emergency actions in order to determine, by at a majority vote at each meeting whether there is a need to continue the actions until such time the actions are terminated. The Board shall terminate the emergency actions at the earliest possible date when conditions warrant so that the remainder of the emergency actions may be completed.

Chapter 1.05
VARIANCES

Sections:

1.05.010 Purpose
1.05.020 Application
1.05.030 Process
1.05.030.01 Initiation
1.05.030.02 Review for Completeness
1.05.030.03 Committee Review and Recommendations
1.05.030.04 Board Review and Final Decision

Section 1.05.010
Purpose

The purpose of this policy is to provide flexibility in application of regulations necessary to achieve the purposes of this Administrative Code by establishing procedures for the approval, conditional approval, or disapproval of variance applications. Variances are intended to resolve practical difficulties or unnecessary physical hardships that may result from strict adherence to the policies contained in this Administrative Code.

The cost to the applicant of strict compliance with any provision of this Administrative Code shall not be the sole reason for granting a variance.

Section 1.05.020
Application

An application for variance may be submitted by a property owner or primary account holder. The application shall fully set forth the grounds for and facts necessary to support the required findings for granting a variance. Each application shall be submitted along with the Application Fee.

Section 1.05.030
Process

1.05.030.01 Initiation

The variance procedure will be initiated by the submittal of an application including Application Fee. The Application Fee will be established by the Board of Directors by Ordinance and shall not exceed the cost of processing the variance.

1.05.030.02 Review for Completeness

Staff will review submitted applications and related documents for completeness. Should the application be found to be incomplete, a request will be made to the applicant for additional information. Upon determination the application is complete, it will be brought to the appropriate committee for review and recommendations at the next regularly scheduled committee meeting for which the agenda is not already published and shall be within fifty (50) days of the date of the application.

1.05.030.03 Committee Review and Recommendations

Variance requests will be referred to the appropriate committee based on matters within the committee's respective areas of responsibility as stated in Administrative Code Chapter 2.06 by placing an item on the applicable committee's meeting agenda within the stipulated timeframe.

The responsible committee may request staff obtain additional information from the applicant prior to making a final recommendation to the Board of Directors or make a recommendation for approval, conditional approval, or denial of said application to the Board of Directors which shall have final decision-making authority over such applications.

1.05.030.04 Board Review and Final Decision

Upon recommendation from the responsible committee, an item for the variance application will be placed on the next Board of Directors' meeting agenda for a final decision.

If approved, variances will be recorded to property title when applicable.

Title 2
BOARD OF DIRECTORS

Chapters:

2.01 Code of Ethics
2.02 Attendance at Meetings
2.03 Remuneration and Reimbursement
2.04 Members of the Board of Directors
2.05 Membership in Associations and Organizations
2.06 Committees
2.07 Climate Change

Chapter 2.01
CODE OF ETHICS

Sections:

2.01.010 Code of Ethics Policy
2.01.010.01 Non-Partisan Board
2.01.010.02 Board Appointed Members of Standing Committees
2.01.010.03 Failure to Follow Code of Ethics Policy
2.01.010.04 Matters of Personal Interest
2.01.010.05 Gratuities and Gifts

Section 2.01.010
Code of Ethics Policy

The Board of Directors of the Rainbow Municipal Water District is committed to providing excellence in leadership resulting in the highest quality of services to its constituents. To assist in the governing of the behavior between and among members of the Board of Directors, staff and public, the following rules shall be observed:

- The dignity, style, values and opinions of each Director shall be respected.
- Responsiveness and attentive listening in communication is encouraged.
- The Board shall focus on the provision of service to its constituents and the proper management of the District.
- The primary responsibility of the Board of Directors is the formulation and evaluation of policy. Routine matters concerning the operational aspects of the District are to be delegated to the General Manager.
- Directors shall commit themselves to avoiding double talk, hidden agendas, gossip, backbiting, partisan political discussions, and other negative forms of interaction.
- Directors shall commit themselves to focusing on issues, not personalities. The presentation of the opinions of others shall be encouraged. Cliques and voting blocks based on personalities rather than issues shall be avoided.
- Differing viewpoints are healthy in the decision-making process. Individuals have the right to disagree with ideas and opinions, but without being disagreeable. Once the Board of Directors take action, Directors shall commit to supporting said action and not create barriers to the implementation of said action.

Directors shall practice the following procedures:

- In seeking clarification on items, Directors will work directly with the General Manager to obtain information to supplement, upgrade or enhance their knowledge and understanding to improve legislative decision-making.
- In handling complaints from residents, property owners, and employees of the District, said complaints shall be referred directly to the General Manager.
- In handling items related to safety, concerns for safety, or hazards shall be reported to the General Manager or to the District Office. Emergency situations shall be dealt with by seeking appropriate assistance immediately.
- In seeking clarification for policy related concerns, especially those involving personnel, legal action, land acquisition and development, finances, and programming, said concerns shall be referred directly to the General Manager.
- When approached by District personnel concerning specific District policy, Directors shall direct inquiries to the General Manager. If the General Manager is the subject of the concern of the employee, the Director shall contact the Human Resources Manager. The chain of command shall be followed.

The work of the District is a team effort. All individuals shall work together in the collaborative process, assisting each other in conducting the affairs of the District.

When responding to constituent requests and concerns, Directors shall be courteous, responding to individuals in a positive manner and routing their questions to the General Manager.

Any member of the public who attends a Board or Standing Committee meeting shall be treated with respect as they provide input to the Board or Standing Committee. All parties who wish to speak shall be given the opportunity to do so in accordance with regular procedures outlined in the agenda for each meeting. Directors and Standing Committee members shall not interact with any member of the public in a dismissive or disrespectful manner at any meeting.

Directors should develop a working relationship with the General Manager wherein current issues, concerns and District projects can be discussed comfortably and openly.

Directors should function as a part of the whole. Staff lobbying of Board Members on a particular position on an issue is prohibited.

Directors are responsible for monitoring the District's progress.

2.01.010.01 Non-Partisan Board

The Board of Directors of the Rainbow Municipal Water District is a non-partisan elected body. Decisions made by the Board shall not be made on the basis of party affiliation of any Director or whether a particular political party has a stated position on the matter under deliberation by the Board. When in Board chambers, all Directors and Standing Committee members will leave their party affiliations outside of the room and refrain from partisan political discussions. All decisions shall be made in terms of what is best for the constituents of the District, not on the basis of what is good for any political party.

2.01.010.02 Board Appointed Members of Standing Committees

All Board appointed members of the District's Standing Committees shall conform to the same guidelines described above. All appointed members of the District's Standing Committees represent the Board of Directors on these committees and as such are held to the same expectations.

2.01.010.03 Failure to Follow Code of Ethics Policy

Any Director who fails to follow this Code of Ethics policy is subject to censure by a vote of the Board of Directors. Any member of any Standing Committee who fails to follow this Code of Ethics Policy may have their appointment to the Standing Committee revoked by a vote of the Board of Directors. The District reserves the right to establish an ad hoc committee of District directors to (1) review allegations of ethical misconduct; and (2) make recommendations to the full District board of directors for censure or discipline as appropriate.

2.01.010.04 Matters of Personal Interest

In addition to the legal requirement imposed by state law and regulations as recognized by sections beginning at 1.02.020 of this code, section 4.01.120 and section 5.03.090 of this code, members of the Board and committees are to avoid putting themselves in the position of choosing between what is best for the District or advancing their own financial or political interests.

Participation in a decision affecting the District must be avoided if that decision will have a reasonably foreseeable and material financial effect (positive or negative) on the individual, the individual's immediate family, or any of the individual's economic interests (real property, sources of income, businesses in which the individual has an investment or holds a management position, or gifts from a donor).

Board and committee members are disqualified from voting, participating in the vote, or otherwise influencing a District decision where it is reasonably foreseeable the vote may involve or affect one of the following sources of income by the individual, the individual's spouse, domestic partner, dependent children or immediate family:

1. An interest in real property (ownership, lease, loan, mortgage or otherwise) with a value of $2,000 or more;

2. An investment worth $2,000 or more;

3. A source of income totaling $500 or more within 12 months prior to the decision;

4. A donor of gifts totaling $460 or more (or as otherwise adjusted by the FPPC pursuant to Government Code section 87103) within twelve months prior to the decision;

5. A business entity where the individual is a director, officer, partner, trustee, or employee, or an entity where the individual otherwise holds any position of management;

6. The individual's personal residence is within 500 feet of the subject property.

7. The decision will otherwise cause a measurable financial benefit or loss on the individual's personal finances;

The foregoing disqualification requirements shall not apply where the director or committee member's financial interest is indistinguishable from the effect on the public generally.

In all situations giving rise to a question of decision-making, the director or committee member should consider whether the individual would experience discomfort if the circumstances of the decision were to be reported on the front page of the local newspaper and how the individual would explain the reasons for the vote to the residents of the District.

2.01.010.05 <u>Gratuities and Gifts</u>

All Board members will be required to keep an objective and un-obligated viewpoint. This includes the refusal to accept any and all gifts over a nominal value and gratuities from vendors and prospective vendors. All gifts are subject to Form 700 reporting according the FPPC guidelines provided within the Form 700.

Chapter 2.02
ATTENDANCE AT MEETINGS

Sections:

2.02.010 Attendance Policy
2.02.010.01 Attendance
2.02.010.02 Vacancies
2.02.010.03 Staff Meetings

Section 2.02.010
Attendance Policy

2.02.010.01 Attendance

Members of the Board of Directors shall attend all regular and special meetings of the Board unless there is a good cause for absence.

2.02.010.02 Vacancies

A vacancy shall occur if any member ceases to discharge the duty of their office for the period of three consecutive months except as authorized by the Board of Directors.

2.02.010.03 Staff Meetings

Members of the Board of Directors shall not attend Staff meetings unless invited by the General Manager of District staff.

Chapter 2.03
REMUNERATION AND REIMBURSEMENT

Sections:

2.03.010 Remuneration and Reimbursement Policy
2.03.010.01 Compensable Meetings
2.03.010.02 Compensation
2.03.010.03 Training, Seminars and Conferences
2.03.010.04 Legitimate Expenses
2.03.010.05 Limitations for Submitting Compensation and Reimbursement Requests
2.03.010.06 Eligibility

Section 2.03.010
Remuneration and Reimbursement Policy

Members of the Board of Directors are encouraged to attend in participate in professional meetings, educational conferences, or seminars when the purpose of such activities is to improve District operation. Board Members are also required to complete all local, state, and federal regulatory training.

2.03.010.01 Compensable Meetings

State Law limits Board member compensation to ten (10) compensable meetings per month (Water Code Section 20202). The RMWD Board shall not be eligible for compensation for more than eight (8) compensable days per month.

2.03.010.02 Compensation

Members of the Board of Directors are eligible to receive compensation of $150 for each day's attendance at the following:

- Rainbow Municipal Water District Meetings
    - Board Meetings
    - Standing Committee Meetings as Board Appointed Member or Alternate Member. Alternate members are compensated only when attending in the absence of the regular appointed member.
    - Ad-Hoc Committee Meetings as Board Appointed Member
    - Meeting with General Manager (To qualify for this, the meeting must be scheduled in advance, be related to a specific topic regarding the Board's oversight of the District and have a duration of at least one hour.)

- Regularly Scheduled Local Organization Meetings
    - Council of Water Utilities Monthly Meeting
    - San Diego Chapter of CSDA Quarterly Meeting
    - Eastern Municipal Water District Coordination Meetings
    - Southern California Water Coalition Quarterly Meetings
    - San Diego Farm Bureau - Water Committee Meetings
    - Bonsall Unified School District & Rainbow Water Joint Powers Authority
    - Chambers of Commerce Meetings

- Training and Conferences
    - Required Local, State and Federal Regulatory Training
    - ACWA (and ACWA JPIA) Annual Spring and Fall Conferences
    - CSDA Annual Conference

- Urban Water Institute (UWI) Conference
- Southern California Water Coalition Annual Meeting

Members of the Board of Directors will be appointed as the District's representative for local agencies and organizations. Board Members appointed to the following organizations are eligible to receive compensation of $150 per day of attendance at meetings of the following organizations:

- Association of California Water Agencies (ACWA and ACWA JPIA)
- California Special Districts Association (CSDA)
- Southern California Water Coalition
- Urban Water Institute (UWI)

Should two compensable meetings occur in a single day, the Board Member(s) in attendance shall be eligible for compensation of only $150 for the entire day. In the event duplicate compensable meetings occur in the same month, the Board Member(s) in attendance shall be eligible, for more than one meeting in the same month without exceeding the number of meeting limitations provided herein under 2.03.010.01.

2.03.010.03 <u>Training, Seminars and Conferences</u>

In the event a Member of the Board of Directors wishes to attend any non-regulatory required training, seminars, and conferences and receive compensation for the event and travel/registration expenses, the Board member must present a written request for attendance in advance of the event start date during a regularly scheduled open session Board meeting for Board consideration during the standing agenda item for this practice included in each Board meeting agenda. The Board member requesting compensation and travel/registration expenses shall indicate the nature of the event and the benefits their attendance will bring to the District and its ratepayers. The full Board shall consider this information and take action to approve or disapprove the compensation and travel/registration expenses by a majority vote. Upon approval, the Board Member will be eligible for compensation of $150 for each day at a non-required training, conference, or seminar after a written or verbal report is provided at the Board meeting immediately following the conclusion of the event.

Advance written requests and/or Board approval is not required for participation in online local, state, or federal regulatory training. In the event regulatory training is completed as part of a seminar or conference attended by a Board Member, the provisions provided herein under 2.03.010.03 will apply and the Board Member will be required to provide the District with a Certificate of Completion within fifteen (15) days of completion.

For purposes of preparing the District's annual budget, staff generally budgets sufficient funds to support attendance by each Board Member at up to two out-of-town conferences per fiscal year. This budgeting guideline does not authorize attendance or reimbursement for conferences attended outside of those defined in Section 2.03.010.02.

2.03.010.04 Legitimate Expenses

Members of the Board of Directors shall be eligible for reimbursement for all legitimate expenses incurred in attending any meetings, seminars, conferences, or training as well as in making any trips on official business of the Board, when so authorized in accordance with the provisions provided in 2.03.010.03 and the following:

- Receipts for all expenses (hotel, food, beverages, parking fees, etc.) are remitted.
    - The following categories are excluded from reimbursement:
        1. Expenses incurred for other persons except those who have a direct bearing on conducting District business
        2. Personal Entertainment expenses
        3. Clothing and personal hygiene items
        4. Alcoholic beverages
        5. Items remaining the personal property of the individual
        6. Any expenses not related to District business

- Expenses to the District for training, education and conferences should be kept to a minimum by:
    1. Utilizing hotel(s) recommended by the event sponsor in order to obtain discount rates.
    2. Hotel accommodations will be made for the night before the event and expire on the day the event ends.
    3. Requesting reservations sufficiently in advance, when possible, to obtain discounted airfares and hotel rates.

- If available, refundable airfares will be purchased for District travel so that in the event a trip is cancelled due to unforeseen circumstances, the District will be directly refunded any applicable funds to avoid being issued travel funds assigned to individual travelers for future use. Should refundable airfares not be available for purchase for District travel for a trip cancelled due to unforeseen circumstances, any travel funds reverted back to an individual traveler that is used by the traveler for non-District travel will be reimbursed to the District in full by the individual traveler no later than thirty (30) days following the use of these funds.

- Expenses for meals, including non-alcoholic beverages and tips ordinarily associated with normal eating customs, shall be reimbursable. The reasonableness of meal expense reimbursement requests shall be based on the published IRS locally calculated meal and incidental guidelines located on the GSA website http://www.gsa.gov/portal/category/100120 and the reimbursable amount shall be limited to the daily Meal and Incidental Expenses Total in the region during the course of travel and while attending the authorized activity. Exceptions to these limitations shall be made in situations where participation in the authorized activity makes it necessary to eat at a specific place or to attend special meal functions.

- Expenses for meals purchased for the purpose of attending a District Board of Directors meeting and unforeseen circumstances prohibit the District from providing such shall be reimbursable. Reimbursements requested under this section shall comply with meal expense reimbursement requirements outlined above.

- Reimbursement for the cost of the use of a Director's vehicle shall be on the basis of total miles driven and at the current rate specified by the Internal Revenue Service.

2.03.010.05 Limitations for Submitting Compensation and Reimbursement Requests

To receive compensation or reimbursement for legitimate expenses Board Members are required to remit requests for compensation or reimbursement no later than sixty (60) days from the conclusion of the event or purchase is made.

Requests for compensation for completion of required regulatory training must be accompanied with the appropriate Certificate of Completion only if such certificate has not been provided to the District in advance of the request for compensation.

2.03.010.06 Eligibility

Members of the Board of Directors are eligible for compensation and reimbursement for legitimate expenses as provided herein at their sole discretion.

Chapter 2.04
MEMBERS OF THE BOARD OF DIRECTORS

Sections:

2.04.010 Board of Directors Policy
2.04.010.01 Board President
2.04.010.02 Members of the Board of Directors
2.04.010.03 Basis of Authority
2.04.010.04 Training, Education and Conferences

Section 2.04.010
Board of Directors Policy

2.04.010.01 Board President

The President of the Board of Directors shall serve as chairperson at all Board meetings and shall have the same rights as the other members of the Board in voting, introducing motions, resolutions and ordinances, and any discussion questions that follow said actions.

In the absence of the President, the Vice President of the Board of Directors shall serve as chairperson over all meetings of the Board. If the President and Vice President of the Board are both absent, the remaining members present shall select one of themselves to act as chairperson of the meeting.

2.04.010.02 Members of the Board of Directors

Directors shall thoroughly prepare themselves to discuss agenda items at meetings of the Board of Directors. If clarification is required it would be requested from the General Manager.

Information exchanged before meetings shall be distributed through the General Manager and all Directors will receive all information being distributed.

Directors shall at all times conduct themselves with courtesy to each other, staff and members of the audience present at Board meetings.

Directors shall defer to the chairperson for conduct of meetings of the Board but shall be free to question and discuss items on the agenda. All comments should be brief and confined to the matter being discussed by the Board.

2.04.010.03 Basis of Authority

The Board of Directors is the unit of authority within the District. Apart from their normal function as a part of this unit, Directors have no individual authority. As individuals, Directors shall not commit the District to any policy, act or expenditure. Violation of the foregoing may be subject to censure as determined by the Board of Directors.

2.04.010.04 Training, Education and Conferences

It is the policy of the Rainbow Municipal Water District to encourage Board development and excellence of performance by reimbursing expenses incurred for tuition, travel, lodging and meals as a result of training, educational courses, participation with professional organizations, and attendance at local, state and national conferences associated with the interests of the District.

Attendance at such conferences shall be considered as a day of service for the purpose of Board member compensation.

District administrative staff shall be responsible for making arrangements for travel, lodging and registration for Directors attending state and national seminars, workshops and conferences. All expenses shall be reported to the District by Directors, together with validated receipts.

Attendance by Directors at seminars, workshops and conferences shall be approved by the Board of Directors prior to incurring any reimbursable costs.

Upon returning from seminars, workshops, or conferences where expenses are reimbursed by the District, Directors will provide a written summary at the next Board meeting during Directors' Comments. Said summary shall detail what was learned at the session(s) that will be of benefit to the District. Materials from the session(s) will be delivered to the Board Secretary and may be included in the District library for the future use by other Directors.

Chapter 2.05
MEMBERSHIP IN ASSOCIATIONS AND ORGANIZATIONS

Sections:

2.05.010 Membership Policy
2.05.010.01 Approved Association and Organization Memberships
2.05.010.02 Individual Board Member Participation in Associations and Organizations

Section 2.05.010
Membership Policy

2.05.010.01 Approved Association and Organization Memberships

In accordance with California Water Code, Section 71597, the district may by resolution of a four-fifths majority of its directors obtain membership in associations, having for their purpose, the furtherance of subjects relating to the powers and duties of the district and for the interchange of information relating to such powers and duties.

The Board shall, by ordinance, resolution, or motion approve membership in associations or organizations and a copy of the ordinance, resolution or motion shall be maintained as part of District records. The General Manager will ensure annual dues are paid when due:

In the event a previously authorized membership is thought to be no longer necessary by the General Manager or any member of the Board, the General Manager or any Board member will notify the Board of Directors that the need to maintain membership no longer exists and the General Manager may, with concurrence from a simple majority of the Board, cancel membership in the association or organization.

The General Manager may, at their discretion, approve individual staff memberships in organizations and/or associations applicable to the employee's performance of their duties and/or support technical development in their fields.

2.05.010.02 Individual Board Member Participation in Associations and Organizations

Individual Board members may hold membership in and attend meetings of such national, state, and local associations and/or organizations as may exist which have applicability to the District and shall look upon such memberships as an opportunity for in-service training. The District will pay individual board member dues and expenses for the following organizations and associations:

Water Environment Federation
American Water Works Association
California Water Environment Association

District payment for participation by individual board member in organizations or associations not listed above may be approved on a case-by-case basis by the Board of Directors.

This policy is not intended to preclude a board member from participating in any organization or association; it only applies to those memberships paid for by the District.

Chapter 2.06
COMMITTEES

Sections:

2.06.010 Committees Policy
2.06.010.01 Purpose
2.06.010.02 Membership & Responsibilities
2.06.010.03 Meeting Facilitation
2.06.010.04 Term
2.06.010.05 Committee Meeting Agenda and Minutes
2.06.010.06 Code of Ethics
2.06.010.07 Standing Committees
2.06.010.07.1 Budget and Finance Committee
2.06.010.07.2 Engineering and Operations Committee
2.06.010.07.3 Communications and Customer Service Committee
2.06.010.07.4 Committee Meeting Schedules

Section 2.06.010
Committees Policy

2.06.010.01 Purpose

The Board shall organize Standing Committees by appointing two (2) Board members to co-chair said meetings. Committee meetings are open to the public without restriction and are designed for information and discussion on matters relevant to each standing committee. Committee meetings are meant to provide a less formal meeting setting that will encourage open dialogue between committee members, staff, and members of the Rainbow Municipal Water District ratepayer community. Committees shall have no authority to vote on committee agenda items or otherwise render decisions that are binding upon the Board.

2.06.010.02 Membership & Responsibilities

- Two Members of the Board of Directors will be appointed by formal action of the Board to serve on each of the District's Standing Committees, annually.
- Appointments will be made at the January Board of Directors meeting each year, and Committee Members will serve a one year term or until their successors are appointed.
- Two Budget and Finance Committee Members must be present in person, at the District office in order to conduct business.
- Engineering & Operations and Communications & Customer Service Committee Members may attend remotely, from a location within the District's boundary, with the requirement of listing their remote location on the meeting agenda, or without listing their location when there is "just cause" or an "emergency circumstance."
- One Alternate Board Member shall be appointed for each committee to attend in the absence of a regular member.
- Annual rotation of committee membership is encouraged but not required.
- Committee Members are responsible for attending meetings, reviewing materials prior to meetings, participating in deliberations and providing recommendations for Board consideration, if requested.
- Committee members must notify the General Manager or District Secretary, as far in advance as possible, of any schedule conflict that will result in an absence.
- All appointed members of the District's Standing Committees represent the Board of Directors on these committees and as such are held to the same expectations for professionalism and courtesy.

M:\Administration\Confidential\Administrative Code Current Policies\Title 2\Committees 2.06.010.docx\\Approved and Incorporated 3-27-07 by Ordinance No. 07-04\\Amended and Updated 8-28-07 by Ordinance No. 07-11\\Amended and Updated 11-7-07 by Ordinance No. 07-17\\Amended and Updated 1-27-09 by Ordinance No. 09-02\\Amended and Updated 6-24-14 by Ordinance No. 14-04\\Amended and Updated 9-27-16 by Ordinance No. 16-13\\Amended and Updated 4-24-18 by Ordinance No. 18-10\\Amended and Updated 5-22-18 by Ordinance No. 18-13\\Amended and Updated 12-4-18 by Ordinance No. 18-25\\Amended and Updated 9-24-19 by Ordinance No. 19-10\\Amended and Updated 10-22-19 by Ordinance No. 19-13\\Amended and Updated 2-25-20 by Ordinance No. 20-03\\Amended and Updated 8-25-20 by Ordinance No. 20-08\\Amended and Updated 12-8-20 by Ordinance No. 20-13\\Amended and Updated 3-22-22 by Ordinance No. 22-07\\Amended and Updated 1-23-24 by Ordinance No. 24-01\\Amended and Updated 5-28-24 by Ordinance No. 24-07\\Amended and Updated 11-19-24 by Ordinance No. 24-15\\Amended and Updated 1-28-25 by Ordinance No. 25-01\\Amended and Updated 1-27-26 by Ordinance No. 26-02\\Amended and Updated 2-24-26 by Ordinance No. 26-04

- While these meetings are intended to be less formal than Board meetings, the chair may apply additional structure as needed to ensure an effective and productive meeting.

- In order to promote attendance by Directors at Committee meetings without inadvertently creating a violation of the Ralph M. Brown Act, no more than two regular members may be appointed to a committee.
- Members of the committees serve at the pleasure of the Board. The Board has the authority to remove committee members at any time in the Board's sole discretion.
- Staff and legal counsel assist members of Standing Committees by preparing agendas, staff reports, distributing materials, and ensuring compliance with public records and Brown Act requirements, and other support functions as required.
- Staff may attend committee meetings, provide reports, and assist committees as needed to fulfill their responsibilities.
- Committee members may request staff assistance through the General Manager or his designee.

2.06.010.03 Meeting Facilitation

The goal of facilitation is to guide a group to achieve specific goals by planning with a clear agenda, managing the discussion flow, ensuring all voices are heard, keeping the meeting on track and positive, handling conflict constructively, essentially managing the process so the content can be productive and collaborative.

- Standing committee members shall co-chair/moderate the meetings.
- Meetings shall be open to the public with an opportunity for public comment on all agenda items.
- Attendees should wait to be recognized by the co-chair/moderator(s) before speaking and allow others to finish their remarks.
- Committee meetings are intended to be collaborative and informal in nature. Members are encouraged to ask questions, explore ideas, and engage in constructive dialogue.
- Committee members, staff, and the public shall conduct themselves in a courteous and respectful manner at all times. Personal attacks, disruptive behavior, or discourteous language are not permitted.
- Discussion should remain relevant to the agenda item under consideration. Side conversations and interruptions should be avoided.

- The District's office, at 3707 Old Highway 395, Fallbrook, California 92028 is designated as the physical location for Committee Meetings.
- At least one staff member will be present at the District office during meetings.

2.06.010.04 Term

Appointments shall be made by the Board of Directors during the first meeting of each year for the remainder of the calendar year, with the exception of appointments made as a result of a vacancy. When appointments are made mid-year, the term shall be until the following appointment process takes place, the following January. These appointments may be renewed or altered based on the needs of the Board and its committees

2.06.010.05 Committee Meeting Agenda and Minutes

Committee meetings shall be open to the public and held in accordance with the provisions of the Ralph M. Brown Act (Government Code §54950 et seq.), including notice, agenda posting, rights of public attendance, and public comment. At least 72 hours before a regular committee meeting, the Secretary shall post an agenda containing a brief, general description of each item of business to be discussed at the committee meeting. The posting shall be freely accessible to the public. No action shall be taken by secret ballot at a committee meeting.

Each committee meeting will be recorded. From the recordings, staff will prepare brief summary minutes. Minutes will be made a part of the District's permanent records and audio recordings will be disposed of according to the District's Records Retention policy provided in the District's Administrative Code.

2.06.010.06 Code of Ethics

All Board appointed members of the District's Standing Committees shall conform to the same Code of Ethics Policy guidelines described in Administrative Code Title 2. Standing Committees

2.06.010.07 Standing Committees

2.06.010.07.1 Budget and Finance Committee

The Committee shall work in concert with the General Manager, Treasurer, and Finance Manager of the District.

The Committee shall be responsible for the review of District finances including: rates, fees, charges and other sources of revenue; budget; audit; investments; insurance; and other financial matters.

2.06.010.07.2 Engineering and Operations Committee

The Committee shall work in concert with the General Manager, Engineering department head, and Operations Manager.

The Committee shall be responsible to review matters of design, construction, replacement, and repair of the District facilities and property, including: the Capital Improvement Program; contractor selection process; contractor management programs; and other engineering-related matters.

The committee shall also be responsible to review matters of operations, preventative maintenance practices, standard operating procedures, technical services, equipment, and other operations-related matters.

2.06.010.07.3 Communications and Customer Service Committee

The Committee shall work in concert with the General Manager and Customer and Meter Services Supervisor and Administrative Services Manager.

The Committee shall be responsible for providing input or guidance on matters of internal and external communications including: positive public image; community outreach; media relations; water conservation programs; intergovernmental relations; customer service policies; and other public relations programs.

2.06.010.07.4 Committee Meeting Schedules

- The Regular Engineering and Operations meetings shall be held on the first Tuesday of each month at 1:00 p.m., as needed
- The Regular Budget and Finance Committee meetings shall be held on the second Tuesday of each month at 1:00 p.m., as needed
- The Regular Communications and Customer Service Committee meetings shall be held on the third Tuesday of the months of January, April, July, and October at 1:00 p.m., as needed.

Chapter 2.07
CLIMATE CHANGE

Sections:

2.07.010 Climate Change Policy

Section 2.07.010
Climate Change Policy

Regardless of the root cause of the climate changes currently being observed globally, the Board of Directors of the District shall follow the science that forecasts the climate changes. Since the mission of the District is to ensure a reliable supply of water for our constituents, failure to monitor and use the best available scientific forecasts for future water supply could put our constituents at risk. The root cause of the climate changes is immaterial – the Board must focus on how science can inform the Board as to the impacts a climate change will have on future water supply conditions and take appropriate actions to prevent harm to our constituents.

Title 3
BOARD MEETINGS

Chapters:

3.01 Meetings
3.02 Meeting Agendas
3.03 Conduct
3.04 Board Actions and Directions
3.05 Minutes
3.06 Confidentiality of Board Closed Sessions

Chapter 3.01
MEETINGS

Sections:

3.01.010	**Regular Meetings**
3.01.010.01	**Schedule**
3.01.010.02	**Open Sessions**
3.01.010.03	**Closed Sessions**
3.01.010.04	**Agenda Item Order**
3.01.020	**Special, Adjourned and Emergency Meetings**
3.01.020.01	**Special Meetings**
3.01.020.02	**Adjourned Meetings**
3.01.020.03	**Emergency Meetings**
3.01.030	**Annual Organizational Meeting**
3.01.040	**Availability of Information**

Section 3.01.010
Regular Meetings

All regular meetings of the Board of Directors will be conducted in the Board room of the District at 3707 Old Highway 395, Fallbrook, California 92028.

The date and time of the regular meetings shall be established by the Board of Directors at the last Board meeting of each calendar year.

3.01.010.01 Schedule

Regular meetings shall be held on the fourth (4th) Tuesday of each calendar month. November and December Meetings may be held on alternative dates to avoid holiday conflicts.

The starting time for the regular meeting Open Session shall be 1:00 p.m. Closed Sessions, when necessary and properly agendized, may be held immediately prior to the Open Session.

3.01.010.02 Open Sessions

Each regular meeting will include an Open Session. Open Sessions are for the purpose of discussing in an open forum any matters that are not of confidential nature as permitted by law and are open to the public.

Although the Board is not prohibited from taking testimony at regular meetings on matters not on the agenda which a member may wish to bring before the Board, the Board cannot discuss or take action on such matters at that meeting but may briefly respond, ask a question for clarification, make an announcement, report their own activities, refer the item to staff for follow-up, or place it on a future agenda for discussion and action.

Three (3) minutes may be allotted to each speaker unless extended by the chairperson. A time limit may be imposed on the speaker by the meeting chairperson at their sole discretion.

3.01.010.03 Closed Sessions

The Board, General Manager, or District Counsel may schedule a Closed Session as part of any regular meeting. Closed Sessions are for the purpose of discussing confidential matters as permitted by law and are closed to the public.

When requested and called upon, members of the public may provide public comment on any matters appearing on an agenda during open session, including closed session matters.

3.01.010.04 Agenda Item Order

The chairperson of the meetings described herein may determine the order in which agenda items shall be considered for discussion and/or action by the Board.

Section 3.01.020
Special, Adjourned and Emergency Meetings

Special, adjourned and emergency meetings of the Board of Directors may be called as provided by law, and in accordance with the provisions of the Brown Act, Government Code Section 54950 *et seq*.

3.01.020.01 Special Meetings

Special meetings may be called by the President or by a majority of the members of the Board as permitted by Government Code Section 54956. The President shall set the time and place for any special meeting of the Board of Directors. The President shall have final approval on the contents of the agendas for all special, adjourned and emergency meetings of the Board. Directors shall be notified of special meetings by the Secretary. The call and notice shall be posted at least 24 hours prior to the special meeting at the District Headquarters. The Secretary shall post an agenda containing a brief, general description of each item of business to be transacted or discussed at special meetings, including the items to be discussed in closed session. The posting shall be freely accessible to the public.

3.01.020.02 Adjourned Meetings

A regular meeting may be adjourned by the Board or by the Secretary if less than a quorum is present to another time. An adjourned regular meeting is a regular meeting if held within five days of the regular meeting. If the adjourned meeting is held more than five days after the regular meeting, a new agenda shall be posted.

3.01.020.03 Emergency Meetings

An emergency meeting may be called by a majority of the Board pursuant to Government Code Section 54956.5 without twenty-four hour notice or posting of an agenda if necessary due to disruption or threatened disruption of District facilities by work stoppage, natural disaster or other activity severely impairing public health or safety as determined by a majority of the members.

Section 3.01.030
Annual Organizational Meeting

The Board of Directors, at the regular scheduled meeting each December of every year, shall elect a President and Vice President from among its membership as well as a Board Secretary and Treasurer to serve a one year term. The Board may appoint from staff the District Secretary and CFO/Finance Manager to serve as the Board Secretary and Treasurer, respectively. These officers will serve at the pleasure of the majority of the Board for one year and may be changed or removed at any time by a majority vote of the Board.

Section 3.01.040
Availability of Information

The chairperson and the General Manager shall insure that appropriate information and materials are available for the audience at meetings of the Board of Directors. This information includes, but is not limited to, the following:

A. Agenda packages and other materials deemed appropriate by the Board of Directors, e.g. draft budgets for budget workshops, shall be made available to any interested member of the public who makes a request.

B. Members of the public who would like to receive agendas as well as agenda packets on a recurring basis throughout the calendar year may submit a request form with the Executive Assistant/Board Secretary. Said written request shall be in effect for the calendar year in which it is made and shall be renewed annually to continue regular receipt of the materials.

C. Sufficient copies of any materials provided at meetings of the Board of Directors shall be made and readily available for those attending said meetings.

D. Additional copies of the agenda packages will be made readily available to non-subscribers upon request.

E. Subscribers will be notified by e-mail, fax, or telephone when materials are available.

Chapter 3.02
MEETING AGENDAS

Sections:

3.02.010 Agendas
3.02.010.01 Agenda Preparation
3.02.010.02 Requests for Agenda Items
3.02.010.02.1 Requests Made by Board of Directors
3.02.010.02.2 Requests Made by Members of the Public
3.02.010.03 Taking Testimony
3.02.010.04 Time Limits
3.02.010.05 Posting of Agenda
3.02.010.05.1 Regular Meetings
3.02.010.05.2 Special Meetings
3.02.020 Presentations from Board Invited Guests

Section 3.02.010
Agendas

3.02.010.01 Agenda Preparation

The General Manager, in cooperation with the Board President, shall coordinate preparation of an agenda for each regular and special meeting of the Board of Directors.

3.02.010.02 Requests for Agenda Items

3.02.010.02.1 Requests Made by Board of Directors

Any Director may call the General Manager and request any item to be placed on the agenda no later than two weeks prior to the meeting date.

3.02.010.02.2 Requests Made by Public Members

Any member of the public may request that a matter directly related to District business be placed on the agenda of a regularly scheduled meeting of the Board of Directors, subject to the following conditions:

(a) The request must be in writing and be submitted to the General Manager or their designee together with supporting documents and information, if any, at least two weeks prior to the date of the meeting.

(b) Notwithstanding permission to request an item's placement on the agenda or to address the Board during public comment, for issues requiring closed session discussion as provided by law, no substantive discussion or action shall be taken by the Board until after the matter has been discussed by the Board in a duly noticed closed session.

3.02.010.03 Taking Testimony

This policy does not prevent the Board from taking testimony at regular and special meetings of the Board on matters which are not on the agenda which a member of the public may wish to bring before the Board; however, the Board shall not take action or engage in substantive discussions on non-agenda items. The Board may request to place a matter on the agenda for a subsequent meeting, ask a question for clarification, provide a reference to staff or other resources for factual information, or direct staff to report back at a future date.

3.02.010.04 Time Limits

The Board of Directors may place limitations on the total time to be devoted to a public request issue at any meeting and may limit the time allowed for any one person to speak on the issue at the meeting.

3.02.010.05 Posting of Agenda

3.02.010.05.1 Regular Meetings

In accordance with the law, at least seventy-two (72) hours prior to the time of all regular meetings, an agenda, which includes but is not limited to all matters on which there may be discussion or action by the Board, shall be posted conspicuously for public review at the District office or otherwise as provided by law.

3.02.010.05.2 Special Meetings

The agenda for a special meeting shall be posted at least twenty-four (24) hours before the meeting in the same location as stated for regular meetings.

Section 3.02.020
Presentations from Board Invited Guests

A Board member may request that a guest be invited to make a presentation to the Board of Directors subject to the approval of the request by the Board of Directors.

A Board member wishing to invite a guest to make a presentation will provide to the General Manager a brief description of the nature of the presentation.

Upon receipt of the request the General Manager will include the request in the next available agenda for Board consideration.

Chapter 3.03
CONDUCT

Sections:

3.03.010 Roberts Rules of Order, Revised
3.03.020 Time of Meeting
3.03.030 Conduct of Meetings

Section 3.03.010
Roberts Rules of Order, Revised

Meetings of the Board of Directors shall be conducted by the chairperson. The Board approved Rainbow Municipal District Parliamentary Procedures Policy as well as the latest of Robert's Rules of Order, Revised shall also be used as a general guideline for meeting protocol. District policies shall prevail whenever they conflict with Robert's Rules of Order, Revised.

Section 3.03.020
Time of Meeting

All Board meetings shall commence at the time stated on the agenda and shall be guided by same.

Section 3.03.030
Conduct of Meetings

The conduct of meetings shall, to the fullest possible extent, enable Directors to:

(a) Consider problems to be solved, weigh evidence related thereto, and make wise decision intended to solve the problems; and,

(b) Receive, consider and take any needed action with respect to reports of accomplishment of District operations.

Provisions for permitting any individual or group to address the Board concerning any item on the agenda of a special meeting, or to address the Board at a regular meeting on any subject that lies within the jurisdiction of the Board of Directors, shall be as follows:

* Three (3) minutes may be allotted to each speaker unless extended by the chairperson.

No conduct which interferes with the meeting shall be permitted at any Board meeting. Persistence in such conduct shall be grounds for summary termination by the chairperson of that person's privilege to address the Board, and that person may be removed from the meeting.

Oral presentations which include charges or complaints against any District employee, regardless of whether the employee is identified in the presentation by name or by another reference which tends to identify, shall immediately be referred to the General Manager without further comment by the Board.

Willful disruption of any of the meetings of the Board of Directors shall not be permitted. If the chairperson finds there is in fact willful disruption of any meeting of the Board and that order cannot be restored by the individuals interrupting the meeting, the chairperson may order the room cleared and subsequently conduct the Board's business without the audience present.

(a) In such an event, only matters appearing on the agenda may be considered in such a session.

(b) After clearing the room, the chairperson may permit those persons who, in their opinion, were not responsible for the willful disruption to re-enter the meeting room.

(c) Duly accredited representatives of the news media, whom the chairperson finds have not participated in the disruption, shall be admitted to the remainder of the meeting.

Chapter 3.04
BOARD OF DIRECTORS ACTIONS AND DIRECTIONS

Sections:

3.04.010 Board of Directors Actions
3.04.020 Board of Directors Directions

Section 3.04.010
Board of Directors Actions

Actions by the Board of Directors include but are not limited to the following:

(a) Adoption or rejection of regulations or policies;

(b) Adoption or rejection of a resolution;

(c) Adoption or rejection of an ordinance; and

(d) Approval or rejection of any contract or expenditure.

Action can only be taken by a vote of the majority of the Board of Directors. Three (3) Directors must vote affirmatively for any action to be effective (unless a 4/5 vote is required by policy or other law).

This policy applies to abstentions from voting as well. A member abstaining in a vote is considered as absent for that vote.

Section 3.04.020
Board of Directors Directions

The Board may give directions which are not formal action. Such directions do not require formal procedural process. Such directions include the Board's directives and instructions to the General Manager. Such directives shall not consist of orders or instructions that would require the expenditure of District funds or other actions that would otherwise require formal approval of the Board.

The chairperson shall determine by consensus a Board directive and shall state it for clarification. Should any two Directors challenge the statement of the chairperson, a voice vote may be requested.

A formal motion may be made to place a disputed directive on a fixture agenda for Board consideration, or to take some other action (such as refer the matter to the General Manager for review and recommendation, etc.).

Informal action by the Board is still Board action and shall only occur regarding matters which appear on the agenda for the Board meeting during which said informal action is taken.

Chapter 3.05
MINUTES

Sections:

3.05.010 Minutes Policy

Section 3.05.010
Minutes Policy

The Secretary of the Board of Directors shall keep minutes of all regular and special meetings of the Board.

Staff shall endeavor to make copies of said minutes for distribution to Directors with the agenda of the minutes available at the next Board meeting for approval consideration.

The official minutes of the regular and special meetings of the Board shall be kept in a fire-proof vault or in fire-resistant locked cabinets, as well as in electronic format.

All audio recordings of regular, special, and committee meetings will be kept for the transcription of minutes. Recordings shall be stored on secure electronic storage systems managed by District staff. These recordings are made for the convenience of the Secretary and shall be retained until the minutes for the meeting have been transcribed and approved; they are not permanent records. Once minutes have been transcribed and approved, all audio recordings shall be destroyed.

A notice will be visible that a recording is being made at all Board meetings;

There will be no recordings made during closed sessions of the Board.

Motions, resolutions or ordinances shall be recorded as having passed or failed and individual votes will be recorded unless the action was unanimous.

The minutes of Board meetings shall include the following:

(a) Date, place and type of each meeting.
(b) Directors present and absent by name.
(c) Call to order.
(d) Arrival/Departure of tardy Directors by name and time.
(e) Adjournment of the meeting.
(f) Board Actions: Approval or amended approval of the minutes of preceding meetings.
(g) Complete information as to each subject of the Board's deliberation.
(h) Complete information as to each subject including the roll call record of the vote on a motion if not unanimous.
(i) All Board resolutions and ordinances in complete context, numbered serially for each calendar year.
(j) A record of all contracts entered into.
(k) All employments and resignations or terminations of employment within the District.
(l) A record by number of all warrants approved for payment.
(m) Adoption of the annual budget.
(n) Approval of all policies and Board-adopted regulations.
(o) A record of all visitors and delegations appearing before the Board.

Chapter 3.06
CONFIDENTIALITY OF BOARD CLOSED SESSIONS

Sections

3.06.010 General Policy
3.06.020 Unauthorized Disclosure by a Director
3.06.030 Unauthorized Disclosure by an Employee
3.06.040 Enforcement
3.06.040.01 Violation of Policy
3.06.040.02 Investigation of Violation

Section 3.06.010
General Policy

The Brown Act prohibits the disclosure of confidential information acquired in closed session by any person present and offers various remedies to address willful breaches of confidentiality. These include injunctive relief, disciplinary action against an employee, and referral of a member of the legislative body to the grand jury.

It is incumbent upon all those attending lawful closed sessions to protect the confidentiality of those discussions.

Generally, the business of the District must be conducted in open session. Pursuant to the Ralph M. Brown Act, California Government Code sections 54962 et seq., the following matters may be discussed in closed session:

- a determination regarding a license or permit;
- conference regarding real property negotiations;
- conference with legal counsel regarding existing litigation;
- conference with legal counsel regarding anticipated litigation;
- liability claims;
- threat to public services or facilities;
- public employee appointment;
- public employee performance evaluation;
- public employee discipline, dismissal, or release;
- conference with labor negotiators;
- report involving trade secret;
- charge or complaint involving information protected by federal law; and a
- conference involving a joint powers agency.

Only the legislative body, acting as a body, may agree to divulge confidential closed session information.

Regarding attorney/client privileged communications occurring in closed session, the entire legislative body is the holder of the privilege and only a majority vote of the entire legislative body can authorize the waiver of the privilege.

Only what is publicly reported by the general counsel at the conclusion of a closed session may be publicly disclosed except as may be necessary to implement the decisions made by the Board in closed session.

Section 3.06.020
Unauthorized Disclosure by a Director

A violation of the policy stated in Section 3.06.010 by a director shall be placed on the agenda of the next regular meeting of the Board or on an earlier special meeting of the Board to consider remedial action, which may include, but not be limited to:

(a) an oral reprimand;
(b) a written reprimand;
(c) injunctive relief to prevent the current or future disclosure of confidential information;
(d) referral of the Director(s) who willfully disclosed confidential information in violation of the policy to the San Diego District Attorney;
(e) removal from any committee assignments for a specified period;
(f) suspension of reimbursements for District travel for a specified period.

Before taking any action, the Board, or an ad hoc committee appointed by the Board to first review the matter, shall provide the person(s) under investigation with an opportunity to meet with the Board or ad hoc committee appointed for the purpose to review the presentation of reasons and evidence why action should not be taken.

It is the intention to implement progressive discipline unless the violation is so severe, willful and detrimental to the interests of the District in fulfilling is public functions that progressive discipline would not serve the District.

The resulting decision of the Board shall be final without any administrative appeal procedure.

Section 3.06.030
Unauthorized Disclosure by an Employee

A violation of the policy stated in Section 3.06.010 by an employee shall be placed on the agenda of the next regular meeting of the Board or on an earlier special meeting of the Board to consider remedial action, which may include, but not be limited to:

(a) an oral reprimand;
(b) a written reprimand;
(c) a suspension of a specified period of time with or without pay;
(d) injunctive relief to prevent the current or future disclosure of confidential information;
(e) referral of the employee(s) who willfully disclosed confidential information in violation of the policy to the San Diego District Attorney;
(f) termination.

It is the intention to implement progressive discipline unless the violation is so severe, willful and detrimental to the interests of the District in fulfilling is public functions that progressive discipline would not serve the District.

Before taking any action, the Board, or an ad hoc committee appointed by the Board to first review the matter, shall provide the person(s) under investigation with an opportunity to meet with the Board or ad hoc committee appointed for the purpose to review the presentation of reasons and evidence why action should not be taken.

The resulting decision of the Board shall be final without any administrative appeal procedure.

Section 3.06.040
Enforcement

3.06.040.01 Violation of Policy

Any director or employee who has reason to believe that a violation of the policy of confidentiality has occurred shall report the suspected violation as follows:

(1) if the suspected violation was by a director, the chair of the Board shall be notified;

(2) if the suspected violation was by the chair of the Board, the general manager and general counsel shall be notified;

(3) if the suspected violation was by an employee, the general manager shall be notified;

(4) if the suspected violation was by the general manager, the chair of the Board shall be notified;

(5) if the suspected violation was by the general counsel, the general manager and the chair of the Board shall be notified.

3.06.040.02 Investigation of Violation

The suspected violation shall be investigated in the manner provided in Administrative Code Section 3.06.020 or 3.06.030, as appropriate. The Board, or an ad hoc committee appointed by the Board, upon receiving any information in support of the suspected violation, shall permit the suspected violator(s) to present any explanation, evidence, or testimony to rebut the allegation.

The Board's decision regarding the suspected violation shall be supported by the "preponderance of the evidence" legal standard, which requires a showing that it is more likely than not the suspected violation occurred. (California Evidence Code section 115; Weiner v. Fleischman (1991) 54 Cal.3d 476).

Title 4
PERSONNEL RULES AND REGULATIONS

Chapters:

4.01 Personnel Rules and Regulations

Chapter 4.01
PERSONNEL RULES AND REGULATIONS

Sections:

4.01.010	**Preamble**
4.01.020	**Goals and Objectives**
4.01.030	**Applicability**
4.01.040	**Equal Opportunity Policy**
4.01.050	**Employee Conduct**
4.01.060	**Personnel Records**
4.01.070	**Employment Verification**
4.01.080	**Promotion Policy**
4.01.090	**Hours of Work**
4.01.100	**Absence and Tardiness**
4.01.110	**Employee Business Expenses**
4.01.120	**Layoff or Reduction of Work Force**
4.01.130	**Hiring of Relatives**
4.01.140	**Service Awards**
4.01.150	**Leave of Absences**
4.01.160	**Safety**
4.01.170	**Tuition Reimbursement Program**
4.01.180	**Personal Matters**
4.01.190	**Improper Use of District Tools, Equipment or Facilities**
4.01.200	**Recruitment Standards**
4.01.210	**Employee Harassment**
4.01.220	**District Employment**
4.01.230	**District Vehicles**
4.01.240	**Compensation**
4.01.250	**Performance Evaluations**
4.01.260	**Outside Employment**
4.01.270	**Employee Computer Program**
4.01.280	**Employee-Employer Relations**
4.01.280.01	**General Provisions**
4.01.280.01.1	**Purpose**
4.01.280.01.2	**Definitions**
4.01.280.01.2.1	**Appropriate Unit**
4.01.280.01.2.2	**Board**
4.01.280.01.2.3	**Confidential Employee**
4.01.280.01.2.4	**Consult/Consultation**
4.01.280.01.2.5	**Day**
4.01.280.01.2.6	**District**
4.01.280.01.2.7	**Employee**
4.01.280.01.2.8	**Employee Organization**
4.01.280.01.2.9	**Employee Relations Officer**
4.01.280.01.2.10	**Employee Representative**
4.01.280.01.2.11	**Impasse**

4.01.280.01.2.12 Management Employee
4.01.280.01.2.13 Mediation
4.01.280.01.2.14 Meet and Confer in Good Faith
4.01.280.01.2.15 Proof of Employee Support
4.01.280.01.2.16 Recognized Employee Organization
4.01.280.01.2.17 Scope of Representation
4.01.280.01.2.18 Wage Class
4.01.280.02 General Rules
4.01.280.02.1 Employee Rights
4.01.280.02.2 District Rights
4.01.280.02.3 Rights of Recognized Employee Organization
4.01.280.03 Representation Proceedings
4.01.280.03.1 Filing of Recognition Petition
4.01.280.03.2 District Response to Recognition Petition
4.01.280.03.3 Election Procedure
4.01.280.03.4 Procedure for Decertification or Withdrawal of Recognition
4.01.280.03.4.1 Form of Petition for De-Certification
4.01.280.03.4.2 Determination by Employee Relations Officer
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Section 4.01.010
Preamble

To the extent there is an existing Memorandum of Understanding (MOU) or other written agreements with more specific terms regarding the topic herein, the terms of those agreements will prevail.

These rules and regulations replace and supersede all prior personnel rules, regulations, policies or practices.

Section 4.01.020
Goals and Objectives

The goals and objectives of the District are:

1. To provide a positive work environment that will promote a spirit of friendliness and cooperation among all employees.

2. To implement an employee handbook.

3. To provide and encourage training opportunities for District employees, so that job openings can be filled from within, where practicable.

4. To recognize excellence and individual merit in employees.

5. To ensure equal employment opportunities for all employees and maintain an adequate level of compensation for services rendered.

Section 4.01.030
Applicability

These Rules and Regulations apply to all employees of the District and may be supplemented by other agreements or policies approved by the District (e.g.; Memorandum of Understanding, Employee Handbook, etc.). They apply at all times when such employees are on District premises; on Standby Duty; on Patrol Duty or off District premises, but engaged in any activity related to or may affect the District's business, reputation or public relations, including, but not limited to, the following:

1. Activities during working hours, including lunch and other breaks.

2. Participation in seminars as a student or speaker.

3. Traveling on behalf of the District.

4. Community activities.

5. Engaged in off-duty activities under circumstances which tend to harm the interest of the District.

Section 4.01.040
Equal Opportunity Policy

It is the policy of the District to:

1. Recruit, hire, and promote for all job classifications without regard to race, religious creed (which includes religious dress and grooming practices), color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex (which includes pregnancy, childbirth, breastfeeding, and related medical conditions), gender, gender identity, gender expression, age, sexual orientation, military or veteran status, height and weight, holding or presenting a driver's license issued under section 12801.9 of the Vehicle Code, or any other factor made unlawful by federal, state or local laws, ordinances, or regulations..

2. Base decisions of employment and promotion upon an individual's qualifications for the position being filled.

3. Ensure that all other personnel actions such as compensation, benefits, transfers, layoffs, return-from-layoffs, District-sponsored training, education, tuition assistance, and social and recreational programs will be administered without regard the factors listed under Section 4.01.040, Subsection 1..

4. Continue to sustain and further develop a system that promotes the maintenance and application of these standards.

Section 4.01.050
Employee Conduct

In order to enhance the safe and efficient operation of the District, employees are expected to behave in a responsible and professional manner. The District may utilize counseling and/or disciplinary measures in an attempt to improve or correct certain employee performance and behavioral issues if the District, in its sole discretion, believes counseling and/or disciplinary action is in the best interest of the District. However, District employees serve at the pleasure of the General Manager and therefore the General Manager does not have to have cause to terminate employment of a District employee. For Disciplinary Processes pertaining to violations of this Section, refer to the applicable Supplemental Memorandum of Understanding for non-exempt employees hired before July 1, 2017, and to the Employee Discipline section of the Employee Handbook for non-exempt employees hired after July 1, 2017 and all Exempt employees.

The following acts are illustrative, and not exhaustive, of acts, which are grounds for disciplinary action up to and including termination of employment with the District:

a. Stealing or willfully destroying or damaging any property of the District, its customers, visitors or personnel.
b. Disobedience or insubordination to superiors.
c. Disorderly, immoral, indecent or criminal conduct.
d. Violating the Personnel Rules and Regulations or Employee Handbook.
e. Fighting, intimidating, coercing or threatening any District employees (being an aggressor or aggravator).
f. Entering time on another employee's time records or requesting another person to enter time on the employee's time records, except for administrative corrections made by District authorized personnel when the employee is not available to make the changes in person. All Administrative corrections must be acknowledged and confirmed with the employee's signature as soon as the employee becomes available to do so.
g. Soliciting or accepting tips or gifts for District services without prior approval of the General Manager or their designee.
h. Disclosing anything of a personal nature concerning a customer or employee unless the specific work duties require the giving or exchanging of such information.
i. Violation of Federal, State, or local laws.
j. Failure to exercise proper custodial responsibility of District keys or property.
k. Unauthorized possession of firearms or other weapons on District property or while on duty.
l. Willful or careless disregard of, or inattention to, working directions and instructions; refusal to comply with or violations of rules, safety or fire regulations, or sanitary rules and regulations.
m. Excessive or unjustified absences or tardiness, or failure to inform the supervisor prior to the time the employee is due to report, by telephone or other means, if the employee is unable to report for work.
n. Failure to notify supervisor if employee leaves the job or premises during working hours.
o. Smoking in unauthorized areas.

p. Selling tickets or chances on illegal pools or raffles or gambling on district premises.
q. Unauthorized posting of notices or literature on District premises.
r. Soliciting, collecting funds and/or circulating literature of any nature on District property during working hours without the approval of the General Manager.
s. Performing personal work on District time.
t. Excessive use of the District business phone for personal matters.
u. Taking more than the specified time for meals or rest periods.
v. Discourteous conduct, abusive treatment or inappropriate language directed toward any customer, visitor, guest, employee or superior.
w. Altering, falsifying, or making a willful misstatement of facts on any District record or chart, job or work record, employment application or any other District record, chart or report.

Section 4.01.060
Personnel Records

The District shall keep centralized personnel files for each employee, which will include job-related and personal information about each employee deemed essential by Human Resources. These records contain confidential information and should be handled with discretion.

Section 4.01.070
Employment Verification

The District will only verify dates of employment, salary and job title for employees and prior employees.

Section 4.01.080
Promotion Policy

The District will review factors such as skills, performance, experience and seniority in awarding jobs on a promotional basis.

Section 4.01.090
Hours of Work

Hours of work shall be determined by the General Manager and defined in the Employee Handbook.

Section 4.01.100
Absence and Tardiness

The District will establish standards for employee absences and tardiness that comply with federal and state laws to promote efficient and effective daily operations.

Section 4.01.110
Employee Business Expenses

Employees, including Board Members, are encouraged to attend educational conferences and professional meetings when the purpose of such activities is to improve District operation.

Employees will attend conferences, meetings, seminars, etc., on an as needed basis to be determined by the General Manager. The General Manager must pre-approve the costs of the program, transportation, lodging and meals.

It is the policy of the District to provide reimbursement to employees for expenses occurred while conducting District business and attending authorized seminars and schools. Employees must submit receipts for all reimbursed expenses (hotel, food, parking fees, etc.) Expenses are **not** to include other persons except those who have a direct bearing on conducting District business. The following categories are excluded from reimbursement:

1. Personal Entertainment expenses
2. Clothing and personal hygiene items
3. Alcoholic beverages
4. Items remaining the personal property of the individual
5. Any expenses not related to District business

Expenses to the District for employees' training, education and conferences should be kept to a minimum by utilizing recommendations for transportation and hotel accommodations put forth by the General Manager and by:

1. Utilizing hotel(s) recommended by the event sponsor in order to obtain discount rates.
2. Hotel accommodations will be made for the night before the event and expire on the day the event ends.
3. Requesting reservations sufficiently in advance, when possible, to obtain discounted airfares and hotel rates.

Expenses for meals, including non-alcoholic beverages and tips ordinarily associated with normal eating customs, shall be reimbursable. The reasonableness of meal expense reimbursement requests shall be based on the published IRS locally calculated meal and incidental guidelines located on the GSA website http://www.gsa.gov/portal/category/100120 and the reimbursable amount shall be limited to the daily Meal and Incidental Expenses Total in the region during the course of travel and while attending the authorized activity.**Error! Hyperlink reference not valid.** Exceptions to these limitations shall be made in situations where participation in the authorized activity makes it necessary to eat at a specific place or to attend special meal functions.

Section 4.01.120
Layoff or Reduction of Work Force

The General Manager may layoff any employee because of lack of appropriate funds, curtailment, lack of work or reorganization. The District will provide notice and meet and confer with any respective employee associations regarding the impact of the layoffs.

The decision of the General Manager to lay off employees is not subject to appeal and is not subject to the grievance procedure.

Employees to be laid off have the right to transfer/demote to a position previously held within the District for which the employee meets the minimum qualifications, is capable of performing the essential functions of the position and has District seniority over other employees.

In order to retreat to a previous position, an employee must request displacement action in writing to the General Manager within five (5) working days of receipt of the layoff notice.

If vacancies exist at the time of layoff(s), such vacant positions shall be offered to any qualified regular employee then scheduled for layoff. Any regular employee placed into a lower classification shall be moved to the salary range of that position not to exceed the rate of pay prior to the transfer. Employees who elect continued employment with the District will not be eligible for severance pay.

Compensation

In the event this policy has taken effect, laid off employees will be eligible for severance pay depending upon their years of service as follows:

Under 1 year	2 weeks' pay without health benefits
1 – 3 years	2 weeks' pay with 1 month health benefits
4 – 5 years	4 weeks' pay with 1 month health benefits
6 – 10 years	6 weeks' pay with 2 months' health benefits
11 and over	8 weeks' pay with 2 months' health benefits

Such severance pay is contingent upon the employee executing a General Release of Claims.

Section 4.01.130
Hiring of Relatives

It is the policy of the District to hire the best qualified employees available for all jobs. As a general rule, the District may employ family members. Family members are defined as husband, wife, parent, child, brother, sister, grandparent, grandchildren, domestic partner, and children of domestic partner. This rule is subject to the following limitations:

1. Family members of the Board of Directors or the General Manager may not be hired as an employee of the District.

2. The General Manager may deny employment to a spouse or family member of any current employee based on the individualized assessment of the work situation. The General Manager's decision shall be based upon the best interests of the District as well as for business and professional reasons to assure proper supervision, maintain morale, security and to avoid conflicts of interest.

3. If co-employees of the District marry, the District will assess the individual work situation. The General Manager will make reasonable efforts to assign job duties so as to minimize the problems of supervision, safety, security or morale.

4. Two members of the same family may not work in the same division.

5. An employee may not work under the direct supervision of a family member.

Section 4.01.140
Service Awards

It is the policy of the District to acknowledge employee service contributions through a public program of recognition of significant contributions by employees to the District.

Regular employees will be considered for recognition in the Continuous Service Awards and Cost Saving Suggestions.

A. Continuous Service Award

An award will be presented every five years of continuous service to the District, along with a cash award. Cash awards will be subject to all applicable statutory payroll tax deductions. The employee will be invited to the regular Board meeting closest to their service anniversary for the presentation of an award(s) plaque and Continuous Service Awards by years of service, as follows:

Years of Service	**Cash Award**	**Special Engraved Gift** (excluding cost of engraving)	**Other Acknowledgement**
5 years	$250	-	-
10 years	$500	-	-
15 years	$750	-	-
20 years	$1,000	Valued at $250	-
25 years	$1,250	Valued at $275	-
30 years	$1,500	Valued at $300	Board Resolution
35 years	$1,750	Valued at $350	Board Resolution Press Release
40 years	$2,000	Valued at $400	Board Resolution Press Release

B. Cost Savings Suggestions

The Suggestion Program will allow employees to present their ideas for improved methods of accomplishing district-related tasks. Employees, excluding management and supervisors, will be eligible for consideration of cost-saving suggestions. Each suggestion implemented will be recognized by an award of 10% of the first year of implementation savings generated by the suggestion. The minimum award will be $100, and the maximum award will be $1,000.

1. Suggestions may include:

    a. Conserving money, time and/or materials
    b. Better procedures or methods
    c. Improving tools or other equipment
    d. Achieving an increase in productivity
    e. Eliminating duplication of effort
    f. Improved safety

2. Exclusions include:

   a. Suggestions already under consideration or previously submitted
   b. Suggestions already in use
   c. Suggestions dealing with items where corrective action is a result of routine procedures

3. Review procedure:

   a. Every suggestion will be submitted to an employee's supervisor.
   b. The supervisor will perform an analysis of the potential for cost savings and submit the original suggestion and the analysis to the General Manager.
   c. The General Manager will review the suggestion and analysis to determine if the suggestion will be implemented.
   d. For each suggestion implemented, the employee will receive the Cost Savings Suggestion award.
   e. For each suggestion not implemented, the General Manager will notify the employee of the reason for non-implementation within 30 days.

In the event a non-implemented suggestion is later implemented while the employee originally making the suggestion is still employed at the District, a retroactive award will be made.

Section 4.01.150
Leave of Absences

The District will recognize and implement all legally required leaves of absence, as prescribed by law. Employees are entitled to use any accrued general leave to cover the unpaid leaves.

Section 4.01.160
Safety

The District shall promote a drug and alcohol-free workplace, good health, well-being and occupational safety for its employees.

All employees are required to read and comply with the District's Injury and Illness Prevention Program. Employees are required to report all injuries or accidents occurring on the job to their supervisor immediately.

Section 4.01.170
Tuition Reimbursement Program

With the approval of the General Manager, the District may pay the cost for any eligible employee to enroll in the tuition program outside of regular working hours, according to the terms of the applicable Memorandum of Understanding.

Section 4.01.180
Personal Matters

In order to ensure that personal matters do not interfere with employees' work and the work of others, the District has adopted the following policy on personal matters:

1. Personal Valuables. The District cannot assume responsibility for lost or stolen personal items. Hence, employees are asked to use their own discretion when bringing such items to work.

2. Personal Business. Conducting personal business during working time or in working areas generally should be limited to breaks and lunch period.

3. Personal Data. It is extremely important the District maintain accurate records of all employees. Hence, should any of the following personal information change, please advise Human Resources and Payroll as soon as possible:

    a. Home address
    b. Telephone number
    c. Person and/or number to notify in case of emergency
    d. Name
    e. Change affecting income tax withholding
    f. Change in beneficiary for insurance plans

4. Personal Phone Calls. Personal phone calls should be limited to emergency situations. If an employee must make a personal call while on duty, they should do so during their break period.

Section 4.01.190
Improper Use of District Tools, Equipment or Facilities

District labor, equipment, materials and supplies may not be used by any employee for private purposes, or for the personal benefit of other employees or other persons, unless specifically authorized by the General Manager. Employees violating this policy, or direct other employees or other persons to take actions in violation of this policy, are subject to disciplinary action up to and including termination and/or criminal prosecution.

Section 4.01.200
Recruitment Standards

1. It is the philosophy of the District to hire and promote the most qualified candidates for available positions. The District is committed to ensuring that all decisions regarding recruitment, hiring, promotion, assignments, training and other terms and conditions of employment will be made without discrimination or any other factor, which cannot be lawfully used as a basis for employment decision. For list of protected factors, please refer to Equal Opportunity Policy provided in the Administrative Code.

2. Applications for employment with the District will be accepted when there is an open and posted job vacancy. Resumes will not be accepted in lieu of a District application. Applications for employment are only accepted up to the closing date and must specify the position for which the applicant is applying for. The application submitted must be fully completed and signed by the applicant. Electronic signatures will be accepted through the District's electronic applicant tracking system.

3. The District will first consider any qualified regular employees who have been employed at least one year before considering external job applicants.

4. Successful candidates for employment are required to pass a physical examination and background check prior to commencing employment. The examination will include a drug screening test which employees must pass. A physician designated by the District will conduct the examination at District expense.

5. Reasonable accommodations, in accordance with the Americans with Disabilities Act (ADA) and California Fair Employment Housing Act (FEHA) will be made for otherwise qualified individuals with disabilities unless an undue hardship exists. Any applicant or employee who requires an accommodation in order to participate in the recruitment process should contact the Human Resources Office and request such an accommodation that they need to engage in the selection process.

6. For jobs that require driving on District business, employees must maintain a valid California Driver's License and qualify for coverage under the District's Automobile Liability Insurance Carrier.

Section 4.01.210
Employee Harassment

The District has developed and implemented a policy against harassment and training programs designed to prevent workplace harassment.

Section 4.01.220
District Employment

The Board of Directors ("Board") shall appoint, by a majority vote, the following officers:

a. Secretary;
b. Treasurer;
c. Attorney;
d. General Manager; and
e. Auditor.

The Board may consolidate the offices of secretary and treasurer. Each of these officers serve at the pleasure of the Board. The Board may also employ such additional assistants and employees as it deems necessary to efficiently maintain and operate the District. (Authority: Cal. Water Code §§ 71340. 71341, and 71342.)

Subject to Board approval, the General Manager has full power and authority to employ and discharge all other District employees. Except for the officers appointed by the Board, District employees serve at the pleasure of the General Manager. (Authority: Cal. Water Code § 71362.)

Generally, because District employees are at-will, the General Manager may terminate District employees, except those officers appointed by the Board of Directors, without cause. However, when appropriate and in the best interests of the District, the District shall counsel, warn, and/or discipline District employees to ensure that actions, which would interfere with operations or an employee's job, are not continued, and allow employees the opportunity to improve their performance or conduct that resulted in the counseling, warning, and/or disciplinary action. Disciplinary procedures pertaining to employees hired by the District on or after July 1, 2017, are set forth in the Employee Handbook. Disciplinary procedures pertaining to non-exempt employees hired before July 1, 2017, are set forth in the Supplemental Memorandums of Understandings pertaining to those employees.

Section 4.01.230
District Vehicles

The District will maintain a Vehicle Use Policy which will be approved by the General Manager and provided as an Addendum to the Employee Handbook.

Personal Vehicles
District vehicles are available for use by employees engaged in District business. Personal vehicles shall only be used for District business when District vehicles are not available for use. If an employee uses their personal vehicle for District business, it must be authorized by a Manager or their designee. If an employee uses a personal vehicle to conduct District business, they shall be reimbursed at the current IRS rate per mile, plus tolls, parking, etc. For travel to out-of-town functions, the mileage reimbursement shall not exceed the cost for coach class air fare plus normal costs for ground transportation. The employee is responsible for fuel and maintenance and must be covered by auto insurance in at least the minimum amounts required by the State of California.

Section 4.01.240
Compensation

The District will make a sincere effort to pay its employees fairly and to be sure their pay is in line with the amount of work and degree of responsibility required in their jobs.

Upon hire the entrance rate shall normally be the minimum rate of the classification for the position involved.

In certain cases where an applicant for a position may have qualifications above and beyond the minimum qualification requirements for the position, or in cases where recruiting efforts have failed to fill a position at the minimum rate, the General Manager may authorize entrance at a rate above the minimum rate.

After one year of employment, merit increases or lump sum merit awards may be given based on the employee's performance evaluation, according to the terms of the applicable Memorandum of Understanding.

If an employee transfers or is reassigned to a classification with a lower pay range, their salary will be moved to the salary range of the position not to exceed the rate of pay prior to the transfer.

Section 4.01.250
Performance Evaluations

Superintendents and Managers will conduct performance evaluations for all employees, excluding temporary employees.

Performance evaluations will be conducted within fifteen (15) working days of their due date. Refer to the applicable Memorandum of Understanding in the event an employee's evaluation is fifteen (15) working days or more overdue.

Performance evaluations shall be in writing and shall provide recognition for effective performance and identify areas needing required improvements.

Section 4.01.260
Outside Employment

Outside employment is permissible as long as employee can still perform their required duties satisfactorily and the outside employment does not create a conflict of interest.

Section 4.01.270
Employee Computer Program

The District may assist employees with the purchase of computer equipment related to their position or career goals by offering an interest-free loan program.

Employees who have completed one full year of employment are eligible to apply for participation in this program.

Those employees who participate in the program agree to hold the District, its directors, officers and employees free and harmless for any and all damages or injuries resulting from the use of items purchased through the program.

Section 4.01.280
Employee-Employer Relations

4.01.280.01 General Provisions

4.01.280.01.1 Purpose

It is the purpose of these rules and regulations to implement those provisions of the Meyers-Milias-Brown Act (Government Code, § 3500 *et seq*.) by promoting full communication between the District and its employees regarding wages, hours and other terms and conditions of employment. It is also the purpose of these provisions to promote the improvement of personnel management and employer-employee relations within the District by providing a uniform basis for recognizing the right of the employees of the District to join, or to refrain from joining, organizations of their own choice and be represented, or not to be represented, by such organizations in their employment relationships with the District.

4.01.280.01.1.1 Nothing in these provisions shall interfere with the right of the Board to manage the affairs of the District in the most economical and efficient manner and in its best interest according to its governing laws, including but not limited to the merits, necessity, or organization of any service or activity allowed by law.

4.01.280.01.1.2 These rules and regulations provide procedures for recognizing and meeting and conferring in good faith with recognized employee organizations regarding matters including but not limited to wages, hours, and other terms and conditions of employment of employees in appropriate units that are within the scope of representation.

4.01.280.01.2 Definitions

When used in these rules and regulations, the following words and terms shall have the meaning indicated, unless the content clearly indicates otherwise.

4.01.280.01.2.1 Appropriate Unit. An appropriate unit means a group of employees that the Employee Relations Officer has determined should have the opportunity to be represented by a single employee organization pursuant to Section 4.01.280.03.5.

4.01.280.01.2.2 Board. Board means the Board of Directors of Rainbow Municipal Water District.

4.01.280.01.2.3 Confidential Employee. Confidential employee means an employee who, in the course of their duties, is privy to decisions of the Board or of management which affect employer-employee relations.

4.01.280.01.2.4 Consult/Consultation. Consult or consultation means to communicate orally or in writing for the purpose of presenting and obtaining views or advising of intended actions. As distinguished from meeting and conferring in good faith, it does not involve an exchange of proposals and counter proposals with a recognized employee organization

in an endeavor to reach agreement, nor is it subject to the impasse and appeals procedures contained herein.

4.01.280.01.2.5 Day. Means calendar day unless expressly stated otherwise.

4.01.280.01.2.6 District. District means the Rainbow Municipal Water District.

4.01.280.01.2.7 Employee. Employee means a regular employee of the District. It does not include temporary employees.

4.01.280.01.2.8 Employee Organization. Employee organization means any lawful organization which includes employees of the District, and which has as one of its primary purposes representing such employees in their relations with the District.

4.01.280.01.2.9 Employee Relations Officer. Employee Relations Officer means the General Manager of the District or their designee.

4.01.280.01.2.10 Employee Representative. Employee representative means a person or persons designated and authorized by a recognized employee organization to exclusively represent the employees within an identified bargaining unit.

4.01.280.01.2.11 Impasse. Impasse means the failure of the representative(s) of the District and a recognized employee organization to reach an agreement after a reasonable period of time bargaining over matters within the scope of representation.

4.01.280.01.2.12 Management Employee. Management employee means an employee having responsibility for formulating, administering or managing the implementation of District policies and programs or any employee having authority to exercise independent judgment to hire, transfer, suspend, lay-off, recall, promote, discharge, assign, reward, or discipline other employees, or having the responsibility to direct them, adjust their grievances, or effectively to recommend such action if in connection with the foregoing, the exercise of such authority is not of a merely routine or clerical nature, but requires the use of independent judgment.

4.01.280.01.2.13 Mediation. Mediation means any efforts by an impartial third person or persons who may assist in reaching a voluntary agreement over a dispute or impasse between representatives of the District and a recognized employee organization through interpretation, suggestion, and advice.

4.01.280.01.2.14 Meet and Confer in Good Faith. To meet and confer in good faith means the mutual obligation of the District or the Employee Relations Officer, and representatives of recognized employee organizations, to personally meet and confer promptly upon request by either party. This should continue for a reasonable period of time in order to freely exchange information, opinions, and proposals. The purpose is to

endeavor to reach an agreement on matters within the authority of such representatives and within the scope of representation prior to the adoption by the Board of the District's final budget for the ensuing year.

4.01.280.01.2.15 Proof of Employee Support. Proof of employee support means (a) an authorization card recently signed and personally dated by an employee, or (b) a verified authorization petition or petitions recently signed and personally dated by an employee. The only authorization which may be considered hereunder shall be the authorization last signed by the employee. The words "recently signed" shall mean within 90 days prior to the filing of a petition.

4.01.280.01.2.16 Recognized Employee Organization. A recognized employee organization means an employee organization which has been formally acknowledged by the District pursuant to these rules as the sole employee organization representing the employees in an appropriate unit. A recognized employee organization has the exclusive right to meet and confer in good faith on behalf of the employees within such unit concerning matters within the scope of representation, and thereby assumes a corresponding obligation of fairly representing such employees.

4.01.280.01.2.17 Scope of Representation. 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. However, the scope of representation shall not include consideration of the merits; necessity or organization of any services or activities provided the District, or any other subject matter legally relegated to the sole discretion of the District.

4.01.280.01.2.18 Wage Class. A definitely recognized category of employment with the District designated to embrace all positions having duties and responsibilities sufficiently similar and performed under sufficiently similar physical working conditions so that the same requirements as to education, experience, knowledge and physical ability may be demanded of incumbents and so that the same schedule of compensation may be made to apply with equity.

4.01.280.02 General Rules

4.01.280.02.1 Employee Rights

Except as otherwise provided by law, employees 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 all matters within the scope of representation. Employees also shall have the right to refuse to join and participate in the activities of the employee organization and shall have the right to represent themselves individually in their employment relations.

4.01.280.02.1.1 No employee shall be interfered with, intimidated, restrained, coerced or discriminated against by the District, any of its employees or by any employee organization because of the exercise of these rights.

4.01.280.02.1.2 Management and confidential employees that wish to be represented separately from other non-management and non-confidential employees by an employee organization consisting of such management and confidential employees.

4.01.280.02.1.3 Nothing contained herein shall deny an individual the right to negotiate their own agreement or to enforce such individual employment agreement. However, this right shall not be construed to require the District to meet and confer with any individual whose position is within a recognized bargaining unit.

4.01.280.02.2 <u>District Rights</u>

The rights of the District include but are not limited to:

4.01.280.02.2.1 The exclusive right to determine the duties of District departments; set standards of selection for employment and promotion; direct its employees; take disciplinary action; relieve its employees from duty because of lack of work or other legitimate reasons; maintain the efficiency of the District operations; determine the methods, means and personnel by which its operations are to be conducted; determine the content of job classifications; take all necessary actions to carry out its mission in emergencies; and exercise complete control and discretion over its organization and the technology of performing its work.

4.01.280.02.2.2 To amend these rules and. regulations after reasonable notice and consultation with each recognized employee organization

4.01.280.02.3 <u>Rights of Recognized Employee Organization</u>

Any recognized employee organization shall have the following rights:

4.01.280.02.3.1 To represent the members of the bargaining unit in their employment relations with the District and to meet and confer in good faith with the Employee Relations Officer on matters within the scope of representation.

4.01.280.02.3.2 The District will establish reasonable rules regarding access to District work locations by exclusive employee organizations. The District will allow a reasonable number of representatives paid time off to meet and confer with the District regarding subjects within the scope of representation.

4.01.280.02.3.3 Recognized employee organizations may use portions of District bulletin boards under the following conditions:

(a) All materials roust receive the approval of the Employee Relations Officer.

(b) All materials must be dated and must identify the organization that published them.

(c) The actual posting of materials will be done by the District as soon as possible after they have been approved. Unless special arrangements are made, materials posted will be removed thirty-one (31) days after the posting date. Materials which the Employee Relations Officer considers objectionable will not be posted.

(d) The District reserves the right to determine where bulletin boards shall be placed and what portions of them are to be allocated to employee organizations' materials.

(e) An employee organization that does not abide by these rules will forfeit its right to have materials posted on District bulletin boards.

4.01.280.02.3.4 Recognized employee organizations may have reasonable access to non-confidential information pertaining to employment relations, as contained in the public records of the District, subject to limitations and conditions set forth in this rule and the Public Records Act (Government Code, §§ 6250-6260). Such information will be made available during regular office hours and after payment of reasonable cost, where applicable. Nothing contained herein shall be construed to require disclosures which constitute an unwarranted invasion of privacy or are gathered pursuant to promises to keep the source confidential. Nor shall anything herein be construed to require disclosure of records (records pertaining to claims or litigation to which the District is a party) that are working papers or memoranda not retained in the ordinary course of business. The District shall not be required to do research or assemble data.

4.01.280.02.3.5 Except in case of emergency as provided herein, to have reasonable written notice of any proposed ordinance, rule, resolution, or regulation directly relating to matters within the scope of its representation and the opportunity to meet with the Employee Relations Officer prior to the adoption of such proposal. In cases of emergency, when the Board determines that an ordinance, rule, resolution or regulation must be adopted immediately without prior notice or meeting with a recognized employee organization, the Employee Relations Officer shall provide such notice and the opportunity to meet at the earliest practical time following the adoption of such ordinance, rule, resolution or regulation.

4.01.280.02.3.6 To have an authorized representative of the recognized employee organization contact members of their organization in District facilities provided they have first made arrangements with the management or supervisory employee in charge. This right does not extend to contacting District employees on District time who are not members of the particular employee organization, nor to soliciting for membership or representation rights in an employee organization.

4.01.280.02.3.7 To have a reasonable number of employee representatives allowed reasonable time off without loss of compensation or other benefits when formally meeting and conferring with the Employee Relations Officer about matters within the scope of representation.

4.01.280.03 Representation Proceedings

4.01.280.03.1 Filing of Recognition Petition

An employee organization that seeks to be formally acknowledged as the recognized employee organization representing employees in an appropriate unit shall file a petition with the Employee Relations Officer containing the following information and documentation:

(a) Name and address of the employee organization.

(b) Names and titles of its officers.

(c) Names of employee organization representatives who are authorized to speak on behalf of the organization.

(d) A statement that the employee organization has, as one of its primary purposes, the responsibility of representing employees in their employment relations with the District.

(e) A statement as to whether the employee organization is a chapter of, or affiliated directly or indirectly in any manner, with a local, regional, state, national or international organization, and if so, the name and address of such organization(s).

(f) Certified copies of the employee organization's constitution and bylaws.

(g) A designation of those persons and their addresses, not exceeding two in number, to whom notice sent by regular United States mail will be deemed sufficient notice to the employee organization for any purpose.

(h) A statement that the employee organization has no restriction on membership based on race, color, creed, sex, national origin, age, marital status, or disability.

(i) The job classifications or position titles of employees in the group claimed to be an appropriate unit and the approximate number of member employees therein.

(j) A statement that the employee organization has in its possession proof of employee support, as herein defined, to establish that at least 30% of the employees in the group claimed to be an appropriate unit 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.

(k) A request that the Board formally acknowledge the petitioner as the recognized employee organization representing the employees in the unit claimed to be appropriate for the purpose of meeting and conferring in good faith. 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.

4.01.280.03.2 <u>District Response to Recognition Petition</u>

Upon receiving the petition, the Employee Relations Officer shall determine whether:

(a) There has been compliance with the requirements of the recognition petition.

(b) The proposed representation unit is an appropriate unit in accordance with Section 4.01.280.03.5.

(c) If an affirmative determination is made by the Employee Relations Officer on the foregoing two matters, they shall use a third party mediator to conduct a card authorization confirmation. If the third party mediator concludes that more than 50% of the employees in the appropriate bargaining unit have signed valid authorization, without revocation, the mediator shall so inform the Employee Relations Officer, who shall subsequently inform the Board. The Board shall so certify the organization as the exclusive bargaining representative of the employees in said bargaining unit.

(i) If the third party mediator determines that there are less than 50%, but more than 30% of employees in the appropriate bargaining unit who have signed valid authorization cards, the Employee Relations Officer will schedule a secret ballot election in accordance with this Resolution.

(d) If the Employee Relations Officer does not confirm compliance with sections (a) or (b) above, 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.

(e) The petitioning employee organization may do one of the following within fifteen (15) days from the determination made in (d) above:

(i) Appeal such determination in accordance with Section 4.01.280.03.7.

(ii) Amend its petition to comply with (a) and (b).

4.01.280.03.3 Election Procedure

The Employee Relations Officer may conduct the election or may arrange for an election to be conducted by the California State Conciliation and Mediation Service in accordance with its rules and procedures, subject to the provisions contained herein. All employee organizations that have duly submitted petitions, which have been determined to be in conformance with these rules and regulations, shall be included on the ballot. The ballot shall also reserve to employees the choice of no employee organization. Employees entitled to vote in such elections shall be those persons employed in regular 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. This would include those who did not work during such period because of illness, vacation or other excused absences, 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 recognized employee organization for the designated unit following an election or run-off election if it receives a numerical majority of valid votes cast in the election. In the event of multiple employee organizations on the voting ballot, the organization receiving the largest number of valid votes cast will be certified as the exclusive bargaining representative.

There shall be no more than one election affecting the same unit or a substantially similar unit (as determined at the Employee Relations Officer's sole discretion) in a 12-month period.

Costs of conducting an election shall be borne in equal shares by the District and by each employee organization appearing en the ballot.

4.01.280.03.4 Procedure for Decertification or Withdrawal of Recognition

4.01.280.03.4.1 Form of Petition for De-Certification

A de-certification petition alleging that the incumbent-recognized employee organization no longer represents the majority of the employees in an established unit may be filed with the Employee Relations Officer any time following the first twelve (12) months of recognition. A de-certification petition may be filed by two or more employees or their representative or by an employee organization and shall contain the following information and documentation declared by the fully authorized signatory under penalty of perjury to be true, correct, and complete:

(a) The name, address and telephone number of the petitioner and a designated representative authorized to receive notices or requests for further information.

(b) The name of the established appropriate unit and of the incumbent recognized employee organization sought to be decertified as the representative of that unit.

(c) An allegation that the incumbent recognized employee organization no longer represents a majority of the employees in the appropriate unit, and any other relevant material or facts relating thereto.

(d) Proof of employee support by establishing that at least thirty percent (30%) of the employees in the established appropriate unit no longer desire to be represented by the incumbent-recognized employee organization. Such petition shall be submitted for confirmation, to the Employee Relations Officer.

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. Said petition must evidence proof of employee support of at least thirty percent (30%) and include the allegations and information required under this section, and otherwise conform to the requirements of Section 4.01.280.04.1.

4.01.280.03.4.2 Determination by Employee Relations Officer

The Employee Relations Officer shall initially determine whether the petition has been filed in compliance with the applicable provisions of this section. If their determination is in the negative, the Employee Relations Officer shall offer to consult thereon with the representative of such petitioning employees or employee organization, and if their 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 4.01.280.03.7. If the determination of the Employee Relations Officer is in the affirmative, or if their negative determination is reversed on appeal, the Employee Relations Officer shall thereupon arrange for a third party to conduct a secret ballot election.

4.01.280.03.4.3 Employee Relations Officer-Ordered Election

Following the first full year of recognition, the Employee Relations Officer may on their own motion, when they have reason to believe that a majority of unit employees no longer wish to be represented by the incumbent exclusively recognized employee organization, give notice to that organization and all unit employees that they will arrange for an election to determine that issue. In such event, any other employee organization may, within fifteen (15) days of such notice, file a Recognition Petition in accordance with this Section 4.01.280.03, which the Employee Relations Officer shall act on in accordance with this Section 4.01.280.03.

4.01.280.03.4.4 Withdrawal of Recognition Based on Good Faith Doubt

The District may withdraw recognition from an employee organization which has previously been granted formal recognition if the District has a good faith doubt as to the continued majority status of the employee organization. The District's good faith doubt shall be supported by evidence that the employee organization lacks continued majority status.

This evidence should include, but is not limited to, some of the following:

Inactivity by the employee organization, such as a failure to monitor contract provisions and pursue grievances;

Employee expressions of dissatisfaction with the employee organization;
The filing of a petition by employees;

Substantial employee turnover and/or expansion since the date of formal recognition;

Pronounced decline in the number of employees who pay employee organization dues; or

A poll of employees indicating the lack of majority support, such a poll may be initiated by the Employee Relations Officer only under the following conditions:

(1) The District must have other evidence indicating a lack of majority status prior to initiating a poll;

(2) The purpose of the poll must be to determine whether the employee organization represents a majority of the employees;

(3) The purpose of the poll must be communicated to the employees;

(3) The employees must be given assurances against reprisal;

(4) The employees must be polled by secret ballot;

(5) The polling process must be free of coercion.

The District's evidence must support a conclusion that more than fifty percent (50%) of the employees do not support the employee organization.

Recognition may not be withdrawn under this procedure until the employee organization in question has served for a full year, as measured by the date of certification.

4.01.280.03.5 <u>Determination of Appropriate Units</u>

The policy objectives in determining the appropriateness of units shall be: promoting the efficient operations of the District, compatibility with the primary responsibility of the District and its employees to effectively and economically serve the public, and providing the employee 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:

(a) Similarity of the general kinds of work performed, types of qualifications required, and the general working conditions.

(b) History of representation in the District and similar employment, except 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.

(c) Consistency with the organizational patterns of the District.

(d) Number of employees and wage classes, and the effect on the administration of the employer-employee relations created by the fragmentation of wage classes and proliferation of units.

(e) Effect on the classification structure and impact on the stability of the employer-employee relationship of dividing single or related wage classes among two or more units.

Notwithstanding the foregoing provisions of this section, managerial and confidential responsibilities, as defined in Section 4.01.280.02, are determining factors in establishing appropriate units hereunder. Therefore, managerial and confidential employees, as designated by the Employee Relations Officer, may only be included in a unit consisting solely of managerial or confidential employees. Managerial and confidential employees may not represent any employee organization which represents other employees.

The Employee Relations Officer shall, after notice to and consultation with affected employee organizations, allocate new wage classes or positions, delete eliminated wage classes or positions, and remain, reallocate or delete classes or positions from units in accordance with the provisions of this section.

4.01.280.03.6 <u>Procedure for Modification of Establishing Appropriate Units</u>

Requests by an employee organization for modifications of established appropriate units shall be considered by the Employee Relations Officer. Such request shall be submitted in the form of a recognition petition and, in addition to the requirements set forth in Section 4.01.280.03.1, 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 4.01.280.03.5. The Employee Relations Officer shall determine whether or not to process the request, based upon the best interests of the District and of the employees involved. If the Employee Relations Officer decides to proceed, they shall process such petitions, as provided in these rules for other recognition petitions, except that only employees in the newly proposed and approved appropriate unit may vote.

The Employee Relations Officer may, on their own motion, propose that an established unit be modified. The Employee Relations Officer shall give written notice of the proposed modifications to any affected employee organization and shall hold a meeting concerning the proposed modifications, at which tine all affected employee organizations shall be beard. Thereafter, the Employee Relations Officer shall determine the composition of the appropriate unit or units in accordance with Section 4.01.280.03.5 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 4.01.280.03.7. 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 recognized employee organization for such new appropriate unit or units pursuant to Section 4.01.280.03.1.

4.01.280.03.7 Appeal from the Employee Relations Officer's Determination

Employees or an employee organization aggrieved by a determination of the Employee Relations Officer regarding an appropriate unit or a recognition petition, challenging petition, or of recognition petition, may, within fifteen (15) days of notice of such determination, appeal the determination to the Board for final decision.

Appeals to the Board shall be filed in writing with the District Secretary, and a copy thereof served to the Employee Relations Officer. The Board may select a designee(s) to consider the matter and make a written recommendation to the Board. The Board may designate whether the matter shall be heard by written briefs or by an informal hearing process. The Board or its designee(s) shall commence to consider the matter within forty-five (45) days of the filing of the appeal. The decision of the Board shall be final and binding.

4.01.280.04 Administration

4.01.280.04.1 Memorandum of Understanding

If agreement is reached by the representative of the District and a recognized employee organization, they shall jointly prepare a written memorandum of such understanding and present it to the Board for ratification. The memorandum of Understanding will not become effective and binding unless and until the Board ratifies it. If approved by the Board, the memorandum of understanding shall constitute a contract between the District and the recognized employee organization.

4.01.280.04.2 Payroll Deductions

A recognized employee organization may be entitled to request that payroll deductions be made for payment of organization membership dues, if agreed to through a MOU, or if otherwise provided by law. The providing of such service to the recognized employee organization by The District shall be contingent upon and in accordance with the provisions of the memorandum of understanding and must be approved in writing by each employee on a payroll deduction authorization card provided by the District.

4.01.280.04.3 Submission of Current Information

Any changes in the information filed with the District by a recognized employee organization under items (a) and (b) of its recognition petition under Section 4.01.280.03.1 shall be submitted in writing to the Employee Relations Officer within fifteen (15) days of such changes.

4.01.280.04.4 Administrative Rules and Procedures

The Employee Relations Officer is hereby authorized to establish such rules and procedures as appropriate in order to implement and administer the provisions contained herein.

4.01.280.05 Impasse Procedures

4.01.280.05.1 Initiation of Impasse Procedures

In the Meet and Confer process as defined in this Resolution, 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 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.

4.01.280.05.2 Impasse Procedures

Impasse procedures are as follows:

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 and non-binding, unless otherwise agreed to in writing by both parties. The mediator shall make no public recommendation, nor take any public position at any time concerning the issues.

If the parties fail to agree to mediation or to a mediator, or having so agreed, fail to resolve the dispute through mediation, the Board of Directors may take such action as it, in its discretion, deems appropriate in the public interest. Any legislative action by the Board of Directors on the impasse shall be final and binding.

4.01.280.05.3 Costs of Impasse Procedures

The costs of the services of a mediator utilized by the parties, and other mutually incurred costs of mediation, shall be borne equally by the District and the exclusively recognized employee organization. The cost for other separately incurred costs shall be borne by such party.

4.01.280.06 Severability

4.01.280.06.1 Severability

If any provision of this Resolution, or application of such provision to any person or circumstance, is found by a court of appropriate jurisdiction to be invalid, the remainder of this Resolution, or the application of its provisions to person(s) or circumstances other than those as to which it is held invalid, shall not be affected thereby.

Title 5
FINANCE AND ADMINISTRATION

Chapters:

5.01 Banking
5.02 Purchasing
5.03 Investment Policy
5.04 Fixed Assets
5.05 Public Records
5.06 Internal Controls: Fraud and Similar or Related Inappropriate Conduct
5.07 Unclaimed Checks Policy
5.08 District Communication Systems
5.09 Vehicle Policies
5.10 Debt Management
5.11 Financial Reporting and Year-End Closing

Chapter 5.01
BANKING

Sections:

5.01.010 Check Signers
5.01.020 Accounts Payable Signers
5.01.030 Payroll - Signers

Section: 5.01.010
Check Signers

The District will designate check signing authority for Accounts Payable and Payroll and so inform the bank used by the District on forms approved by the bank.

Section 5.01.020
Accounts Payable Signers

Accounts payable checks shall require two signatures, either physical or digital. The General Manager or Chief Financial Officer/Finance Manager of the District may authorize checks be printed using digital signatures, or electronic payments such as ACH be issued, if such expenditures were previously approved according to the appropriate staff or Board level per the Administrative Code. Any one member of the Board may sign an accounts payable check in the event manual signatures are necessary should management staff be unavailable and circumstance require timely payment. Payments may be made by using physical checks, facsimile, digital signature, electronic funds transfer (EFT), wires, or any other method that is secure, efficient, and beneficial to the District's needs. The Budget and Finance Committee will review internal controls and advise the Board on adoption of appropriate policies.

Section 5.01.030
Payroll - Signers

Payroll checks will be signed by one member of management staff.

Chapter 5.02
PURCHASING

Sections:

5.02.010 Centralized Purchasing
5.02.020 Purchasing Procedures
5.02.030 Purchase Requests
5.02.040 Purchase Orders
5.02.050 Alternative Methods of Procurement
5.02.050.01 Check Requests
5.02.050.02 Petty Cash
5.02.050.03 Credit Card Expenditures
5.02.060 Emergency Purchases
5.02.070 Open Purchase Orders
5.02.080 Quantities to be Purchased
5.02.090 Value Purchasing
5.02.100 Quotations
5.02.110 Professional Services-Requests for Proposals
5.02.120 Insurance/Licensing
5.02.130 Departmental Responsibilities
5.02.140 Formal Bids
5.02.150 Contract Delivery/Inspection
5.02.160 Invoices
5.02.170 Duties and Functions of Assigned District Purchasing Agent
5.02.180 Purchasing Department
5.02.190 Purchasing Department - Relationship between District and Vendors
5.02.200 Purchasing Approval and Change Order Limits

Section 5.02.010
Centralized Purchasing

Rainbow Municipal Water District has adopted a centralized system under the direction and control of the General Manager.

The purchasing system is administered by the Finance Manager and includes:

1. Purchase of supplies, equipment, and services.

2. Sale and disposal of obsolete and surplus property.

3. Transfer of equipment and supplies between departments.

4. Management of the inventory control system.

Purchasing policies of Rainbow Municipal Water District are established by the Board of Directors.

1. Procurement transactions shall be conducted in a lawful and ethical manner.

2. The purchase of supplies, services, and equipment shall be made at the lowest possible cost commensurate for the quality needed.

3. All purchases shall be of a quality and quantity to suit the intended purpose.

4. Financial control over District purchases shall be exercised to ensure adherence to the requirement that expenditures do not exceed amounts appropriated.

5. Authority for the purchasing function shall be clearly defined.

6. Per Resolution No. 02-02, when the price is comparable, Rainbow Municipal Water District will buy material and/or services from business in the greater Fallbrook area (to include Fallbrook, Bonsall and Rainbow).

7. All necessary affirmative steps will be taken to provide opportunities to minority businesses, women's business enterprises, and labor surplus area firms when possible. Such steps include:

    a. soliciting applicable vendors whenever they are potential sources;

    b. dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation in the bidding process; and

    c. using services and assistance, as appropriate, of such organizations as Small Business Administration and the Minority Business Development Agency of the Department of Commerce.

8. All procurements shall be conducted in a manner that provides, to the maximum extent practical, full and open competition.

9. Records shall be kept detailing the history of each formal bid procurement transaction (see Formal Bids Section 5.02.140). These records must include but are not limited to: a description and supporting documentation for procurement method; written price or rate quotations if applicable; copies of advertisements, requests for proposals, bid sheets or bid proposal packets; reasons for vendor selection or rejection; and basis for the contract price, if applicable.

10. The most efficient and effective approach to purchases must be used, including consideration of lease versus purchase analysis, bulk purchase, agreements for use of common or shared goods and services, federal excess, and surplus property.

11. The District does not allow purchasing goods from governing body members, employees or other suppliers that would create a conflict of interest. Potential conflicts of interest must be disclosed. A review of conflicts or potential conflicts will be done with all procurements.

12. All **federal funding** source compliance provisions shall include the following:

    a. Contracts for more than the simplified acquisition threshold, $250,000 for 2022, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

    b. All contracts in excess of $10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be affected and the basis for settlement.

    c. All contracts that meet the definition of “federally assisted construction contract” must include a provision requiring compliance with Equal Employment Opportunity.

    d. Davis-Bacon Act, when required by Federal program legislation, all prime construction contracts in excess of $2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act. In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation.

    e. Construction contracts in excess of $2,000 awarded by non-Federal entities must also include a provision for compliance with the Copeland “Anti-Kickback” Act. The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in

the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

f. The Clean Air Act and the Federal Water Pollution Control Act - Contracts and subgrants of amounts in excess of $150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act. Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

g. Debarment and Suspension - A contract award must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority.

h. Byrd Anti-Lobbying Amendment - Contractors that apply or bid for an award exceeding $100,000 must certify that they will not and have not used federal funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress in connection with obtaining any Federal contract, grant or any other award.

The Purpose of this policy is to state in some detail the rules, regulations, and procedures necessary to adhere to the policies.

Section 5.02.020
Purchasing Procedures

There are six ways that items and supplies can be purchased or requisitioned, or services paid for at Rainbow Municipal Water District:

1. Purchase Request
2. Check Request via Cash Distribution Request Form
3. Petty Cash
4. Credit Card
5. Emergency Purposes
6. Open Purchase Orders

Each of the above is explained in the following pages. It is essential that the appropriate form be utilized and distributed correctly.

Section 5.02.030
Purchase Requests

The Purchase Request is used to inform the purchasing agent of the needs of the department and to define the material requested. A Purchase Request should be prepared well in advance of the date the goods will be needed to enable the purchasing department to secure competitive prices and the vendor to make delivery. A Purchase Request can be made by filling out a paper requisition form or by entering a Purchase Order request into the purchasing software.

The Originator will obtain the approval of their Department Manager and will send the request form to the purchasing department. A software purchase request will be automatically processed through the workflow for approval. The purchasing department will complete the Requisition by indicating the vendor selected, inserting the correct prices and forwarding to their Department Manager for approval. The purchasing department will then issue a Purchase Order to the Vendor.

Employees are not authorized to commit the District for materials or services without prior approval. Purchases or agreements to purchase made by any employee without the approval of the purchasing department may not be honored for payment by the District.

The purchasing department shall have the authority to change vendors and revise specifications as to quality, quantity, or estimated cost. Any revision affecting quality, quantity, or cost shall be in accordance with the standards and specifications established and will be concurred to by the requisitioning department as well as the purchasing agent's Department Manager before the order is confirmed with the vendor. The purchasing department cannot revise specifications without the agreement of the requisitioning department.

Section 5.02.040
Purchase Orders

Purchase Orders will be issued by the purchasing agent only after receipt of a Purchase Request, signed or approved by a Department Manager or an authorized employee. Only the purchasing agent shall issue Purchase Orders. No purchase will be made until a Purchase Order has been obtained from the purchasing agent. All Purchase Orders must be approved according to Section 5.02.200(A) of the Administrative Code. A Department Manager may authorize exceptions for minor purchases under $500. An approved Purchase Order form is used for all purchases.

Specific information such as: ship to address; quantity ordered; description ordered; unit cost and extended cost appear on the Purchase Order, and it is important that they be observed. The Purchase Order number should appear on all invoices, shipping notices, bills of lading, express receipts and packages.

Section 5.02.050
Alternative Methods of Procurement

The following descriptions for the use of check requests and petty cash are to acquaint staff with their existence and proper usage. If utilized correctly, they provide a viable alternative to the Request for Purchase/Purchase Order method of conducting business on a daily basis. Their usage can save a considerable amount of time and, in some cases, money. Please use them when applicable.

5.02.050.01 Check Requests

Check requests should be used when payment must accompany an order, and for such things as magazine subscriptions and organizational dues. A check is requested by completing the Cash Disbursement Request form. Please attach the order form for the item or service required to the Cash Disbursement Request form.

5.02.050.02 Petty Cash

The purchase of items by the use of Petty Cash is limited to transactions of $50.00 or less. Petty Cash can be used for reimbursement of business lunches, mileage, travel and like items. Cash advances for any of these purposes can be obtained from Petty Cash. Cash is advanced through Petty Cash by filling out a petty cash slip, indicating the amount to be advanced, the proper account number, the purpose and by writing “cash advance” at the top of the form. When the transaction is completed a receipt should be returned, along with any remaining funds, and the exact amount of the purchase indicated on the form and the words “cash advance” crossed out.

Before any reimbursement can be made from Petty Cash, a petty cash slip, indicating the purpose, amount, and the account number must be completed, with the Department Manager’s signature. A receipt must be turned in with the petty cash slip to document the purchase. In the case of reimbursed mileage, a completed travel expense form must be attached.

5.02.050.03 Credit Card Expenditures

There are certain transactions that require advances or immediate payment which can be facilitated by the use of a credit card. Some examples of approved District credit card transactions include, but are not limited to:

- Travel arrangements
- Conference registrations
- Workshop registrations
- Hotel reservations
- Travel expenses
- Minor nonroutine purchases under $500

The credit card is not to be used to circumvent established purchasing procedures. It is not to be used to purchase materials, supplies and services that can be purchased through the established purchasing process unless they are minor purchases under $500 and are nonroutine in nature.

The District's accounts payable system will be used in processing monthly credit card statements for payment. Supporting documentation for credit card payments should be the same as for any other accounts payable item. The original invoice (or receipts), along with credit card receipts, must be retained and reconciled to the credit card statement by the employee and signed by their manager. The statement and supporting documentation must be submitted to the Accounting Department within five days of receipt of statement.

Staff who are responsible for a credit card are accountable for ensuring that the credit vendor and Finance Manager are notified immediately if the card is lost or stolen.

Credit Card purchases for meals are to state on the receipt the participants and purpose of the meal.

Section 5.02.060
Emergency Purchases

While the need for occasional emergency purchases is recognized, the practice shall be limited as much as possible by anticipating needs in time for the use of regular purchasing procedures.

Emergency purchases are to be made only in cases when it is essential to prevent serious delays or interruptions of service to the public, when delaying a purchase would cause extreme cost increases to a project, or when the expense affects the preservation of life, health, safety or property.

Emergency purchases required during normal operating hours are still to be processed by the Purchasing Department. To initiate an emergency purchase outside the normal business hours, the using department will make the purchase and then submit the complete purchase request within 24 hours along with a memo of explanation justifying the need for the emergency purchase. Emergency purchases in excess of the General Manager's authority will be reported to the Board President via email within three days and will be reported to the board at the next scheduled board meeting with a Staff Report detailing the situation.

It is the goal of the Purchasing Department to save money on all purchases. By reducing emergency purchases, dollars will be saved for future operation.

Section 5.02.070
Open Purchase Orders

Open Purchase Orders are issued to vendors who supply small miscellaneous items, such as nuts and bolts, or material that is purchased at varying times in small quantities. The purpose of the Open Purchase Order is to eliminate individual billing for small amounts for those items not practical for the District to store.

Open Purchase orders are originally processed in the same way as a purchase request under Section 5.02.030.

Open Purchase Orders are not to be used as a method to circumvent purchase orders; and, for this reason, any purchase exceeding the approved limit indicated on the Open Purchase Order must have a separate purchase order.

Open Purchase Orders are always issued for a specific maximum amount. If this amount is used up, a new Open Purchase Order must be issued for any excess purchases. Billings for Open Purchase Orders will be monthly.

So that there will be no question when invoices are received from vendors holding Open Purchase Orders, it will be necessary for each department to submit to Purchasing the vendor packing slip and/or the sales receipt from the vendor. Without these it is impossible to verify the charges on a statement, thereby making it impossible to pay the bill. This paperwork must be turned in within 48 hours after the purchase is made and must carry the proper account code, signature, as well as approval by an authorized individual.

Section 5.02.080
Quantities to be Purchased

In order to establish the quantity to be purchased, it is necessary to combine several factors such as demand, delivery time, and cost in such a manner that the materials will cost least in terms of ultimate cost.

Specifically, the factors that determine quantity are:

1. Need
2. Price advantage of quantity purchase
3. Storage facilities available and cost of storage
4. The obsolescence and/or deterioration factor of the item
5. Price trends
6. Time required for delivery
7. Minimum economical manufacturing quantity
8. Amount budgeted

Section 5.02.090
Value Purchasing

Buying at the proper price means obtaining the greatest possible ultimate value. Value is measured by the following factors:

1. The Purchasing Department must be familiar with the uses to be made of an item to be purchased, so that it may judge the value of the quality offered.

2. To control the price factor, it is necessary to develop competition by establishing several satisfactory sources of supply. Before placing an order, quotations are normally invited from a number of satisfactory sources of supply. In determining the net delivered cost, consideration must be given to the following:

    A. Price quoted

    B. Trade-in allowances

    C. F.O.B. point

    D. Delivery costs

    E. Cash discounts

    F. Applicable insurance

    G. Sales tax

    H. Availability

3. Very often the product purchased, by its nature, requires continuous servicing by the manufacturer and replacement of parts for its maintenance. Improper evaluation of this factor could greatly affect the ultimate value received.

4. Good planning on the part of the using department will generally permit sufficient time for a reasonable delivery date. A delivery date is an important factor to the using department and must be given full consideration by the Purchasing Department in the evaluation of price.

    The use of a vendor's delivery vehicle will in most cases greatly reduce the total cost of an item purchased. Keep in mind, a pickup by District personnel, especially outside the District boundaries, costs the District labor hours, vehicle wear & tear and fuel.

Value is also measured with compliance with District, Cal-OSHA, OSHA safety standards and warranties.

An evaluation of the above factors is necessary to arrive at a proper price.

Section 5.02.100
Quotations

Upon receipt of a Requisition for Purchase, the Purchasing Department shall review the source of supply. The bidder's list will be reviewed for firms that will give the best price, proper quality, and service.

When the total cost is less than $5,000, or an emergency exists which will not permit the delay incidental to request for quotation, or the commodity is a "sole source" item, quotations will not be required. For purchases in excess of $5,000, a minimum of three quotes is required.

Annual quotes will be kept on file for items that are purchased routinely throughout the year. Examples include asphalt, rental equipment and fuel.

The Purchasing Department will solicit quotations in one of two forms depending upon the equipment, supplies or service required. Telephone quotations will be used for lower dollar amounts for equipment and supplies when clear, open and competitive specifications are included with the requisition. Written requests for quotations are preferred for high dollar amounts and especially for any contracted services. The Purchasing Agent will determine which form will be used. Written or email requests for quotation will include the following instructions and information:

1. The quantity desired.

2. A full description requested of the materials and specifications or service.

3. Rainbow Municipal Water District reserves the right to accept or reject any or all quotes.

4. If a bidder does not wish to quote, the quotation form is to be returned and reason stated, otherwise the Purchasing Department has the option to remove the bidder's name from the bidder's list.

5. In the case of small Capital Improvement Projects (under $5,000), or maintenance agreements, the contractor shall have the current and properly classified contractor's license.

6. A contractor performing work as in Item 7 shall be required to carry a minimum of $1,000,000 in liability insurance in which the District is also named as "additional insured", as well as provide a signed agreement "holding the District harmless".

7. As in Capital Improvement Project contracts in excess of $5,000 and at the discretion of the General Manager, the contractor may be required to post a 10% bid security as well as 100% performance bonds for performance, material, and labor.

See Formal Bids Section 5.02.140 for purchases in excess of $35,000.

Section 5.02.110
Professional Services-Requests for Proposals

While it is not required to formally advertise for competitive bids for professional services (consultants, architects, etc.), it is the policy of the District to prepare a comprehensive request for proposal (RFP).

The following items are the principal topics that should be included in any RFP.

1. A complete description of the problem and the objectives of the project.

2. An estimate, as close as possible, of the extent of the services required, including staff and resources and an indication of any monetary limits.

3. A description of the overall work plan that the person/company offering the proposal is expected to carry out and an explanation of the relationship that is expected between that firm and District staff.

4. A requirement for the starting and completion dates for each phase of the work plan.

5. A requirement for a breakdown of estimated project costs, listing separately those attributable to expenses for such things as travel and phones, etc., and those for professional services.

6. Require the identification and background of each member of the firm proposed to work on the project.

7. Request a list of clients for whom the proposing firm has performed similar services in the recent past.

It is not necessary to follow any specific format. The important issue is that all seven points are incorporated.

Section 5.02.120
Insurance/Licensing

When contracting for services of any kind, no matter what the value of the contract, there are two items the contractor must have:

1. Policy of general liability insurance with a minimum of $1,000,000 covering the contractor against claims and judgments arising from their products or activities for the District. The insurance policy shall be extended, by endorsement, naming the District as additional insured.

2. The contractor must be licensed to perform work in the State of California, and the license must be current and properly classified.

No matter how small the contract may be, nor how insignificant the work may seem -- WORK MAY NOT BEGIN UNTIL BOTH OF THESE REQUIREMENTS ARE *MET.* The required dollar limits of insurance will be provided by the Finance Manager.

Section 5.02.130
Departmental Responsibilities

Responsibilities:

1. To anticipate their needs so as to give the Purchasing Department the time necessary to get materials and services at the lowest cost consistent with the Purchasing Ordinance and purchasing policy.

2. To prepare specifications which are technical in scope and within the area of the using departments, and to keep such specifications as nonrestrictive as possible.

3. To assist the Purchasing Department in determining what items shall be stocked in central supplies, in setting stock levels, in adding new items and dropping old ones, and to keep Purchasing advised of any upcoming abnormal demands.

4. To list anticipated requirements in advance when requested.

5. When making contact with suppliers directly, in no case obligate the Purchasing Department without such authority.

6. To requisition equipment and supplies that comply with District, Cal-OSHA and OSHA safety standards. This should be verified with the Operations Manager by the using department.

7. To be sure that budget funds are available for all items requisitioned.

Section 5.02.140
Formal Bids

For any non-inventory purchase which will exceed $35,000 in value, a formal bid is required and the following procedure shall be followed:

1. All formally bid items must be submitted to and be approved by the General Manager in concept before any formal action will be taken.

2. A draft copy of the specifications for suppliers, services, or equipment should be submitted to the Purchasing Department along with any other pertinent information.

3. The bid package for items other than Capital Improvement Projects will be prepared by the Purchasing Department and returned to the originating department for review.

Once the bid package has been reviewed, it must be returned to Purchasing along with a list, if available, of desired prospective bidders.

Upon completion of the final bid package the bid will be formally advertised and a notice to bidders will be sent to prospective bidders.

The Notice will include the following instructions and information:

1. Bids must be sealed.

2. The latest time, date, and place of receiving bids.

3. The time, date, and place of bid opening.

4. The quantity desired (if applicable).

5. A full description of the material and specifications.

6. Rainbow Municipal Water District reserves the right to accept or reject any or all bids.

7. Insurance and bonding requirements.

Sealed bids submitted pursuant to the above will be kept unopened until the hour set for the bid opening. The Board Secretary or designee will announce when the opening time has come. The bids will then be publicly opened by the Board Secretary or designee and the bid prices announced. Any bid received after the scheduled time of the bid opening shall be returned to the bidder unopened.

Section 5.02.150
Contract Delivery/Inspection

The Purchasing Department shall inspect all materials, supplies, and equipment received to determine its conformance with the specifications set forth in the order or contract.

Although most materials, supplies and equipment should be delivered to the warehouse, there may be a need to ship items to other locations in the District. The Purchasing Department may authorize the using department to check materials against a Purchase Order for conformance as to quality, quantity, and specifications. When merchandise is received by the department per a Purchase Order, the following procedure shall be observed:

1. Check the delivery slip to see that it agrees with the merchandise received.

2. Check the delivery slip against the Purchase Order.

3. If the order is complete, check that the Purchase Order number is shown. Sign and forward the receiving copy of the Purchase Order and packing slip to the Purchasing Department.

4. In the case of a "partial" delivery, complete the receiving copy of the Purchase Order, indicating what portions of the order were received.

5. Forward this copy with the packing slip to the Purchasing Department, who will then make a photocopy and forward a duplicate of the receiving copy to Accounts Payable. This should be done each time a partial shipment is received until the order is complete, at which time you must forward the original receiving copy of the Purchase Order to the Accounts Payable Department.

6. In case of an overage or shortage (unless shown as a back order) or damaged delivery, notify the delivery driver and the Purchasing Department immediately.

7. Any employee receiving merchandise is instructed not to sign collect freight bills, but to notify the delivery service that the freight bill must be prepaid and advise the Purchasing Department.

8. Do not accept any delivery without obtaining some form of delivery ticket. Every driver must obtain signature for their records but be sure they leaves a copy for our records.

Section 5.02.160
Invoices

Invoices are the media which guide the District in the settlement of financial obligations incurred. An invoice is the vendor's statement of their charges against the District for materials or services rendered, based on the Purchase Order.

All invoices, except those related to the Capital Improvement Projects, will be processed by Purchasing and Accounts Payable for payment.

Capital Improvement Projects - Progress Payment Invoices/billings are to be submitted to the District by the contractor monthly.

Upon review by the inspector and the responsible engineer, a brief memo from the engineer to the General Manager or their designee shall be attached to each progress payment. The memo shall state the amount paid and the date you request a check to be issued by Accounts Payable.

Section 5.02.170
Duties and Functions of Assigned District Purchasing Agent

The day to day operation of the Purchasing Department is the responsibility of the assigned District purchasing agent, who is responsible to the Finance Manager. The duties and functions of Purchasing/Warehouse Technician are as follows:

1. Maintain the Purchasing Manual and enforce the purchasing policies of the District.

2. Make all purchases required by the various departments of the District in conformity with the control procedures established for that purpose. The term "purchases" shall include all materials, supplies, equipment, and services (contractual and otherwise).

3. Operate and maintain the warehouse, and such control necessary for the proper inventory of stocks and supplies.

4. Prepare or obtain and maintain standard specifications for materials, supplies, and equipment whenever practical.

5. Keep informed and maintains records as to the source of supply for all classes of purchases, bids, and price quotations.

6. Arrange for the sale or disposal of obsolete and/or surplus property of the District in accordance with Administrative Code Section 5.04.03-Disposition of Surplus Assets.

7. Arrange for the transfer of equipment between the various District Departments.

8. Advise and assist the Financial Department in formulation of policies and procedures in connection with the purchasing activities of the District.

9. Perform such other duties as may be required by the Finance Manager.

Section 5.02.180
Purchasing Department

The Purchasing Department exists to provide a service for other departments of the District. Cooperation is essential for the successful operation of the purchasing function. The purpose of this section is to emphasize the following responsibilities:

1. To become acquainted with the needs of the various District departments.

2. To procure a product that will meet the departments' requirements at the least cost to the District.

3. To seek and investigate new sources of supply.

4. To standardize whenever possible.

5. To see that all equipment and supplies comply with District or OSHA safety standards.

6. To keep informed of products and changes in the marketplace.

7. To maintain up-to-date vendor files.

8. To ensure proper cost application of expenses by using accurate Fund and Cost Center coding on all expenses.

9. To conduct an inventory in conjunction with the annual financial audit of the District.

Section 5.02.190
Purchasing Department - Relationship between District and Vendors

The promotion of good vendor relations is an important function of the Purchasing Department. It is the responsibility of the Purchasing Department to establish a relationship of mutual confidence and satisfaction between the District and suppliers. It is, therefore, necessary that the Purchasing Department be aware of all transactions that are conducted between the District and vendors. The departments should not be burdened with visits from suppliers without appointments. The District's time and that of the suppliers will be saved if the following procedures are observed:

1. The Purchasing Department will inform or pass along to departments useful information received from interviews, catalogs, advertising, etc.

2. If a vendor should contact a department directly, any appearance on the part of operating or administrative personnel to making a commitment to buy, except through the Purchasing Department, must be avoided.

3. Copies of subsequent correspondence with prospective suppliers, which may be necessary, will be furnished by the assigned District purchasing agent.

4. All District personnel will be required to keep an objective and unobligated viewpoint. This includes the refusal to accept any and all gifts over a nominal value and gratuities from vendors and prospective vendors.

Section 5.02.200
Purchasing Approval and Change Order Limits

A. APPROVAL REQUIREMENTS – LIMITS

Approval requirements of purchases and/or change orders for work or professional services are based on the total dollar amount of the purchase and/or change orders, as follows:

DOLLAR AMOUNT	REQUIRED APPROVAL SIGNATURES
$5,000 or Less	Department Manager
$5,001-$10,000	Department Manager and Finance Manager
$10,001-$50,000	Finance Manager and General Manager
More than $50,000	General Manager and Board of Directors

TRANSACTIONS MAY NOT BE SPLIT IN ORDER TO CIRCUMVENT THESE LIMITS

These limits are primarily for purchases of capital items and payment for work or professional services and do not apply to routine purchases of warehouse inventory items that are necessary for the conduct of daily District business.

B. CHANGE ORDERS

The General Manager is authorized by this section to approve any reasonable change order or modification to a contract for work or services that does not exceed **$25,000 or ten percent (10%) of the contract price, whichever amount is greater**. Any proposed change order or modification to a contract for work or services that exceeds this amount shall be presented to the Board for consideration and approval. These approval requirements will not operate to conflict with relevant requirements of the Public Contract Code, including but not limited to sections 20640 et seq. As set forth in Public Contract Code Section 20642 and Section 5.02.140 of this Administrative Code, when work is not to be done by the District itself by force account, and the amount involved is Thirty-Five Thousand ($35,000), or more, any contract for the performance of work or services shall be let to the lowest possible bidder, after publication, in the manner prescribed by the Board, of notices inviting bids therefor.

Chapter 5.03
INVESTMENT POLICY

Sections:

5.03.010 Investment Policy Purpose
5.03.020 Investment Policy Scope
5.03.030 Investment Policy Prudence
5.03.040 Investment Policy Objectives
5.03.040.01 Investment Policy Safety of Principal
5.03.040.02 Investment Policy Liquidity
5.03.040.03 Investment Policy Yield
5.03.050 Investment Policy Maturity Matrix
5.03.060 Investment Policy Performance Evaluation
5.03.070 Investment Policy Delegation of Authority
5.03.080 Investment Policy Reporting
5.03.090 Investment Policy Ethics and Conflicts of Interest
5.03.100 Investment Policy Safekeeping and Securities
5.03.110 Investment Policy Investments Secured by Full Faith and Credit
5.03.120 Investment Policy Qualified Brokers/Dealers
5.03.130 Investment Policy Collateral Requirements
5.03.140 Investment Policy Risk Tolerance
5.03.150 Investment Policy Authorized Investments
5.03.160 Investment Policy Legislative Changes
5.03.170 Investment Policy Interest Earnings
5.03.180 Investment Policy Limiting Market Value Erosion
5.03.190 Investment Policy Portfolio Management Activity
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5.03.210 Investment Policy Glossary Terms
5.03.220 Cash Reserves Policy
5.03.220.01 Purpose
5.03.220.02 Categories, Funding Timeframe Goal, and Level of Priority
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5.03.220.04 Working Capital (Operating Reserves)
5.03.220.05 Debt Service Reserve (unrestricted)
5.03.220.06 Rate Stabilization Reserve
5.03.220.07 Capital Facility Replacement Reserve
5.03.220.08 Special Project Reserve
5.03.220.09 Emergency (Disaster) Reserve
5.03.220.10 Facility Expansion Reserve

5.03.010
Investment Policy Purpose

In accordance with and under authority granted by the Board of Directors, the Treasurer for the Rainbow Municipal Water District is responsible for investing the unexpended cash in the District Treasury.

The investment of the funds of the Rainbow Municipal Water District is directed to the goals of safety, liquidity and yield. The authority governing investments for municipal governments is set forth in the California Government Code, Sections 53601 through 53659.

The primary objective of the investment policy of the Rainbow Municipal Water District is **SAFETY OF PRINCIPAL**. The secondary objective shall be to meet the liquidity needs of the Rainbow Municipal Water District. The third objective shall be to achieve an investment return on the funds under control within the parameters of prudent risk management, consistent with the constraints imposed by its safety objective and cash flow considerations. Investments shall be placed in those securities as outlined by type and maturity sector in this document. Effective cash flow management and resulting cash investment practices are recognized as essential to good fiscal management and control. Rainbow Municipal Water District's portfolio shall be designed and managed in a manner responsive to the **PUBLIC TRUST** and consistent with state and local law. Portfolio management requires continual analysis and as a result the balance between the various investments and maturities may change in order to give the Rainbow Municipal Water District the optimum combination of necessary liquidity and optimal yield based on cash flow requirements.

5.03.020
Investment Policy Scope

The Investment Policy applies to all financial assets of the Rainbow Municipal Water District as accounted for in the Annual Audit Report, except for the employee's retirement and deferred compensation funds. Policy statements outlined in this document focus on the Rainbow Municipal Water District's pooled funds, but will also apply to all other funds under the District Treasurer's span of control unless specifically exempted by statute or ordinance.

One exception does exist regarding the investment of bond reserve funds. If, in the opinion of the Rainbow Municipal Water District Treasurer, matching the segregated investment portfolio of the bond reserve fund with the maturity schedule of an individual bond issue is prudent given current economic analysis, the investment policy authorizes extending beyond the five-year maturity limitation as outlined in this document. Investment of bond proceeds shall be subject to the conditions and restrictions of bond documents and Treasury regulations related to arbitrage restrictions on tax-exempt bonds.

5.03.030
Investment Policy Prudence

The standard to be used by investment officials shall be that of the "prudent investor rule" (California Government Code 53600.3), and shall be applied in the context of managing all aspects of the overall portfolio. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, direction and intelligence, not for speculation, but for investment, considering the probable safety of capital as well as the probable income to be derived.

It is the Rainbow Municipal Water District intent, at the time of purchase, to hold all investments until maturity to ensure the return on all invested principal dollars.

However, it is realized that market prices of securities will vary depending on economic and interest rate conditions at any point in time. It is further recognized that in a well-diversified investment portfolio, occasional measured losses are inevitable due to economic, bond market or individual security credit analysis. These occasional losses must be considered within the context of the overall investment program objectives and the resultant long-term rate of return.

5.03.040
Investment Policy Objectives

5.03.040.01 Safety of Principal

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

CREDIT RISK, defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in investment grade securities and by diversifying the investment portfolio so that the failure of any one issuer does not unduly harm the District's capital base and cash flow.

MARKET RISK, defined as market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by limiting the average maturity of the District's investment portfolio to three years, the maximum maturity of any one security to five years, structuring the portfolio based on historic and current cash flow analysis eliminating the need to sell securities prior to maturity, and avoiding the purchase of long term securities for the sole purpose of short term speculation.

5.03.040.02 Investment Policy Liquidity

Historical cash flow trends are compared to current cash flow requirements on an ongoing basis in an effort to ensure that the District's investment portfolio will remain sufficiently liquid to enable the District to meet all reasonably anticipated operating requirements.

5.03.040.03 Investment Policy Yield

Yield should become a consideration only after the basic requirements of safety and liquidity have been met.

5.03.050
Investment Policy Maturity Matrix

Maturities of Investments will be selected based on liquidity requirements to minimize interest rate risk and maximize earnings. Current and expected yield curve analysis will be monitored and the portfolio will be invested accordingly. The weighted average maturity of the pooled portfolio should not exceed three years and the following suggested percentages of the portfolio should be invested in the following maturity sectors:

Maturity Range	**Suggested Percentage**
1 day to 180 days	15 to 50%
181 days to 364 days	10 to 50%
1 year to 2 years	10 to 50%
2 years to 3 years	0 to 40%
3 years to 4 years	0 to 40%
4 years to 5 years	0 to 40%
Over 5 years	Board Approval Required

5.03.060
Investment Policy Performance Evaluation

Investment performance is continually monitored and evaluated by the District Treasurer. Investment performance statistics and activity reports are generated on a monthly basis for review. (See ***Reporting*** section of this Investment Policy).

5.03.070
Investment Policy Delegation of Authority

The investment of District idle funds is annually delegated to the Treasurer by the Board of Directors who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires.

All transactions will be reviewed by the Treasurer on a regular basis to assure compliance with this Statement of Investment Policy.

This delegation of investment authority is limited to one year and will be reviewed annually by the Board of Directors through its annual review of the investment policy as whole (California Government Code 53600, et seq).

5.03.080
Investment Policy Reporting

Pursuant to California Government Code section 53646(d), the Board of Directors elects to require the investment report described in section 53646(b) on a monthly basis instead of quarterly. The Treasurer shall combine this report with the monthly report of investment transactions required by California Government Code section 53607 and submit one consolidated monthly investment report to the Board of Directors. The consolidated report shall include all information required by sections 53607 and 53646 and any additional information requested by the Board of Directors.

5.03.090
Investment Policy Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that conflicts with proper execution of the investment program, or impairs their ability to make impartial investment decisions. Additionally the District Treasurer is required to annually file financial disclosures as required by the Fair Political Practices Commission (FPPC). All officers and employees involved in the investment of public funds are required to comply with the District's Conflict of Interest Code.

5.03.100
Investment Policy Safekeeping and Securities

To protect against fraud or embezzlement or losses caused by collapse of an individual securities dealer, all securities owned by the District shall be held in safekeeping by a third party institution, acting as an agent for the District under the terms of a custody agreement or PSA agreement (repurchase agreement collateral). All trades executed by a dealer will settle delivery vs. payment (DVP) through the District's safekeeping agent.

The Treasurer will establish an annual process of independent review by an external audit firm. This review will provide assurances of strong internal controls by reviewing compliance with previously established policies and procedures, the result of this review will be part of the annual audit report to the Board of Directors.

Important internal controls deemed necessary are: control of collusion, separation of duties and administrative controls, separating transaction authority from accounting and record keeping, custodial safekeeping, clear delegation of authority, management review and approval of investment transactions, specific limitation regarding security losses and remedial action, written confirmation of telephone transactions, minimizing the number of authorized investment officials, documentation of transactions and strategies, and code of ethical standards.

5.03.110
Investment Policy Investments Secured By Full Faith and Credit

The District will require safekeeping documentation of the treasury instrument in an acceptable safekeeping account in the District's name with an acceptable third party trustee. Examples of this type of investment include Treasury Notes and Bills. The Board of Directors of Rainbow Municipal Water District may invest daily surplus monies not required for the immediate necessities of the local agency in accordance with the provisions of California Government Code 5921 and 53600, et seq.

5.03.120
Investment Policy Qualified Brokers/Dealers

The District shall transact business only with banks, savings and loan associations, and with brokers/dealers. Investment staff shall investigate broker/dealers who wish to do business with the District to determine if they are adequately capitalized, and make markets in the securities appropriate to the District's need, and agree to abide by the conditions set forth in the investment policy.

The District Treasurer shall annually send a copy of the current investment policy to all broker/dealers approved to do business with the District. Confirmation of receipt of this policy shall be considered evidence that the dealer understands the District's investment policies and intends to sell the District only appropriate investments authorized by this investment policy. If the District has contracted with investment advisor(s), the Treasurer may approve and use a list of authorized broker/dealers provided by the investment advisor.

5.03.130
Investment Policy Collateral Requirements

Collateral is required for investments in certificates of deposit, repurchase agreements and reverse repurchase agreements. In order to reduce market risk, the collateral level will be at least 102% of market value of principal and accrued interest.

In order to conform with the provisions of the Federal Bankruptcy Code which provides for liquidation of securities held as collateral, the only securities acceptable as collateral shall be certificates of deposit, commercial paper, eligible banker's acceptances, medium term notes or securities that are the direct obligations of, or are fully guaranteed as to principal and interest by, the United States or any agency of the United States.

5.03.140
Investment Policy Risk Tolerance

No individual investment transaction shall be undertaken which jeopardizes the total capital position of the overall portfolio. The Treasurer shall periodically establish guidelines and strategies to control risks of default, and illiquidity.

Risk will also be managed by subscribing to a portfolio management philosophy that helps to control interest rate risk by investing to a shorter term.

Controlling and managing risk is the foremost portfolio management objective. The District strives to maintain an efficient portfolio by providing the lowest level of risk for a given level of return. This acceptable level of return has been quantified as a return than is consistent with the six-month Treasury bill yield. Any level of return above this measure should be reviewed in order to ensure that such investments meet the criteria previously specified.

5.03.150
Investment Policy Authorized Investments

Investment of District funds shall be conducted in accordance with California Government Code section 53600 et seq., as amended.

5.03.160
Investment Policy Legislative Changes

Any State of California legislative action, that further restricts allowable maturities, investment type or percentage allocations, will be incorporated into the Rainbow Municipal Water District's Investment Policy and supersede any and all previously accepted language.

5.03.170
Investment Policy Interest Earnings

All moneys earned and collected from investments authorized in this policy shall be allocated monthly to various fund accounts based on the cash balance in each fund as a percentage of the entire pooled portfolio.

5.03.180
Investment Policy Limiting Market Value Erosion

The longer the maturity of securities, the greater their market prices volatility. Therefore, it is the general policy of the Rainbow Municipal Water District to limit the potential effects from erosion in market values by adhering to the following guidelines:

All immediate and anticipated liquidity requirements will be addressed prior to purchasing all investments.

Maturity dates for long-term investments will coincide with significant cash flow requirements where possible, to assist with short term cash requirements at maturity.

All long-term securities will be purchased with the intent to hold all investments to maturity under then prevailing economic conditions. However, economic or market conditions may change, making the District's best interest to sell or trade a security prior to maturity.

5.03.190
Investment Policy Portfolio Management Activity

The investment program shall seek to augment returns consistent with the intent of this policy, identified risk limitations, and prudent investment principles. This objective will be achieved by use of the following strategies:

ACTIVE PORTFOLIO MANAGEMENT: Through active fund and cash flow management taking advantage of current economic and interest rate trends, the portfolio yield may be enhanced with limited and measurable increases in risk by extending the weighted maturity of the total portfolio.

PORTFOLIO MATURITY MANAGEMENT: When structuring the maturity composition of the portfolio, the District shall evaluate current and expected interest rate yields and necessary cash flow requirements. It is recognized that in normal market conditions longer maturities produce higher yields. However, the securities with longer maturities also experience greater price fluctuations when the level of interest rates change.

5.03.200
Investment Policy Review

The Rainbow Municipal Water District investment policy shall be adopted by resolution of the District Board of Directors on an annual basis (California Government Code 53646(a)). This investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity and yield, and its relevance to current law and financial and economic trends. Any amendments to the policy shall be forwarded to the Board of Directors for approval.

Section 5.03.210
Investment Policy Glossary Terms

Agencies: Federal agency securities and/or Government-sponsored enterprises.

Asked: The price at which securities are offered. (The price at which a firm will sell a security to an investor). *See* "***Bid***" or "***Offer***".

Average Weighted Yield: The accumulative yield of each security weighted by the security's dollar as compared to the total value of all the securities.

Banker's Acceptance: A letter of credit is issued in a foreign trade transaction. For example, a U.S. corporation planning to import goods from abroad will ask its bank to issue a letter of credit on behalf of the corporation in favor of the foreign supplier. Upon receipt of this letter and draft, the supplier will ship the goods and present the draft at its bank for discounting. The foreign bank then forwards the draft to its U.S. correspondent. The draft is stamped "accepted" with the U.S. bank incurring an obligation to pay the draft (now a banker's acceptance) at maturity. Initial maturities range from 30 to 180 days, but the short-term 90-day acceptance is the market standard.

Basis Point: One one-hundredth of a percent (i.e. 0.01%).

Benchmark: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

Bid: The price offered by a buyer of securities. (When you are selling securities, you ask for a bid). *See* "***Asked***" or "***Offer***".

Book-entry Securities: Securities that are purchased, sold and held with electronic computer entries rather than transfer of physical certificates.

Broker: A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides: they do not take a position. In the money market, brokers are active in markets, in which banks buy and sell money, and in inter-dealer markets.

Callable Bonds or Notes: Bonds or Notes may be repurchased at the option of the issuer within a specified period at a specified price. Early redemption of high-coupon bonds and/or notes occurs whenever interest rates subsequently decline (i.e., 30-year GNMA Notes).

Certificate of Deposit (CD): A time deposit with a specific maturity evidenced by a certificate. Large denominations CD's are typically negotiable.

Collateral: Securities, evidence of deposit, or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Collateralization: The act of securing or guaranteeing the discharge of an obligation with anything such as stocks or bonds. Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Repayment of a loan may refer to securities pledged by a bank to secure deposits of public monies.

Commercial Paper: Short term obligations issued by banks, corporations, and other borrowers to investors with temporary idle cash. Such instruments are unsecured and are issued on a discounted basis.

Coupon:

(a.) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value.

(b.) A certificate attached to a bond evidencing interest due on a payment date.

Credit Rating: The alphanumeric score which provides an assessment of the credit opinion of one of the Nationally Recognized Statistical Rating Organizations (NSRSO) for a particular investment or issuing entity.

Dealer: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for their own account.

Debenture: A bond secured only by the general credit of the issuer.

Delivery-Versus-Payment: Funds are not wire-transferred until the securities are delivered. If the transfer is accomplished through the Fed wire system, the investor is notified before cash is released. If a third-party acts as custodian, funds are released by the custodian or the customer only when delivery is accomplished.

Delivery-Versus-Receipt: Is delivery of securities with an exchange of a signed receipt for the securities.

Derivatives:

(1.) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or

(2.) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

Discount: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below the original offering price shortly after sale also is considered to be at a discount.

Discount Securities: Non-interest-bearing money market instruments that are Bills.

Diversification: Dividing investment funds among a variety of securities offering independent returns.

Duration: A measure of the price volatility of a portfolio that reflects an estimate of the projected increase or decrease in the value of a portfolio based upon a decrease or increase in the interest rates. A duration of 1.0 means that for every 1.0 percent increase in interest rates, the market value of a portfolio would decrease by 1.0 percent.

Federal Credit Agencies: Agencies of the Federal Government set up to supply credit to various classes of institutions and individuals, e.g., S & L's, small business firms, students, farmers, farm cooperatives, and exporters.

Federal Deposit Insurance Corporation (FDIC): A Federal agency that insures bank deposits, currently up to $250,000 per deposit.

Federal Funds Rate: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

Federal Home Loan Banks (FHLB): Government sponsored wholesale banks (currently 12 regional banks) which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLB's is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

Federal National Mortgage Association (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

Federal Open Market Committee (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

Federal Reserve System: The central bank of the United States created by Congress and consisting of a seven-member Board of Governors in Washington, D.C., and 12 regional Federal Reserve banks and the Federal Open Market Committee.

Government National Mortgage Association (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or USDA Rural Development mortgages. The term "pass-through" is often used to describe Ginnie Mae's.

Issuer: The entity identified as the counterparty or obligator related to a security trade.

Local Agency Investment Fund (LAIF): This fund was established by California Government Code Section 16429.1 for use by local agencies in California and is managed by the Treasurer of the State of California, who may invest money in the fund in securities prescribed in Government Code Section 16430 or elect to have the money of the fund invested through the State's Surplus Money Investment Fund.

Liquid Short-term Securities: A security that is instantly negotiable at par value. A checking account, demand deposit, money market funds and state investment pool with check-writing features are very liquid.

Liquidity: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

Local Government Investment Pools (LGIPs): These investments consist of shares of beneficial interest issued by a joint powers authority (JPA) organized pursuant to California Government Code Section 6509.7 and authorized by Government Code Section 53601(p).

Market Value: The price that a security can be expected to bring when sold in a given market.

Market-average Rate of Return: The average return on a six-month U.S. Treasury Bill.

Master Repurchase Agreement: A written contract covering all future transactions between the parties to repurchase-reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

Maturity: The date upon which the principal or stated value of an investment becomes due and payable.

Money Market: The market in which short-term debt instruments (bills, commercial paper, banker's acceptances, etc.) are issued and traded.

Money Market Funds: Third party funds that are subject to SEC (Investment Company Act of 1940) regulations that special diversification requirements and 53601).

Mutual Funds: Third party funds that are subject to the investment guidelines as described under California Government Code Section 53601.

Nationally Recognized Statistical Rating Organization (NRSRO): A credit rating agency that issues credit ratings that the U.S. Securities and Exchange Commission (SEC) permits other financial firms to use for certain regulatory purposes.

Offer: The price asked by a seller of securities. (When you are buying securities you ask for an offer). *See* "***Asked***" and "***Bid***".

Open Market Operations: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases affect reserves into the bank system and stimulate growth of money and credit: Sales have most flexible monetary policy tool.

Portfolio: Collection of securities held by an investor.

Primary Dealer: A group of government securities dealers who submit daily reports of market activity and positions, monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker/dealers, banks and a few unregulated firms.

Prime Self-liquidating Banker's Acceptance: The banker's acceptance will be liquidated at maturity from the proceeds of the sale of goods, which distinguishes self-liquidating acceptance from those used only to finance inventories.

Private Export Funding Corporation: Created by the finance U.S. exports. Interest payments and principal payments are backed by the full faith and credit of the U.S. Government.

Prudent Person Rule: An investment standard established in 1630. It states that a trustee who is investing for another should behave in the same way as a prudent individual of discretion and intelligence who is seeking a reasonable income and preservation of capital (California Government Code 53600.3). In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state-the so called "legal list". California Government Code 53601 is the "legal list".

Prudent Risk: An investment system in which the investor will invest conservatively to receive a stable income with little risk.

Rate of Return: The yield obtainable on its purchase price or its current market price. This may be the amortized yield to maturity, on a bond, the current income return.

Repurchase Agreement (RP or REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate them for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is, increasing bank reserves.

Safekeeping: A service to customers rendered by custodian banks for a fee whereby securities of all types and descriptions are segregated and identified by the bank for protection.

Secondary Markets: A market made for the purchase and sale of outstanding issues following the initial distribution.

Securities and Exchange Commission: Agency created by congress to protect investors in securities transactions by administering securities legislation.

SEC Rule 15C3-1: *See* **UNIFORM NET CAPITAL RULE**.

Structured Notes: Notes issued by Government Sponsored Enterprises (FHLB, FNMA, etc.) and Corporations that have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

Swap: A shift of assets from one instrument to another and may be done for a variety of reasons, such as to increase yield, lengthen or shorten maturities, to take a profit, or to increase investment quality.

Sweep: A daily transfer of available cash balances from a demand deposit (checking) account to an interest-earning vehicle such as an overnight repurchase agreement.

Treasury Bills: A non-interest-bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

Treasury Bond: Long-term U.S. Treasury securities having initial maturities of more than 10 years.

Treasury Notes: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

Uniform Net Capital Rule: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

Weighted Average Days to Maturity: The accumulative days of each security between the reporting date and maturity of the security weighted by the security's dollar value as compared to the total value of all the securities.

Yield: The rate of annual income return on an investment, expressed as a percentage.

(a.) INCOME **YIELD** is obtained by dividing the current dollar income by the current market price for the security.

(b.) NET **YIELD** or **YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in purchase price; with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

Zero Coupon: A bond without current interest coupons sold at a substantial discount from par that provides its return to investors through accretion in value at maturity.

Section 5.03.220
Cash Reserves Policy

5.03.220.01 Purpose

The purpose of the RMWD Reserve Policy is to ensure that the District will at all times have sufficient funding available to meet the operating, capital, and debt service cost obligations, as well as to provide for stable water and wastewater rates to minimize rate shock on customers. Adequate reserves and sound financial policies promote RMWD's bond ratings in the capital markets and lower the cost of capital, provide financing flexibility, as well as help avoid potentially restrictive debt covenants. This Reserve Policy shall cover all reserve funds of the District.

5.03.220.02 Categories, Funding Timeframe Goal, and Level of Priority

The following comprise the main categories of reserves, their respective funding goal timeframes, and level of prioritization to receive unrestricted water and wastewater revenue to meet their reserve targets.

Categories –

1. Liquidity (Minimum Target)– these reserves are essential to the basic functioning of the District as they are intended to meet basic cash flow requirements to meet operating and debt obligations. They receive the highest priority of being funded by net revenues.
    a. Funding Timeframe Goal – Within 3 years.
    b. Actions for consideration to meet timeframe goal – budget very conservatively, retain unexpected savings or additional revenues, raise liquidity through debt if fiscally prudent, obtain additional non-rate revenues, and strongly consider raising rates.
    c. Reserves in this category in order of priority:
        i. Working Capital (Operating) Reserve
        ii. Debt Service Reserve
2. Stabilization (Target) – these reserves address certain and frequent risks of higher than anticipated expenses, or lower than anticipated revenues, to provide for stable rates and smooth rate transitions when overall rate requirements are increasing over a multi-year period. These reserves receive the next highest overall priority in being funded by net revenues.
    a. Funding Timeframe Goal – Within 10 years.
    b. Actions for consideration to meet timeframe goal – budget conservatively, retain unexpected savings or additional revenues, and consider raising rates, if necessary.
    c. Reserves in this category in order of priority:
        i. Rate Stabilization Reserve
        ii. Capital Replacement Reserve
3. Contingency (Maximum Target) – these reserves address known significant but less frequent risks, such as major disasters, or projects where a dedicated funding set aside is desired. These reserves receive the lowest priority for funding,
    a. Funding Timeframe Goal – Generally within 20 years.
    b. Actions for consideration to meet timeframe goal – These reserves are discretionary in nature and are usually funded by the intentional retention of unexpected savings or additional revenues.
    c. Reserves in this category in order of priority:
        i. Special Project Reserve (if any)
        ii. Emergency Reserve

5.03.220.03 Administrative Requirements

The District's Chief Financial Officer and/or the General Manager will present the status of the cash reserves and a plan to reach reserve targets within Funding Timeframe Goals at least annually to the Budget and Finance Committee and the Board of Directors, as part of the budget review process.

Available cash reserves for the sake of this policy shall constitute total cash and investments not externally restricted for other purposes. Each reserve target listed in this Policy is calculated and applicable for both Water and Wastewater Funds.

Restricted reserves, such as debt service reserves held by a trustee, may be established from time to time and are set based on the terms of contracts with funding providers, or other externally imposed restrictions as applicable, and are otherwise governed by those agreements or external restrictions, separate than this Policy.

5.03.220.04 Working Capital (Operating) Reserves

This reserve target is intended to provide funding for short-term cash flow needs from timing variances between revenues and expenses and provides liquidity to fund its operating and capital obligations. The target is set at 3 months of budgeted operating expenses, not including depreciation, for the current fiscal year. It is funded through net operating revenues sourced primarily from monthly rates and charges.

5.03.220.05 Debt Service Reserve (unrestricted)

This reserve target is intended to ensure there is sufficient funding for the District to be able to fully pay its debt service obligations in any given year. The target is set at one year of debt service (principal and interest) for all external loans and outstanding bonds, less any restricted funds available to pay debt service that are held in trust according to debt agreements. The reserve target calculation for variable interest debt may use the rate used in the development of the budget or the most current projected probable rate. It is funded through net operating revenues sourced primarily from monthly rates and charges.

5.03.220.06 Rate Stabilization Reserve

This reserve target is intended to provide funding for unbudgeted higher expenses (operating and capital) or lower than anticipated revenues to enable stable rates and smoother year-to-year rate transitions. The target is set at 10% of current budgeted revenues, excluding grants and capacity fees or other non-reoccurring type revenues. It is funded through net operating revenues sourced primarily from monthly rates and charges.

5.03.220.07 Capital Facility Replacement Reserve

This reserve target is intended to fund unanticipated capital asset replacements, capital project cost increases, and advancing the implementation timing of planned capital projects, if prudent. The target is set at 1 year of depreciation on the best available estimate of the current capital asset replacement value assuming an average useful life of assets of 75 years. Capital replacement reserves are primarily funded by capacity fees, and if insufficient, then net operating revenues.

5.03.220.08 Special Project Reserve

This reserve target is intended as a mechanism to set aside funding for future major capital improvement projects or initiatives that would require significant rate increases or an undesired debt burden. The target is based on the cumulative total funding targets for any applicable specific projects or initiatives as included in the adopted budget or approved by separate Board action. It is funded through net operating revenues sourced primarily from monthly rates and charges, or other sources as determined by the Board.

5.03.220.09 Emergency (Disaster) Reserve

This reserve target is intended to provide initial liquidity to respond to major emergencies, such as earthquakes or wildfires, until other funding can be secured (i.e. FEMA, debt financing, insurance proceeds, etc.), or cover the costs of these disaster responses, in whole or part. The target is set at 1 year of depreciation on best available estimate of the current capital asset replacement value assuming an average useful life of assets of 75 years. It is funded through net operating revenues sourced primarily from monthly rates and charges.

5.03.220.10 Facility Expansion Reserve

Facility Expansion Reserves are funded by the cash collected for water or wastewater capacity fees assessed for the purpose of future expansion or improvement of water system benefitting new customers. It does not have a specific target and is funded purely by the portion of collected capacity fees for this purpose and applicable interest revenues. Any funds in this reserve are accounted for separately than the Liquidity, Stabilization, or Contingency reserve targets outlined in this Policy.

Chapter 5.04
FIXED ASSETS

Sections:

5.04.010 Capital Asset Policy
5.04.010.01 Policy Statement
5.04.010.02 Definitions
5.04.010.03 Policy Review

Section 5.04.010
Capital Asset Policy

5.04.010.01 Policy Statement

Rainbow Municipal Water District (RMWD) has a significant investment in a variety of capital assets, which are used to provide water and sewer services to customers. The purpose of this policy is to ensure that the District's capital assets are acquired, safeguarded, controlled, disposed of, and accounted for in accordance with state and federal regulations, generally accepted accounting principles, internal controls, and audit requirements. It is the purpose of this policy to provide clear guidelines for the financial treatment of capitalizable and non-capitalizable transactions. This policy addresses the following issues related to capital assets:

A. Asset types and lives
B. Scope
C. Budgeting for Capital Asset Purchases
D. Accounting
E. Depreciation
F. Management of Assets
G. Disposal

5.04.010.02 Definitions

Term definitions as utilized by RMWD:

I. **CAPITAL ASSET:** Capital assets are assets that are 1) used in the operations of the District, 2) have a probable future benefit either singly or in combination with other assets, and 3) have been the subject of a transaction that gives the District the right to or control of the asset. Capital assets may include land, land improvements, easements, water rights, buildings, building improvements, vehicles, machinery, equipment, works of art, historical treasures, infrastructure, and any intangible assets that have a useful life beyond a single reporting period. Capital assets do not include inventory held for use in unidentified future projects.

VALUATION OF CAPITAL ASSET: The value assigned to capital assets shall be determined as follows:

PURCHASED CAPITAL ASSETS: The capitalized value of purchased Capital assets shall be determined using the original cost of the asset. Specific costs eligible for capitalization are identified below. If the original cost of an asset is not available or cannot be reasonably determined, an estimated current cost may be utilized.

DISTRICT – CONSTRUCTED CAPITAL ASSETS: District-constructed water system infrastructure assets intended to be used in District operations or internally generated computer software are eligible for capitalization. The capitalized value of such assets shall be determined using direct costs and material costs associated with the construction up until the time the asset is complete and ready for use.

DONATED CAPITAL ASSETS: The capitalized value of donated assets shall be determined using the fair market value at the time of donation. If the fair market value of the asset is not available or cannot be reasonably determined, an estimated cost may be determined using the best available information. The value of donated intangible assets shall be accounted for separate from donated tangible capital assets.

CAPITALIZABLE COSTS: Costs eligible for capitalization under this policy are:

For land:

- Purchase price or appraised value, whichever is more readily determinable;
- Closing costs, such as title fees, attorney fees, environmental assessments, appraisals, taxes and recording fees;
- Costs necessary to get the land ready for its intended use, such as grading, clearing, filling, draining, surveying, and demolition of existing structures;
- Assumptions of liens, encumbrances or mortgages;

For purchased assets other than land:

- Purchase price, including all taxes
- Freight, handling and in-transit insurance charges
- Assembling and installation charges
- Professional fees of engineers, inspectors, attorneys, consultants, etc.;
- Applicable purchase discounts or rebates

For District-constructed assets:

- Direct labor costs (to include wages and benefits);
- Direct materials cost;
- Professional fees of engineers, inspectors, attorneys, consultants, etc.;
- Insurance premiums and related costs incurred during construction;
- Costs necessary to get the site ready for its intended use, such as grading, clearing, filling, draining, surveying, and demolition of existing structures;
- Costs for intangible assets are determined in accordance with Governmental Accounting Standards Board, Statement No. 51 "Accounting and Financial Reporting for Intangible Assets."

For donated Capital assets:

- Fair Market or Appraised Value at date of donation;
- Installation costs;
- Professional fees of engineers, inspectors, attorneys, consultants, etc.;
- Other normal or necessary costs required to place the asset in its intended location and condition for use.

CAPITALIZATION OF COSTS SUBSEQUENT TO ACQUISITION: Additional costs incurred after a capital asset is placed in use shall be accounted for as follows:

ADDITIONS: An Addition is defined as an expenditure that either significantly extends the useful life or productivity of the existing capital asset or creates a new capital asset.

IMPROVEMENTS AND REPLACEMENTS: Improvements and Replacements are defined as expenditures that involve substituting a similar capital asset, or portion thereof, for an existing one. If the existing asset's book value is determinable, then the existing asset should be removed from the books at the time the replacement is recorded. If the existing asset is not separately identifiable, then the replacement should still be capitalized as the existing asset's book value is assumed to be negligible.

REARRANGEMENT OR REINSTALLATION: Rearrangement or Reinstallation costs are defined as expenditures that involve moving an existing asset to a new location or reinstalling a similar asset in place of an existing asset. All "Rearrangement or Reinstallation" costs should be expensed in the period incurred.

REPAIRS AND MAINTENANCE: Repairs and Maintenance costs are defined as expenditures that involve maintaining the asset in good or ordinary repair. All Repairs and Maintenance costs should be expensed in the period incurred.

II. **CAPITALIZATION THRESHOLD:** The minimum cost which an asset must exceed in order to be capitalized. The minimum value of an asset that qualifies it to be capitalized is $10,000. This is the per-unit cost of the asset. Groups of assets that cost more than $10,000 in aggregate but not individually are not capitalizable except as noted in Section A. Capital Asset Types and Lives, Groups of Assets.

The cost of the unit is 1) the total cost of all invoices for the item, including transportation and installation charges and interest expense directly related to the unit's acquisition or making it ready for use plus 2) the net book value of any assets given in exchange plus 3) the present value of any liability incurred. If this information is not available, the cost is determined by an appraisal of the unit's value. The initial development cost of making a decision as to which project to construct or acquire is not capitalizable. It is the responsibility of the employee overseeing the acquisition to provide all relevant data to Accounting.

If the asset is the subject of a federal award program that sets a maximum threshold, it will be capitalized according to the award program rules regardless of the District's threshold.

III. **CIP:** (Capital Improvement Project) RMWD defines CIP as any expenditure that relates to the purchase of a Capital Asset.

IV. **DEPRECIATION:** The process of allocating the cost of an asset over a period of time.

V. **DEPRECIATION METHOD:** RMWD utilizes the straight-line method with the half-year convention.

VI. INTANGIBLE ASSETS: An asset that is not physical in nature such as water rights.

VII. TANGIBLE ASSETS: An asset that has a physical form.

VIII. USEFUL LIFE: The cost of an asset, less salvage value, is depreciated over its estimated useful life. Standard useful lives for groups of assets are as follows:

General Provisions

A. Capital Asset Types and Lives

See the table below for the capital asset categories used by RMWD.

Asset Types	Asset Categories at RMWD	Asset Life (in years)	Examples
Land	Land	Infinite	Real estate
Improvements	Water Wells	75	Drilling, piping, concrete work
	Reservoirs	75	Tanks, foundations
	Pipelines	75	Waterlines, sewer lines
	Pumping/(Lift) Stations	55/(35)	Water Booster/(Wastewater Stations
	Pressure Regulating	45	Water Pressure Regulating Stations
Buildings	Buildings	50	Offices, workshops
	Water Treatment Plant	50	Structure, piping
Equipment	Meters	15	PD, turbine, or compound meters
	Heavy Equipment	15	Excavators, dump trucks, vactors
	Telemetry	10	Control panels, electrical
Vehicles	Vehicles	5	Passenger cars
		7	Light trucks
		10	One-ton trucks
		12	Two-ton trucks

Office	Software	3	For PC's, phones, security, etc.
	Furniture	7	Desks, cubicles

If there is a substantial reason for an asset to be given a non-standard useful life, it should be noted at the time the asset is acquired. Alternative useful lives may be derived from 1) general guidelines from a professional organization, 2) information from other governmental agencies, 3) internal experience, or 4) outside professionals such as engineers, architects, etc. The alternative method should take into consideration the relative quality of the asset, the intended use, and the environment in which it will be placed.

It is the District's practice to depreciate capital assets other than land over their useful life using the straight-line method. The amount to be depreciated is the asset's adjusted cost less an estimated salvage value. The salvage value is the value an asset is expected to have when it is no longer useful for its intended purpose. If there is a substantial reason for a more rapid method of depreciation to be applied to an asset, it should be noted at the time the asset is acquired.

Assets that are acquired or constructed for a specific short-term purpose and do not have an alternative future use are charged to expense at the time the costs are incurred.

B. Scope

RMWD will employ a CIP plan that has a 5-year timeline including the current year carryover. This 5-year timeline helps RMWD to prioritize projects from year to year and establish plans for funding sources.

The capitalization threshold for RMWD is $10,000. Assets are capitalized if the cost exceeds the capitalization threshold except for groups of similar assets such as meters, computers, or printers when the total of the similar assets purchased during the year exceeds $10,000.

C. Budgeting

The Finance Manager is responsible for the oversight of the Capital Asset Program and the development of the CIP Budget. The Finance Manager may delegate responsibility to various managers to identify what Capital Assets are needed and requested in the CIP Budgeting process.

Asset purchases are authorized through the CIP Budgeting Process (except for emergency projects) which involves the following steps:

i. Need is identified – either a new asset is needed or an asset is in need of replacement or major repair

ii. Manager who is responsible for operating the asset submits a Capital Project Request form during the CIP Budget process

iii. Funding source for the project is identified (See part f.)

iv. Projects are reviewed by the Engineering Committee

v. Project funding is granted through approval of the Annual Operating and Capital Improvement Budget by the Board of Directors

The various requests submitted in the CIP Budget Process will be compiled by the Accounting staff. The total of the CIP requests must be balanced in the overall Operating and Capital Improvement Budget. Capital funding sources must be identified for each request.

The CIP Budget will be reviewed in detail by the Engineering Committee. The Board of Directors will subsequently review and approve the CIP Budget as part of the Operating and Capital Improvement Budget.

The procurement process will be handled primarily by the manager who submitted the request. The procurement must follow the steps and rules stated in the RMWD Purchasing Policy in the Administrative Code Section 5.02.

If actual costs are lower than budgeted, the balance will be unappropriated and transferred to the CIP Reserve or allocated to another project.

If actual costs are expected to be higher then what was budgeted, these options are available within the requirements of existing policies:

- Cancel the project or reduce the scope of the project
- Transfer funds from another project with lower priority or excess funds available
- Appropriate funds from reserves with Board approval
- Request carryover of the project with additional funding in the following fiscal year

D. Accounting

Asset purchases will be accounted for in the Capital Asset Funds. Project numbers will be utilized in order to facilitate tracking of purchases, budgets, and assets in the computerized accounting system.

The Accounting Staff will track all assets in a subsidiary ledger that will contain at a minimum: asset name, description, cost, year placed in service, and expected life.

The Accounting staff is responsible for recording the reallocation of funds from projects that were under budget or not included in a carryover request.

E. Depreciation

RMWD uses the straight-line method of depreciation for all depreciable fixed assets (land, intangible assets, and construction-in-progress are not depreciated). A half year of depreciation is recognized in the year the asset is placed into service and in the last year of estimated useful life. The Accounting staff has the responsibility to track and record depreciation.

F. Management of Assets

The department that requests and purchases the assets is responsible for the operation and maintenance of the assets. Department managers will periodically

measure and quantify the condition of assets. Managers must identify adequate funding to support repair and replacement of deteriorating capital assets and avoid a significant unfunded liability from deferred maintenance.

The tools that should be utilized to manage assets include but are not limited to:

i. Master plans which are utilized for long-term planning of capital asset needs.

ii. Historical and projected operating costs are considered. If an asset requires excessive amounts of repairs, then the manager should consider replacing the asset. When a new asset is requested, the operating costs over the life of the new asset should be considered.

iii. Inventories should be kept in order to track assets that are susceptible to theft.

PHYSICAL INVENTORY OF CAPITAL ASSETS: A physical inventory of the following categories of capital assets shall be performed at least annually:

Inventory items
Machinery and Equipment Fleet Equipment
Office Furniture and Fixtures
Computer Equipment, Purchased Software and Telephones

The results of the physical inventory shall be reconciled with the District's asset inventory system. Differences will be reported, along with explanations, to the Board of Directors.

G. Disposal of Assets

A. Surplus Property Disposal

The division supervisor or department manager is responsible for the transfer and disposition of surplus District property. "Surplus property" is used generically to describe any District property that is no longer needed or useable by the holding department. The superintendent or department manager has the authority to declare item(s) surplus according to the authorization table in sub-section B.

Surplus property that may result from the termination of a lease agreement shall be specifically reported to the Purchasing Agent prior to the termination of the lease. The report shall include all information about the lease, including purchase price at the commencement of the lease, residual value at the end of the lease, the total payments through the end of the lease and the fair market value at the end of the lease. In determining the fair market value, each department shall document the methods used to make such determination including tools such as Kelly Blue Book, classified advertisements, and local vendors with similar products available.

Each department shall periodically review its equipment, material, and inventory, and shall promptly notify the Accounting Department of any surplus property. A memo shall be completed to document the reason(s) that the property is surplus and the recommended method of disposal. This memo must then be submitted to the Accounting Department. The Accounting staff will then make the appropriate adjustments to the Capital Assets Subsidiary Ledger.

Authority

Salvage Value up to:	Approval Level (Except when items are scrap
$500	Superintendents
$2,000	Department Managers
$10,000	General Manager
$10,001+	Board of Directors

B. Method

The staff member requesting disposal shall determine one of the following methods of disposition that is most appropriate and in the best interest of the District.

a. Trade-In

Property declared as surplus may be offered as a trade-in for credit toward the acquisition of new property. If surplus property is to be applied to a purchase order, the trade-in value shall be itemized on the Purchase Order. The amount charged against the expense account will be the value of the purchase before application of the trade-in credit.

b. Sale

Surplus property may be offered for sale by the Department Manager. All surplus property is for sale "as is" and "where is", with no warranty, guarantee, or representation of any kind, expressed or implied, as to the condition, utility or usability or the property offered for sale. Appropriate methods of sale are as follows:

- Public Auction - Surplus property may be sold at public auction. Public Auctions may be conducted by District staff, or the District may contract with a professional auctioneer including professional auction services.

- Sealed Bids - Sealed bids may be solicited for the sale of surplus property. Surplus property disposed of in this manner shall be sold to the highest responsible bidder.

- Selling for Scrap - Surplus property may be sold as scrap if the Department Manager deems that the value of the raw material exceeds the value of the property as a whole.

- Negotiated Sale - Surplus property may be sold outright if the Department Manager determines that only one known buyer is available or interested in acquiring the property.

- No Value Item – Where the Department Manager determines that specific supplies or equipment are surplus and of minimal value to the District due to spoilage, obsolescence or other cause or where the Department Manager determines that the cost of disposal of such supplies or equipment would exceed the recovery value, the Department Manager shall dispose of the same in such a manner as they deem appropriate and in the best interest of the District.

c. Donation

Surplus property may be donated, in accordance with the authority table, to non-profit organizations such as school districts within the RMWD boundaries. When property is donated, a donation receipt letter must be obtained from the receiving organization and kept on file by the department manager.

C. <u>Proceeds</u>

Proceeds from the sale or trade-in of surplus property shall be recorded in the gain/loss on sale account in the related fund. Proceeds from the sale of scrap will be recorded in the scrap metal miscellaneous revenue account. Proceeds from the sale of surplus property or scrap may not be used to offset Departmental Operating Expenses.

5.04.010.03 <u>Policy Review</u>

This policy shall be reviewed at least biennially.

Chapter 5.05
PUBLIC RECORDS

Sections:

5.05.010 Public Records Policy
5.05.020 Public Records Definitions
5.05.030 Public Records Exempt from Disclosure
5.05.040 Public Records Procedure for Inspection
5.05.050 Records Retention Policy
5.05.050.01 Records Retention – District Records
5.05.050.01.1 District Records Retention Management Guide
5.05.050.02 Records Retention – Legal Records
5.05.050.02.1 Legal Records Retention Management Reference Guide
5.05.050.03 Records Retention – Human Resources Records
5.05.050.03.1 Human Recourses Records Retention Management Reference Guide
5.05.050.04 Records Retention – Finance Records
5.05.050.04.1 Finance Records Retention Management Reference Guide
5.05.050.05 Records Retention – Engineering Records
5.05.050.05.1 Engineering Records Retention Management Reference Guide
5.05.050.06 Records Retention – Operations Records
5.05.050.06.1 Operations Records Retention Management Reference Guide
5.05.050.07 Records Retention – IT Records
5.05.050.07.1 IT Records Retention Management Reference Guide
5.05.050.08 Records Retention – Risk Management Records
5.05.050.08.1 Risk Management Retention Management Reference Guide

Section 5.05.010
Public Records Policy

It is the policy of this District that public records of the District shall be open to inspection at all times during regular office hours of the District. "Public records" are all records of the District except those which are exempted from disclosure by the California Public Records Act (Government Code Sections 7920.000 et seq.). This public records policy of the District shall at all times be subject to the California Public Records Act as it may be amended from time to time, and if there is any conflict between that act and this policy, the act shall prevail.

Section 5.05.020
Public Records Definitions

As used in this section:

"Public records" includes any writing containing information relating to the conduct of the public's business prepared, owned, used or retained by the District regardless of physical form or characteristics. (Govt. Code Sec. 7920.530).

"Writing" means handwriting, typewriting, printing, photostatting, photographing and every other means of recording upon any form of communication or representation, including letters, words, pictures, sounds or symbols, or a combination thereof, and all papers, maps, magnetic or paper tapes, photographic films and prints, magnetic or punch cards, discs, drums and other documents. (Govt. Code Sec. 7920.545).

Section 5.05.030
Public Records Exempt from Disclosure

A. In accordance with Division 10 (commending with Section 7920.000) of Title 1 of the Government Code, the following records are exempt from disclosure and shall not be disclosed:

Preliminary drafts, notes or inter-district or intra-district memoranda which are not retained by the District in the ordinary course of business, provided that the public interest in withholding such records clearly outweighs the public interest in disclosure;

Records pertaining to pending litigation to which the District is a party, or to claims made pursuant to Division 3.6 (commencing with Section 810) of Title 1 of the Government Code, until such litigation or claim has been finally adjudicated or otherwise settled;

Personnel, medical or similar files, the disclosure of which would constitute an unwarranted invasion of personal privacy;

Geological and geophysical data, plant production data and similar information relating to utility systems development, or market or crop reports, which are obtained in confidence from any person;

Test questions, scoring keys and other examination data used to administer a licensing examination, examination for employment or academic examination;

The contents of real estate appraisals, engineering or feasibility estimates and evaluations made for or by the District relative to the acquisition of property, or to prospective public supply and construction contracts, until such time as all of the property has been acquired or all of the contract agreement obtained, provided, however, the law of eminent domain shall not be affected by this provision;

Information required from any taxpayer in connection with the collection of local taxes which is received in confidence and the disclosure of the information to other persons would result in unfair competitive disadvantage to the person supplying such information;

Library and museum materials made or acquired and presented solely for reference or exhibition purposes; and

Records the disclosure of which is exempted or prohibited pursuant to provisions of federal or state law, including but not limited to, provisions of the Evidence Code relating to privilege.

B. The District shall withhold from inspection any record that is exempt under the express provisions of the California Public Records Act, including those items set forth above, and may withhold any other record if on the facts of the particular case the public interest served by not making a record public clearly outweighs the public interest served by disclosure of the record. (Govt. Code Sec. 7922.000.)

C. The Board of Directors has determined that the public interest is served by not making public the names, addresses and billing information regarding its customers since the indiscriminate disclosure of such information could constitute an undue invasion of the right of privacy of its customers. Any person seeking such information may file a written appeal with the Board Secretary in the manner provided in these rules. Thereafter, the Board of Directors shall on the facts of the particular case determine whether the public interest served by not making the record public clearly outweighs the public interest served by disclosure of such record. For purposes of this section, requests for water consumption history of a property may be released to real estate professionals involved in a real estate transaction.

Section 5.05.040
Public Records Procedure for Inspection

Public records must be open for inspection in the District office during regular business hours. No public records may be removed or altered during inspection. A representative of the District may be present during inspection of any records. The specific records being requested must be described by the person making the request in sufficient detail such that the District can identify the record being requested. The District shall provide assistance to a member of the public in identifying documents responsive to the request.

The Board Secretary shall determine whether the requested record is a public record subject to inspection and disclosure or if the record is exempt from disclosure under the California Public Records Act. If the Board Secretary is uncertain whether the record is exempt from disclosure under the California Public Records Act or whether on the facts of the particular case the public interest served by not making the record public clearly outweighs the public interest served by disclosure of the record, the Board Secretary shall consult with counsel for the District.

The Board Secretary shall, within 10 days of receipt of a request for public records, determine whether the request seeks copies of disclosable public records and shall promptly notify the person making the request of the determination and reasons therefore. A notice of denial of any request must also specify the names and positions of each person responsible for the denial and the express exemptions contained within the Public Records Act that the denial is based upon. Under certain unusual circumstances as identified and defined in the California Public Records Act, the Board Secretary may extend the time limit by no more than 14 days.

The District will make every reasonable effort to cooperate with the persons seeking to inspect documents; however, if the request is to inspect a substantial quantity of documents or documents not readily available, the District shall have a reasonable period of time as allowed by law to collect such records and may require the inspection of such records to take place at a future date.

The District may make information available in any electronic format in which it holds the information. The cost of duplication shall be limited to the direct cost of producing a copy of a record in an electronic format. A request for a copy of an identifiable public record or information produced there from, or a certified copy of such record shall be accompanied by payment of a reasonable fee not exceeding the actual cost of providing the copy. The current schedule of reproduction costs shall be maintained by the District.

In the event of a conflict between this section and the California Public Records Act, the California Public Records Act shall control.

Section 5.05.050
Records Retention Policy

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

For the purposes of this policy, "record" means any record consisting of a "writing" as defined by the Government Code Section 6252(g).

Authorization

The Board of Directors may by ordinance, adopt a record retention schedule that complies with guidelines provided by the Secretary of State pursuant to Government Code Section 12236 that classifies all the district's records by category as well as establishes a standard protocol for destruction or disposition of records. Upon adoption, the Board thereby authorizes the General Manager to interpret and implement this policy and directs staff to destroy any and all records, papers and documents that meet the specifications in accordance with the provisions of this policy.

The retention policy shall at all times be subject to the document destruction law for special districts as it may be amended from time to time, and if there is any conflict between that law and this policy, the law shall prevail.

The General Manager may authorize the destruction or disposition of any record that will not adversely affect any interest of the district or public that is not expressly required by law to be filed and preserved.

The General Manager may authorize the destruction or disposition of any duplicate records, paper, or document (original or permanent) which is in the file of any officer or department of the district.

Guidelines

Any record not expressly required by law to be filed and preserved in original form may be destroyed at any time after it is electronically stored in conformance with the requirements of RMWD Record Retention Policy.

So long as the original or a photographic copy remains on file at Rainbow MWD, other duplicates of that record, paper or document may be destroyed.

In addition to any of the document retention time limits described in the Record Retention Policy, RMWD shall retain documents for a longer period of time under two circumstances:

A. When the administrative, legal, or financial purpose for the document's creation has not been fulfilled. For example, planning documents shall be kept until the plan is completed.

B. When a state or federal law not referenced in "RMWD Records Retention Policy establishes a longer, more specific retention period.

The District is not required to photograph, reproduce or make a copy of any record that is destroyed or disposed of pursuant to this section.

A list of the types of records destroyed or disposed of that reasonably identifies the information contained in the records in each category will be maintained and approved by the General Manager prior to any record destruction or disposition.

Records, Papers, or Documents Not Required to be Filed

Notwithstanding RMWD Retention Policy, Section 5.50.050.2, the legislative body of a district may authorize the destruction of any record, paper, or document which is not expressly required by law to be filed and preserved if all of the following conditions are complied with:

A. The record, paper, or document is photographed, micro photographed reproduced by electronically recorded video images on magnetic surfaces, recorded in the electronic data-processing system, recorded on optical disks, reproduced on film or any other medium that is a trusted system and that does not permit additions, deletions, or changes to the original document in compliance with the minimum standards or guidelines, or both, as recommended by the American National Standards Institute or the Association for Information and Image Management for recording of permanent records.

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

C. The photographs, microphotographs, or other reproductions on film, optical disk, or any other medium are placed in conveniently accessible files and provision is made for preserving, examining, and using the files.

D. Every reproduction shall be deemed to be an original record and a transcript, exemplification, or certified copy of any reproduction shall be deemed to be a transcript, exemplification, or certified copy, as the case may be, of the original.

Section 5.05.050.01
Records Retention - District Records

District records must be retained and destroyed according to the schedule provided herein. The Administration department is responsible for the record retention and destruction of records covered in this section.

5.05.050.01.1 District Records Retention Management Reference Guide

RECORD	RETENTION PERIOD	REGULATORY INFO.	POSITION RESPONSIBLE	MEDIA TYPE
FORMATION DOCUMENTS				
Annexation Documents	PERM	Govt. Code 34090/ 60201		P,E
Deannexation Documents	PERM	Govt. Code 34090/ 60201		P,E
Incorporation Documents	PERM	Govt. Code 60201(d)		P,E
MEETING RECORDS				
Agenda Packets	PERM	Govt. Code 34090		P,E
Agendas	PERM	Govt. Code 34090		P,E
Audio Recordings	A	Govt. Code 54953.5		DB
Video Recordings	1	Govt. Code 54953.5		DB
Minutes	PERM	Govt. Code 60201 (d)		P,E
POLICIES				
Administrative Code	PERM	Govt. Code 60201		P,E
District Policies	PERM	Govt. Code 60201		P,E
Ordinances	PERM	Govt. Code 60201(d)		P,E
Resolutions	PERM	Govt. Code 60201(d)		P,E

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E=Electronic I=Injury L=Life O=Open P=Paper PERM=Permanent S=Settled
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PUBLIC-RELATED DOCUMENTS				
Conflict of Interest Code Documents (Not Including Admin. Code C.O.I.)	CU + 7	Govt. Code 81009	Board Secretary	P,E
Form 700's	CU + 7	Govt. Code 81009	Board Secretary	P,E
Form 801	CU + 7 (On Website for 4 Yrs.)	Regulation 18944; 18944.1; 18950	Board Secretary	P,E
Form 802	CU + 7	Regulation 18944.1	Board Secretary	P,E
Form 803	CU + 7	Govt. Code 82015	Board Secretary	P,E
Form 804	CU +_7 (Same as Conflict of Interest Code)	Regulation 18734	Board Secretary	P,E
Form 805	CU + 7 (Same as Conflict of Interest Code)	Regulation 18734	Board Secretary	P,E
Form 806	CU + 2 (On Website 2 Years)	FPPC 18702.5(b)(3) Govt. Code 60201(d)(10)	Board Secretary	P,E
Legal Notices for Public Hearings/Publication of Ordinances	2	Govt. Code 34090	Board Secretary	P,E
Public Hearing Protest Letters	2 From Date of Hearing to Consider Protests	Govt. Code 53755	Board Secretary	P,E
Public Records Act Requests (CPRA's)	CL + 2	Govt. Code 60201(d)(5)	Board Secretary	P,E
MISCELLANEOUS				
Contracts – Non-Construction	L + 7	State Department	All	
General Correspondence (memos, letters, facsimiles)	PERM		All	P,E
Internal Committee/Group Records (ESG, ROC, etc.)	CU + 10			
Strategic Plans	CU + 25	Govt. Code 60201		P,E

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BOARD-RELATED DOCUMENTS				
Compensation Forms	AU + 7		Paper – Board Sec. Electronic - Finance	P,E
North County Joint Powers Authority (FPUD/LAFCO Matter)	PERM			P, E
Personnel Files	CU _ 7	Govt. Code 81009	Board Secretary	P, E

Section 5.05.050.02
Records Retention - Legal Records

District legal records must be retained and destroyed according to the schedule provided herein. The Administration department is responsible for the record retention and destruction of records covered in this section.

5.05.050.02.1 Legal Records Retention Management Reference Guide

RECORD	RETENTION PERIOD	DEPARTMENT RESPONSIBLE	MEDIA TYPE
Original Contracts	L + 7	Administration	P,E
Pending Claim, Litigation, Settlement, or Disposition of Litigation	S + 5	Administration	P,E

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Section 5.05.050.03
Records Retention - Human Resources Records

District human resources records must be retained and destroyed according to the schedule provided herein. The Human resources department is responsible for the record retention and destruction of records covered in this section.

5.05.050.03.1 Human Resources Records Retention Management Reference Guide

RECORD	RETENTION PERIOD	MEDIA TYPE
JOB APPLICATIONS		
Applications for Vacancies (To Include Pre-Employment Skills Testing and Interview Notes)	A + 3	P,E
Successful	Reference "Personnel Files"	P
Unsuccessful	2	P,E
MISCELLANEOUS		
Contracts	L + 7	P,E
Litigation (Pending Claim/Litigation Or Any Settlement of Litigation)	S + 5	P,E
Unaccepted Bids	CL + 2	P,E
PERSONNEL FILES*		
Benefits Forms	New + 3	DB,E,P
Electronic Copies	T + 20	DB,E
Hard Copies	T + 4	P
Retiree Personnel Files	Retiree or Retiree Spouse Death + 5	DB,E,P

**Personnel Files Include the Following:*

- *Applications, Changes and Termination of Employees*
- *Insurance Enrollment Records of Employees*
- *Job Descriptions*
- *Performance Records*
- *Retirements*
- *Agreements and Acknowledgements*
- *Licenses Certification Verifications*
- *Employee Discipline*

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Section 5.05.050.04
Records Retention - Finance Records

District financial records must be retained and destroyed according to the schedule provided herein. The Finance department is responsible for the record retention and destruction of records covered in this section.

5.05.050.04.1 Finance Records Retention Management Reference Guide

RECORD	RETENTION PERIOD	DEPARTMENT RESPONSIBLE	MEDIA TYPE
ACCOUNTS PAYABLE			
Accounts Payable Invoices	AU + 7	Finance	P,E
Accounts Payable Ledger	AU + 7	Finance	P,E
Accounts Payable Register	AU + 7	Finance	P,E
Accounts Payable Reports	AU + 7	Finance	P,E
Accounts Payable Supporting Docs (Invoice, PO)	AU + 7	Finance	P,E
Cancelled/Voided Checks	AU + 7	Finance	P
Cash Disbursement Requests	AU + 7	Finance	P,E
Petty Cash Records	AU + 7	Finance	P,E
Tax Reports (1099 Tax Info/Returns)	AU + 7	Finance	P,E
Tuition Reimbursement Records	AU + 7	Finance	P,E
ACCOUNTS RECEIVABLE			
Accounts Receivable Invoices	AU + 7	Finance	P,E
Accounts Receivable Ledger	AU + 7	Finance	P,E
Accounts Receivable Register	AU + 7	Finance	P,E
Assessment Pay-Offs	AU + 7	Finance	P,E
Bank Deposits	AU + 7	Finance	P,E
Journal Entries	AU + 7	Finance	P,E
Refunds	AU + 7	Finance	P,E
Revenue Backup	AU + 7	Finance	P,E
Taxes Receivable	AU + 7	Finance	P,E

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BANKING			
Bank Reconciliation	AU + 7	Finance	P,E
Bank Statements	AU + 7	Finance	P,E
CASH RECEIPTS			
Cash Receipts	AU + 7	Customer Service	P,E
Deposit Register	AU + 7	Customer Service	P,E
Deposits	AU + 7	Customer Service	P,E
COLLECTIONS			
Demand Letters	AU + 7	Customer Service	P,E
Liens	AU + 10	Customer Service	P,E
Release of Liens	AU + 7	Customer Service	P,E
Tax Roll Delinquencies	AU + 7	Customer Service	P,E
CUSTOMER RECORDS			
Direct Debit Forms	PERM	Customer Service	P,E
General Correspondence	PERM	Customer Service	P,E
Initial Service Orders	PERM	Customer Service	P,E
Owner/Tenant Authorizations	PERM	Customer Service	P,E
PEP Forms	PERM	Customer Service	P,E
FINANCIAL RECORDS			
Adjusting Entries	AU + 7	Finance	P,E
Audited Financial Statements	PERM	Finance	P,E
Balance Sheet	AU + 7	Finance	P,E
Bonds Payable and Other Long-Term Indebtedness	AU + 7	Finance	P,E
Budgets	AU + 7	Finance	P,E
Capital Asset Records	AU + 7	Finance	P,E
Changes in Fixed Assets	AU + 7	Finance	P,E
Closing Entries	AU + 7	Finance	P,E
Construction	AU + 7	Finance	P,E
Depreciation Schedule	AU + 7	Finance	P,E
Fixed Asset Subsidiary Ledger	AU + 7	Finance	P,E

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(Includes Inventory)			
General Ledger	AU + 7	Finance	P,E
Journals	AU + 7	Finance	P,E
Lease-Purchase Records	AU + 7	Finance	P,E
Monthly Financial Statements	AU + 7	Finance	P,E
Note Register	AU + 7	Finance	P,E
Other Financial Reports	AU + 7	Finance	P,E
Profit and Loss	AU + 7	Finance	P,E
Reversing Entries	AU + 7	Finance	P,E
Schedule of Investments	AU + 7	Finance	P,E
Special Event/Action Accounting Record	AU + 7	Finance	P,E
State Controller Reports	AU + 7	Finance	P,E
Surplus Property List	AU + 7	Finance	P,E
Trial Balance	AU + 7	Finance	P,E
Vehicle Titles and Records	AU + 7	Finance	P,E
GRANTS			
Federal Grants, Including FEMA / Other Emergencies (applications, reports, contracts, supporting documents)	AU + 7	Finance	P,E
Grants-In-Aid (applications, reports, contracts, supporting documents)	AU + 7	Finance	P,E
Long-Term Debt Records	AU + 7	Finance	P,E
State Grants (applications, reports, Contracts, supporting documents)	AU + 7	Finance	P,E
MISCELLANEOUS			
Contracts (bids, proposals)	L + 7	All	P,E
General Correspondence (emails, memos, letters, facsimiles)	AU + 7	All	P,E
Litigation (Pending Claim/Litigation Or Any Settlement of Litigation	S + 5	All	P.E
Special Event/Action Accounting Record	AU + 7	Finance	P,E
Unaccepted Bids	CL + 2	All	P,E
PAYROLL			
Payroll Authorization Forms	New + 3	Finance	P,E
Payroll Deductions	AU + 7	Finance	P

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Payroll Journal	AU + 7	Finance	E
Payroll Reports (registers, statements, etc.)	AU + 7	Finance	E
Promissory Notes/Computer Assistance Program Agreements	AU + 7	Finance	P, E
Tax Reports (W2's, W3's, W4's, DE9's, 941's)	AU + 7	Finance	P,E
Timesheets	AU + 7	Finance	P,E,DB
Wage Garnishments	AU + 7	Finance	P
PURCHASING			
Inventory Records	AU + 7	Purchasing	P,E
Purchase Orders	AU + 7	Purchasing	P,E
Requisitions	AU + 7	Purchasing	P,E
UTILITY BILLING			
Meter Reports	AU + 7	Customer Service	P,E
Payment Stubs & Tapes	AU + 7	Customer Service	P
Refunds	AU + 7	Customer Service	P,E
Service Requests	AU + 7	Customer Service	P,E,DB
Utility Billing Adjustments	AU + 7	Customer Service	P,E
Utility Billing Register	AU + 7	Customer Service	P,E

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Section 5.05.050.05
Records Retention - Engineering Records

District engineering records must be retained and destroyed according to the schedule provided herein. The Engineering Department is responsible for the record retention and destruction of records covered in this section.

5.05.050.05.1 Engineering Records Retention Management Reference Guide

RECORD	RETENTION PERIOD	POSTION RESPONSIBLE	MEDIA TYPE
Agreements - Professional Service – Agreements for work associated with Capital Improvement Projects (CIP), Developer/Customer projects, annual agreements, studies, and on-call service agreements.	LIFE OF PROJECT/AGREEMENT + SEVEN YEARS	ENG ADMIN	E (EDSS)
Annexations, Detachments, Out-of-Agency Agreement – These files contain LAFCO pending and final property modifications.	PERM	ENG ADMIN	E (EDSS)
Assessment Apportionment Report and Maps – Mylar or paper maps and diagram maps showing reapportioned parcels or lot line adjustments.	PERM	ENG ADMIN	E (EDSS OR GIS)
Construction Bids – Unsuccessful – Proposals only – no contracts executed.	BID OPENING+TWO YEARS	ENG ADMIN	E (DEPT)
Correspondence-Projects Emails, memos, and letters related to CIP, Developer, and Customer projects.	LIFE OF PROJECT/AGREEMENT+ SEVEN YEARS	ENG ADMIN	E (DEPT)
Correspondence- Right-of-Way Emails, memos, letters related to Easements, Encroachment permits, Quitclaims, & Joint Use Agreements	LIFE OF PROJECT/AGREEMENT+ SEVEN YEARS	ENG ADMIN	E (EDSS)
Daily Inspection Reports – Reports prepared by both District inspectors AND outside consultants	PERM	ENG ADMIN	E (EDSS)
Environmental Documents – Includes PEIRs, permits, Notice of Exceptions, Public Comments/Hearing minutes and reports prepared for projects.	PERM	ENG ADMIN	E (EDSS)
Pipeline Inspection Videos	LIFE OF PROJECT + SEVEN YEARS	ENG ADMIN	E (DEPT)

DEPT=Department Electronic Storage System, E=Electronic EDSS=Electronic Document Storage System, GIS=Geographic Information System, PERM=Permanent

RECORD	RETENTION PERIOD	POSTION RESPONSIBLE	MEDIA TYPE
Plans: Mylars-Original Mylars: includes as-built/record, plans, plans for potable water, sewer, recycled water, raw water, related facilities, and District buildings.	PERM	ENG ADMIN	E (GIS)
Project Files – A separate file is kept for each project and may contain Design (30%, 60%, 90%) drawings, approved materials list (AML), correspondence, receipts, bond information, insurance, contract information, estimate and payment forms, submittals, and escrow accounts in lieu of retention files. For CIP projects, the file will include mitigation and all phases of design and construction.	LIFE OF PROJECT/AGREEMENT + SEVEN YEARS	ENG ADMIN	E (DEPT)
Proposals for professional Services – Unsuccessful – Proposals only – no contracts executed.	PROPOSAL DATE + ONE YEAR	ENG ADMIN	E (DEPT)
Request for Proposals	LIFE OF PROJECT/AGREEMENT + SEVEN YEARS	ENG ADMIN	E (DEPT)
Right of Way (ROW) Files – Includes Easements, Grant Deeds, Encroachment Permits, Quitclaims and Joint Use Agreements – Fully executed recorded documents	PERM	ENG ADMIN	E (GIS)
Sewer Documents- Sewer Applications (Customer), Sewer Service Agreements (Developer)	PERM	ENG ADMIN	E (EDSS)
Standards & Specification Books (Current) – Rainbow MWD Standard Specification and Drawings for the construction of water, recycled water, and sewer facilities.	CURRENT	ENG ADMIN	E (DEPT)
Statement of Qualifications	LIFE OF PROJECT/AGREEMENT + SEVEN YEARS	ENG ADMIN	E (DEPT)
Technical Reports – Master Plans, Land Surveys, Water System Analysis, Sewer System Analysis, Pipeline Failure Reports, Hydraulic Models, and Feasibility Studies	PERM	ENG ADMIN	E (EDSS)
Water Documents- Water Applications (Customer), Water Service Agreements (Developer), and	PERM	ENG ADMIN	E (EDSS)

DEPT= Department Electronic Storage System, E=Electronic, EDSS=Electronic Document Storage System, GIS=Geographic Information System, PERM=Permanent

Section 5.05.050.06
Records Retention - Operations Records

District operations records must be retained and destroyed according to the schedule provided herein. The Operations department is responsible for the record retention and destruction of records covered in this section.

5.05.050.06.1 Operations Records Retention Management Reference Guide

RECORD	RETENTION PERIOD	REGULATORY INFO.	POSITION RESPONSIBLE	MEDIA TYPE
CONSTRUCTION & MAINTENANCE		RWQCB SWRCB		
Potable Water Discharges	CU + 5		Superintendent	E
Service Requests	PERM		Superintendent	P
Work Orders	PERM		Superintendent	P,E
METERS				
Downsize/Upsize Documentation	CU +7		Meter Crew Leader	P
Meter Exchanges	CU + 9	AWWA	Meter Crew Leader	E
Meter Testing	CU + 5		Meter Crew Leader	E
MISCELLANEOUS				
Contracts - Copies	L + 7	State Department	Operations Manager	P,E
Litigation (Pending Claim/Litigation or Any Settlement of Litigation)	S + 5	Govt. Code 6254	Operations Manager	P,E
Unaccepted Bids	CL + 2	Govt. Code 34090	Operations Manager	P,E
TECHNICAL SERVICES				
FLEET				
BIT Inspections	2		Mechanic	E,DB

A=Active AU=Audit CL=Closed or Completed CU=Current DB=Database
E=Electronic I=Injury L=Life O=Open P=Paper PERM=Permanent S=Settled
T=Termination or Term of Document V=Videos

RECORD	RETENTION PERIOD	REGULATORY INFO.	POSITION RESPONSIBLE	MEDIA TYPE
Daily Vehicle Inspection Reports (Commercial Vehicles)	2	D.O.T.	Mechanic	P
Daily/Weekly Vehicle Inspection Reports	1		Mechanic	P
D.O.T. Records	3		Mechanic	P
Equipment Titles and Registration	PERM w/Equipment		Mechanic	P
Fuel Usage Reports	PERM		Purchasing	DB
Generator/Mobile Equipment Maintenance Records	PERM w/Equipment		Mechanic	P
Generator/Mobile Equipment Permits and Records	5		Mechanic	P
Recycling Records	PERM		Mechanic	P,DB
Repair Records	PERM w/ Vehicle		Mechanic	DB
SMOG Certificates Including Test Results	PERM w/ Vehicle		Mechanic	DB
SMOG Checks	3		Mechanic	DB
Vehicle Titles and Registration (Originals In Vault & Copies in Vehicles)	PERM w/Vehicle		Mechanic	P
MECHANICAL/ELECTRICAL				
FCC Licenses and Certificates	PERM w/Facility		Electrical/Electronic Technician	P
Inspection Sheets (Motor Control & Electrical Maintenance)	PERM		Electrical/Electronic Technician	P,E
Inspection Sheets (SCADA Maintenance)	PERM		Electrical/Electronic Technician	P,E
Project Sheets	PERM w/Project		Electrical/Electronic Technician	P
WATER QUALITY & TREATMENT				
		SWRCB		
Backflow Reports	CU + 3		Water Quality Technician	P,E

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RECORD	RETENTION PERIOD	REGULATORY INFO.	POSITION RESPONSIBLE	MEDIA TYPE
Bacteriological Analysis (Original & Tabular Summary)	CU + 5		Water Quality Technician	P,E
Chemical Analysis	CU + 10		Water Quality Technician	P,E
Chlorine Residual/Monthly Reports	CU + 10		Water Quality Technician	P,E
Consumer Confidence Reports	CU + 2		Operations Manager	E
General Physical Samples	CU + 10		Water Quality Technician	P
Lead & Copper Sampling	CL + 12		Water Quality Technician	P,E
Potable Water Discharges - Samples	CU + 5		Water Quality Technician	E
Sanitary Surveys	CU + 10		Water Quality Technician	P,E
TTHM and HAAS Samples	CU + 10		Water Quality Technician	P,E
Violation & Corrective Actions	CU + 10		Water Quality Technician	P,E
Water Quality Complaint Reports	CU + 10		Water Quality Technician	P,E
WASTEWATER		State Water Resource Control Board/WDR/SSMP		
CCTV Inspection Logs	PERM		Superintendent	DB
CCTV Videos	CL + 5		Superintendent	V
Confined Space Records	CU + 5		Superintendent	P
FOG Program	PERM w/Facility		Superintendent	P,E
Generator (Stationary) Records/Permits	PERM w/Equipment		Superintendent	P
High Frequency Cleaning Logs	CL + 5		Superintendent	P,E
Lift Station Preventative Maintenance	PERM w/Equipment		Superintendent	P,E
Monthly Call-Out/Reports	CU + 5		Superintendent	P,E
Non-Hazardous Special Waste & Asbestos Manifest	PERM		Superintendent	P

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RECORD	RETENTION PERIOD	REGULATORY INFO.	POSITION RESPONSIBLE	MEDIA TYPE
Oak Crest Estates WWTP	PERM w/Facility		Superintendent	P,E
SCADA Flow Data	PERM		Superintendent	DB
Spill Logs/Reports	PERM		Superintendent	P,E
SSMP WDR Annual Audit (Internal)	2		Superintendent	E
SSMP WDR Update	CU + 5		Superintendent	P,E
Stallion Calibration Records	PERM		Superintendent	P
Stallion Outfall Samples	PERM		Superintendent	E
Vactor Cleaning Logs	CU		Superintendent	E
WATER OPERATIONS		CDHS		
Beck Reservoir	PERM	Division of Safety of Dams	Superintendent	P
Chlorine Stations Maintenance Records	CU + 3		Superintendent	P
CO2 Daily Station Log Sheets	CU + 2		Superintendent	P
Confined Space	CU + 5		Superintendent	P
Cover Inspections (Covered Reservoirs)	CU + 5		Superintendent	P,E
Daily Operator Logs/Flow Change Logs	CU + 5		Superintendent	P
Dive Inspection Sheets (Covered Reservoirs)	CU + 6		Superintendent	P,V
Generator (Stationary) Records	CU + 2		Superintendent	P
Meter Calibrations	CU + 5		Superintendent	E
Pump Station Inspection Log Book	CU + 5		Superintendent	P
Pump Station Maintenance Records	PERM w/Equipment		Superintendent	P,E
SCADA Flow Data	PERM			DB
Tank Inspections (Monthly)	CU + 2		Superintendent	P,E
Tank Maintenance Contractor Records	CU + 5		Superintendent	P,E
Work Orders	CL + 3		Superintendent	P,E

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Section 5.05.050.07
Records Retention - IT Records

District information technology (IT) records must be retained and destroyed according to the schedule provided herein. The IT department is responsible for the record retention and destruction of records covered in this section.

5.05.050.07.1 IT Records Retention Management Reference Guide

RECORD	RETENTION PERIOD	MEDIA TYPE
EMAILS		
Emails	15 Years	E
MISCELLANEOUS		
Contracts	L + 7	P,E
Litigation (Pending Claim/Litigation Or Any Settlement of Litigation)	S + 5	P,E
Unaccepted Bids	CL + 2	P,E

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Section 5.05.050.08
Records Retention – Risk Management Records

District risk management records must be retained and destroyed according the schedule provided herein. The Risk Management department is responsible for the record retention and destruction of records covered in this section.

5.05.050.08.1 Risk Management Retention Management Reference Guide

RECORD	RETENTION PERIOD	REGULATORY INFO	RECORD LOCATION	MEDIA TYPE
ENVIRONMENTAL				
Air Pollution Control District Inspections (Including tanks/generators)	PERM	3 Yrs. Per Permit	Safety Files On Site	P
Asbestos Records (Including identification and disposal manifests)	PERM	3 Yrs. Per Permit	Safety Files	P
Compliance Inspection Reports (External agency re: regs/hazardous materials/pesticides, etc.)	3	Gov. Code 60200	Safety Files	P
Hazardous Material (Including material safety data sheets/inventory list & handling procedures)	CU + 10	Cal OSHA	Online, On-Site Common Areas	P,E
Hazardous Waste Compliance Inspections (Including internal/external (County Environmental Health)	CU + 10	Cal OSHA	Safety Files	P
Hazardous Waste Disposal Manifests	CU + 10	Cal OSHA		
Pesticide Records (inventory/use/disposal)	CU + 2	Gov. Code 60200	Safety Files	P
INSURANCE				
Claims (Not Litigated)	CU + 6	Gov. Code 60200	Online/Safety Files	
Coverage (Including Policies/JPIA MOU's)	PERM	Gov. Code 60200	Online	P,E

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RECORD	RETENTION PERIOD	REGULATORY INFO	RECORD LOCATION	MEDIA TYPE
MISCELLANEOUS				
Original Contract	L + 7	State Department		P,E
Litigation (Pending Claim/Litigation or Any Settlement of Litigation)	S + 5	Gov. Code 6254		P,E
Unaccepted Bids	CL + 2	Gov. Code 34090		P,E
SAFETY				
Compliance Inspection Reports (Fire equipment, etc.)	3	Gov. Code 60200	Safety Office	P
Confined Space (Entry permit/ inspection/checklists/test data/notifications)	1	Gov. Code 60200	Safety Office	P
Driving Records (DMV)	T + 5	Gov. Code 60200	Safety Office	P
Driving Records (DOT) (Including DMV exams & reports/drivers' hours/logs/pull notices for A&B drivers)	T + 5	Gov. Code 60200	Safety Office	P
Equipment Calibration Records (Fall protection, gas meters, wenches, lanyards, harnesses, etc.)	CL + 5	Gov. Code 60200	On-Site	P
First Aid Treatment and Observation Only Injuries	5	CCR Tit 8, 3204	Safety Office	P,E
Injury & Accident Reports (Including on the job and vehicle/OSHA log)	P	Gov. Code 60200	Safety Office	P,E,DB
Medical Program Records (Medical testing)	T + 30	Gov. Code 60200	Safety Office	P
OSHA Correspondence & Notices	CL + 5	Gov. Code 60200	Safety Office	P
Permits	3		On-Site/ Safety Office	P
Safety Inspections-Internal (Including facility audits)	CU + 7	Gov. Code 60200	Safety Office	P
Safety Meeting Minutes	CU + 7	Gov. Code 60200	Network	E
Surveillance Program Records (Substance tests/hearing/ respirator)	T + 30	Gov. Code 60200	Safety Office	P

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RECORD	RETENTION PERIOD	REGULATORY INFO	RECORD LOCATION	MEDIA TYPE
Terminal Safety Inspection & Compliance Records (BIT Program – DMV Pulls)	CL + 3	Gov. Code 60200	Safety Office	P
Training Records (Including attendance, new employee orientation, scheduled, certification, tailgate rosters)	CU + 7	Gov. Code 60200	Safety Office/ Network	P,E
Workers Compensation Files	I + 5 Or CL + 2	CCR 15400.2	Safety Office/ Online	P,E
Workplace Assessments (Including ergonomic studies/job hazard analysis)	CU + 2	Gov. Code 60200		

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Chapter 5.06
INTERNAL CONTROLS:
FRAUD AND SIMILAR OR RELATED INAPPROPRIATE CONDUCT

Sections:

5.06.010 Background
5.06.020 Scope of Policy
5.06.030 Policy
5.06.040 Actions Constituting Fraud
5.06.050 Other Inappropriate Conduct
5.06.060 Employee Responsibilities
5.06.070 Investigation Responsibilities
5.06.080 Confidentiality
5.06.090 Authorization for Investigating Suspected Fraud
5.06.100 Reporting Procedures
5.06.110 Termination
5.06.120 Administration

Section 5.06.010
Background

Internal control policy for Rainbow Municipal Water District is established to facilitate the development of controls which will aid in the detection and prevention of fraud and similar or related inappropriate conduct against Rainbow Municipal Water District. It is the intent of Rainbow Municipal Water District to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

Monthly financial statements prepared in accordance with generally accepted accounting principles are reviewed by the District's Board of Directors. Independent audit professionals appointed by the District's Board of Directors perform annual audits of the District's financial statements.

Section 5.06.020
Scope of Policy

This policy applies to any fraud and similar or related inappropriate conduct involving employees, consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with Rainbow Municipal Water District.

Section 5.06.030
Policy

The General Manager and the Management Team are responsible for the detection and prevention of fraud, misappropriations, and other similar or related inappropriate conduct. Fraud is defined as the intentional false representation or concealment of a material fact for the purpose of inducing another to act upon it to their injury or the injury of the District. Each member of the management team will be familiar with the types of improprieties that might occur within their area of responsibility and be alert for any indication of fraud and similar or related inappropriate conduct.

Any employee that detects or reasonably suspects fraud or similar or related inappropriate conduct shall immediately report the conduct to the employee's supervisor or to the Human Resource Department, who coordinates all investigations with the District's legal counsel and other affected areas, both internal and external.

Management will ensure that the applicable requirements of state law respecting ethics and conflicts of interest are followed including requirements under the Political Reform Act.

Section 5.06.040
Actions Constituting Fraud

The terms embezzlement, misappropriation, and other fiscal fraud or related inappropriate conduct as described in this policy shall refer to activities carried out for inappropriate personal gain such as, but not limited to:

- Any dishonest or fraudulent act.
- Forgery or alteration of any document or account belonging to Rainbow Municipal Water District.
- Forgery or alteration of a check, bank draft, or any other financial document.
- Misappropriation of funds, securities, supplies, or other assets.
- Impropriety in the handling or reporting of money or financial transactions.
- Authorizing or receiving payment for goods not received or services not performed.
- Profiteering as a result of insider knowledge of Rainbow Municipal Water District's activities.
- Computer-related activity involving an unauthorized alteration, destruction, forgery, or manipulation of data or misappropriation of District-owned software.
- Misrepresentation of information on District's documents, including financial statements.
- Disclosure of confidential information where the District is entitled by law to maintain the confidentiality of such information and the District has taken all reasonable steps to maintain such confidentiality.
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to Rainbow Municipal Water District where the communication is made that a payment or donation is required in order to do business with the District. This includes the refusal to accept any and all gifts over a nominal value and gratuities from vendors and prospective venders (Administration Code Section 5.02.200 #6).
- Destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment; and/or
- Any similar or related inappropriate conduct of Federal, State, or Local laws related to dishonest activities or fraud.

Section 5.06.050
Other Inappropriate Conduct

Fraud or any similar or related inappropriate conduct concerning an employee should by resolved by Human Resources Department working in conjunction with the General Manager and District legal counsel (where necessary) rather than by the immediate supervisor.

Fraud and any similar or related inappropriate conduct concerning a Rainbow Municipal Water District Board Member conduct should be resolved in accordance with the adopted Board Governance Policies of the District.

Section 5.06.060
Employee Responsibilities

A suspected incident of fraud or any similar or related inappropriate conduct observed by, or made known to, an employee must be reported to the employee's supervisor or the Human Resources Department for reporting to the proper management official.

When the employee believes the supervisor may be involved in the fraudulent incident and any similar or related inappropriate conduct, the employee shall make the report directly to the next higher level of management and/or the General Manager.

If a suspected incident of fraud or any similar or related inappropriate conduct involve the General Manger, it shall be reported to the District's Board President or the District's legal counsel.

For purposes of this Policy, the term **employee** refers to any individual or group of individuals who receive compensation, either full or part-time, including Rainbow Municipal Water District Board of Directors. The term also includes committee members and any volunteer who provide services to the District through an official arrangement with the District or a District Organization.

Section 5.06.070
Investigation Responsibilities

The General Manager has the primary responsibility for the investigation of all suspected incidents of fraud or similar or related inappropriate conduct as defined in this policy, which may be referred to the District's legal counsel. If the investigation substantiates that an incident of fraud has likely occurred, the General Manager or the District's legal counsel shall report the incident to the Board President or General Manager, as appropriate. Based on the exigencies of the circumstances, the Board President in cooperation with the District's legal counsel will determine the appropriate method to inform the Board of Directors.

Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with the General Manager and District's legal counsel, as will final decisions on disposition of the case.

For claims of fraud or similar or related inappropriate conduct involving the General Manager, the President of the Board or the District's legal counsel shall have primary responsibility for investigation of the activity covered by this policy.

Section 5.06.080
Confidentiality

The General Manager, Management Team, Board of Directors, the District's legal counsel and the Human Resources Department shall maintain the confidentiality of fraud reports and related information received confidentially. Any employee who suspects dishonest or fraudulent activity shall notify their supervisor or the Human Resources Department immediately, and *should not attempt to personally conduct investigations or interviews/interrogations* related to any suspected fraudulent act (see **Reporting Procedure** section 5.06.100). However, management is responsible for taking appropriate corrective actions to ensure adequate controls exist to prevent reoccurrence of improper actions.

Investigation results *will not be disclosed or discussed* with anyone other than those who have a legitimate need to know.

Section 5.06.090
Authorization for Investigating Suspected Fraud

Members of the Investigation Team will have:

- Free and unrestricted access to all Rainbow Municipal Water District records and premises, whether owned or rented including computer and other electronic files; and
- The authority to examine, and/or copy all or any portion of the contents of files, desks, cabinets, and other storage facilities on the Rainbow Municipal Water District's premises without prior knowledge or consent of any individual who might use or have access to any such items or facilities when it is within the scope of their investigation.

Section 5.06.100
Reporting Procedures

Great care must be taken in the investigation of suspected fraud, improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way. Management should avoid the following:

- Incorrect accusations.
- Alerting suspected individuals that an investigation is underway.
- Treating employees unfairly.
- Making statements that could lead to claims of false accusations or other offenses.

An employee who discovers or suspects fraud or similar or related inappropriate conduct shall contact their supervisor or the Human Resource Department immediately. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual, their attorney or representative, or any other person or entity should be directed to the Human Resource Department or directly to District General Manager. No information concerning the status of an ongoing investigation may be disclosed or released to the public or anyone not participating in the investigation. The proper response to any such inquiry is, "I am not at liberty to discuss this matter." *Under no circumstances* should any reference be made to "the allegation," "the crime," "the fraud," "the forgery," "the misappropriation," or any other specific reference.

The reporting individual should be informed of the following:

- Do not contact the suspected individual in an effort to determine facts or demand restitution.
- Do not discuss the case, facts, suspicions, or allegations with *anyone* unless specifically asked to do so by the General Manager or the District's legal counsel.

Employees will be granted whistle-blower protection when acting in accordance with this policy so long as the employee has not engaged in activity that violates this policy. When informed of a suspected impropriety, neither the District nor any person acting on behalf of the District shall, because of the reporting employee's report:

- Dismiss or threaten to dismiss the employee,
- Discipline, suspend, or threaten to discipline or suspend the employee,
- Impose any penalty upon the employee, or
- Intimidate or coerce the employee.

Violations of the whistle-blower protection will result in discipline up to and including dismissal.

Section 5.06.110
Termination

If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed for approval by the General Manager, the designated representative from Human Resource Department and District legal counsel and, if necessary, by outside counsel, before any such action is taken. The decision to terminate an employee is made by General Manager.

Section 5.06.120
Administration

The General Manager, with the assistance of the District's legal counsel, is responsible for the administration, revision, interpretation, and application of this policy. The policy will be reviewed and revised as needed.

Chapter 5.07
UNCLAIMED CHECKS POLICY

Sections:

5.07.010 Unclaimed Checks Policy

5.07.010
Unclaimed Checks Policy

The Rainbow Municipal Water District unclaimed checks policy shall be adopted by the District Board of Directors. This unclaimed check policy shall be reviewed periodically to ensure compliance to current law and processing trends. Any amendments to the policy shall be forwarded to the Board of Directors for approval.

Chapter 5.08
DISTRICT COMMUNICATION SYSTEMS

Sections:

5.08.010 District Cell Phone Purpose
5.08.020 District Cell Phone Policy and Guidelines

5.08.010
District Cell Phone Purpose

It shall be the policy of the District to establish redundant communication systems that will ensure the Districts ability to communicate with staff and other strategic agencies during emergency situations.

District communication systems are to be used for District business only and will be used in accordance with any applicable laws and District regulations.

Section 5.08.020
District Cell Phone Policy and Guidelines

The general policy is that District cell phones are to be used for District business and services and are not intended for personal or private use. The purpose of District cell phones is to allow access to key personnel and services on a 24-hour emergency basis. The General Manager will determine and approve who shall be issued a cell phone.

If a District issued cell phone is used for personal use, the employee responsible will reimburse the District for such calls. The immediate supervisors, of those who are issued a phone, will review all cell phone monthly invoices for appropriate charges and calls. The General Manager will have final say on what deems a business call verses a personal call.

Approved at April 2, 2003 Board Meeting

Chapter 5.09
VEHICLE POLICIES

Sections:

5.09.010 **Purpose, Scope, and Definitions**
5.09.020 **Vehicle Use and Responsibilities**
5.09.030 **Vehicle Assignment and Operating Condition**
5.09.040 **Personal Use, Passengers, and Transported Property**
5.09.050 **Vehicle Replacement, Licensing, and Insurance**
5.09.060 **Vehicle Accidents, Incidents, and Reporting**

Section 5.09.010
Purpose, Scope, and Definitions

District vehicles are owned, leased, or rented for the conduct of official District business and services and are not intended to replace personal vehicles.

District employees include full-time and part-time employees of the District; Board members, contractors, consultants, and contract employees are excluded unless expressly authorized.

District vehicles do not include short-term rental vehicles used for travel outside the District.

Normal working hours are defined as the regularly scheduled working hours of District personnel.

The General Manager shall have to sole discretion to update and revise the District Vehicle Use Policy Appendix “C” in the Employee Handbook as needed.

Section 5.09.020
Vehicle Use and Responsibilities

District vehicles shall be used exclusively for District business unless otherwise authorized under this policy. Authority for the assignment, control, and use of District vehicles rests with the General Manager. Operators of District vehicles are responsible for their safe and lawful operation in compliance with the California Vehicle Code and all other applicable laws. Operators must possess and maintain a valid California driver's license appropriate for the class of vehicle being operated, and loss or suspension of such licensure may result in discipline, up to and including dismissal. Traffic citations issued to operators are the operator's responsibility, unless the citation results from a faulty District vehicle. This policy does not apply to the General Manager's vehicle assignment, which is governed by the applicable employment agreement approved by the Board of Directors.

Employees authorized to operate District vehicles shall be subject to initial and periodic review of their motor vehicle driving records. Operation of District vehicles while impaired by alcohol, controlled substances, or medications that affect safe driving ability is strictly prohibited. Employees shall comply with all safety requirements, including mandatory seat belt use at all times.

Section 5.09.030
Vehicle Assignment and Operating Condition

District vehicles are normally assigned only to District employees and are intended for use during normal working hours, with vehicles parked or garaged at District facilities when not in use. The General Manager may authorize after-hours or take-home vehicle assignments when such use clearly improves emergency response capability or operational efficiency. Factors considered include whether the employee is on scheduled standby or required to respond to emergency calls, whether the assignment improves response time or service delivery, and whether the employee resides within a forty-five-minute response time unless a deviation is approved based on business necessity.

After-hours vehicle assignments are limited to the duration of the employee's scheduled after-hours duties and may be authorized on a twenty-four-hour basis when job duties require continuous emergency response availability.

Commuting in a District vehicle may be permitted when the after-hours duty assignment is contiguous with normal working hours. Attendance at after-hours meetings or functions alone does not justify an after-hours vehicle assignment, and employees may instead seek reimbursement for use of a private vehicle.

Vehicles are not normally assigned to administrative personnel who are not required to respond to emergency service calls after normal working hours. During declared emergencies, the General Manager may temporarily deviate from this policy to make special vehicle assignments necessary to address the emergency, with such deviations reported to the Board of Directors at the next regular meeting and terminated upon conclusion of the emergency. District vehicles may also be assigned for business travel outside the District when such use represents the most efficient and economical means of transportation and does not impair District operations.

Authorization to operate a District vehicle is a privilege and may be suspended or revoked at the discretion of the General Manager based on safety concerns, driving record history, policy violations, or operational needs. Vehicle assignments will be reviewed annually.

Section 5.09.040
Personal Use, Passengers, and Transported Property

District vehicles shall not be used for personal or private purposes except as expressly authorized under this policy. Transport of family members, personal goods, or personal equipment in District vehicles is generally prohibited. Board members, contractors, consultants, and members of the public may be transported in District vehicles when such transportation is directly related to District business or emergency services.

At the discretion of the General Manager, an employee who is on duty or on scheduled standby may be authorized to transport immediate family members in a District vehicle when doing so directly reduces emergency response time and supports District operational needs without compromising safety, liability, or professional standards. Any authorization to transport immediate family members is temporary, limited to the specific operational need, and subject to revocation at any time. Such authorization does not create a general entitlement to transport non-employees.

Section 5.09.050
Vehicle Replacement, Licensing, and Insurance

Replacement of District vehicles shall be evaluated on a case-by-case basis and funded through the capital budgeting process. Vehicle purchases shall follow the appropriate section in the finance and purchasing sections of the Administrative Code.

All District vehicles and operators shall be properly registered, licensed, and insured in accordance with the California Vehicle Code and all other applicable laws. The General Manager or designee is responsible for ensuring that vehicles and operators meet all licensing and insurance requirements prior to vehicle assignment.

Unauthorized or non-compliant use of a District vehicle may result in loss of District insurance coverage for the employee and may expose the employee to personal liability.

Section 5.09.060
Vehicle Accidents, Incidents, and Reporting

Employees operating District vehicles shall immediately report all vehicle accidents, damage, injuries, or incidents to their supervisor and the General Manager or designee, regardless of severity. Employees shall cooperate fully with investigations, insurance reporting requirements, and post-incident reviews. Failure to report incidents promptly may result in disciplinary action.

District vehicles have a GPS Tracking system installed and allows the District to run reports on Safe Driving practices. The District may provide positive reinforcement based on safe driving, retraining if safety concerns arise, and use the GPS information for Accident Investigation.

Chapter 5.10
DEBT MANAGEMENT

Sections:

5.10.010 Debt Management Policy
5.10.010.01 Introduction
5.10.010.02 Policy Purpose and Objectives
5.10.010.03 Issuance Authority and Scope of Indebtedness
5.10.010.04 Debt Management Responsibility
5.10.010.05 Uses and Limits on Indebtedness
5.10.010.06 District Revenues and Debt Service Payments
5.10.010.07 Financing Professionals
5.10.010.07.1 Bond and Disclosure Counsel
5.10.010.07.2 Underwriter
5.10.010.07.3 Trustee and Collateral Agent
5.10.010.08 Structuring Debt Financing
5.10.010.08.1 Term and Structure
5.10.010.08.2 Debt Service Reserve Fund
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Section: 5.10.010
Debt Management Policy

5.10.010.01 Introduction

This Debt Management Policy ("Policy") documents Rainbow Municipal Water District's (the "District") goals and guidelines for the use of debt instruments for financing District water, wastewater, infrastructure, projects, and other financing needs. The District recognizes the need to invest in ongoing capital replacement and rehabilitation of its facilities to ensure future viability of services, and that the appropriate use of debt can facilitate the timely construction of such facilities.

The purpose of the Policy is to promote sound and uniform practices for issuing and managing loans, and other forms of indebtedness, to provide guidance to decision makers regarding the appropriate use of debt and other repayment obligations of the District.

The Policy is also intended to comply with California Government Code section 8855(i), which became effective January 1, 2017, and requires that governmental agencies that issue any form of debt have a "debt management policy" in place if any form of debt is being contemplated or anticipated.

The District expects to pay for infrastructure and other projects from a combination of current revenues, available reserves, and prudently issued debt. The District recognizes that debt can provide an equitable means of financing projects for its customers and provide access to new capital needed for infrastructure and project needs. Debt will be used to meet financing needs (i) if it meets the goals of equitable treatment of all customers, both current and future; (ii) if it is cost-effective and fiscally prudent, responsible, and diligent under the prevailing economic conditions; and (iii) if there are other District policy reasons therefor.

All District debt will be approved by the Board of Directors ("Board").

To achieve the highest practicable credit ratings and endorse prudent financial management, the District is committed to systematic capital planning, and long-term financial planning.

Evidence of this commitment to long-term capital planning is demonstrated through adoption and periodic adjustment of the District's Capital Improvement Plan (CIP) identifying the benefits, costs, and method of funding capital improvement projects over the planning horizon.

5.10.010.02 Policy Purpose and Objectives

The purpose of this Policy is to establish parameters for issuing debt; provide guidance to decision makers with respect to options available to finance capital projects and support other financing needs so that the most prudent, equitable, and cost-effective method of financing can be chosen; and promote objectivity in the decision-making process.

The District will adhere to the following legal requirements for the issuance of debt:

- The state law which authorizes the issuance of the debt;
- The federal and state law which govern the eligibility of the debt for tax-exempt status;

- The federal and state law which govern the issuance of taxable debt;

- The federal and state laws which govern disclosure, sale, and trading of the debt both before and subsequent to issuance; and

- Generally Accepted Accounting Principles (GAAP).

The Policy objectives are as follows:

- To help maintain the financial stability of the District by encouraging sound decision-making so that its long-term financing commitments are affordable and do not create undue risk or burden to operations and service delivery.

- To protect the District's creditworthiness and minimize the District's borrowing costs.

- To meet the requirements of state and federal law and regulation, including state debt issuance reporting requirements and federal requirements regarding disclosure and administration of tax-exempt indebtedness.

- To incorporate best practices into the District's borrowings and administration of its indebtedness.

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

5.10.010.03 Issuance Authority and Scope of Indebtedness

The District is an infrequent issuer of debt. The extent of its borrowings is expected to be in the form of various loan and lease agreements. If the District considers alternative forms of indebtedness, this Policy provides flexibility to do so and may also be amended to address relevant issues. While this Policy does not specifically address vendor financing or other forms of installment contracts, to the extent the District were to consider such forms of financing, the spirit of these Policies would apply.

5.10.010.04 Debt Management Responsibility

The General Manager is appointed as the District official responsible for the following:

- Borrowing and debt issuance management, recognizing that assigned staff may be charged with certain day-to-day responsibilities.

- Working with other staff deemed appropriate in formulating the District's debt management plans, seeking Board of Directors' approval to execute such plans, and ensuring the appropriate management of debt.

- Keeping the Board of Directors informed of the District's debt-related activities through informational reports, briefings, or workshops.

5.10.010.05 Uses and Limits on Indebtedness

Debt provides a tool for financing capital projects that are too large to accommodate as part of the annual budget, to share the cost of major improvements between current and future customers and/or to accelerate the delivery of a project when compared to funding on a pay-as-you-go-basis. On the other hand, debt service represents a fixed cost that will compete with other expenditures in the District's budget and cannot be deferred in any given year.

In order to achieve the proper balance in its use of debt, the District will follow the following policy goals:

- The District will not use debt to finance operating expenses. The District may consider use of debt in the event of an extraordinary expense, such as the financing of a major judgment.

- The District will plan for capital improvements and maintenance as part of its budgeting process, seeking to set funds aside in advance of need so that most capital projects can be financed on a "pay-as-you-go" basis. Debt financing will be reserved for extraordinary capital expenditures.

- The District believes that prudent amounts of debt can be an equitable and cost- effective means of financing infrastructure and capital project needs of the District. The District will evaluate the benefit and risks of each proposed issue of new debt on a case-by-case basis, considering such factors as the District's overall fiscal health, the potential impact of increased debt service on then current service levels, the offsetting benefits of a project on operating costs that may mitigate the cost of debt, and other long-term considerations.

In general, debt may be considered to finance such projects if it meets one or more of the following minimum criteria:

- It meets the District's goal of distributing the payments for the asset over its useful life so that benefits more closely match costs for both current and future residents.

- The need for the project is compelling in terms of on-going cost savings or the need for public safety or services, and the size of the project makes funding out of existing resources or near-term revenues impractical.

5.10.010.06 District Revenues and Debt Service Payments

The District's obligation to make loan payments, or debt service, is an unconditional obligation of the District (and not subject to abatement) payable from all legally available funds of the District.

Loan payments and debt service requirements are to be made by the District from Revenues whether or not the project being financed, or any part thereof is operating or operable or seized or its use is suspended, interfered with, reduced, or terminated in whole or in part. The obligation of the District to make loan payments or debt service from Revenues does not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation or other source of revenue or for which the District has levied or pledged any form of taxation or other source of revenue.

5.10.010.07 Financing Professionals

The General Manager or their assigned designee will be responsible for recommending the various professionals required for a financing, based on prior experience, recommendations, or a request for proposal process, as they deem appropriate.

5.10.010.07.1 Bond and Disclosure Counsel

Bond counsel prepares the various legal documents for a transaction and renders a variety of opinions, including opinion regarding the tax-exemption of bonds. For all public sales of debt (that, is through the issuance of bonds or other securities sold to multiple investors), the District will retain the services of disclosure counsel to prepare the official statement. The General Manager or their assigned designee will also determine whether to select another law firm to provide the services of disclosure counsel or to assign such duties to bond counsel.

5.10.010.07.2 Underwriter

When the District issues its debt through a negotiated sale, it will select one or more underwriters. The basis for selection will primarily be the firm's experience in water, wastewater, and related sectors, and its perceived ability to secure the lowest cost of funds, including underwriter's fees and expenses.

5.10.010.07.3 Trustee and Collateral Agent

The trustee or collateral agent is a division of a commercial bank that services bonds and other financial instruments. The General Manager or their assigned designee shall have the discretion to select a commercial banking firm for recommendation as trustee or collateral agent, either through a request for qualifications process or by relying on existing banking relationships if deemed to be advantageous.

5.10.010.08 Structuring Debt Financing

5.10.010.08.1 Term and Structure

Long-term debt financing of capital projects will be amortized over a period no longer than the useful life of the assets being financed. Generally, the District will structure its financings such that the term does not exceed thirty years.

Debt service will generally be structured to be level over the length of the borrowing. Alternate debt structures may be used to wrap new debt around existing debt to create overall level debt service or to achieve other financial planning goals appropriate to the specific project.

5.10.010.08.2 Debt Service Reserve Fund

To the extent required by the market, the District may fund a debt service reserve fund out of borrowing proceeds no greater than the amount allowed under federal tax law.

5.10.010.08.3 Variable Rate Debt

To maintain a predictable debt service burden, the District will give preference to choosing debt that carries a fixed interest rate.

5.10.010.08.4 Derivatives

The District will not use interest rate swaps in connection with its debt program unless a separate swap policy is prepared and approved by the District Board of Directors. The District may use derivative-like investment products to invest borrowing proceeds, but only upon staff's analysis of the investment as part of the staff report transmitting the financing and specific approval as part of the Board of Directors' action.

5.10.010.08.5 Disclosure

For all public sales of debt, the District will retain the services of disclosure counsel (who may also serve as bond counsel) to prepare the Official Statement to be used in connection with the offering and sale of debt. The General Manager or their assigned designee, and other appropriate staff will be asked to review this document to ensure that it is accurate and does not fail to include information that such staff and officials think might be material to an investor. The District will make every effort to ensure the fullest disclosure possible in the District's disclosure documents, including, as appropriate, seeking staff training in disclosure matters. A Preliminary Official Statement will be released to the market only after the completion of the "due diligence" meetings with appropriate staff and approval by the Board of Directors.

5.10.010.08.6 Credit Ratings

The General Manager or their assigned designee, and other members of the financing team, will evaluate and make recommendations to the District Board of Directors regarding the number of credit ratings to seek on any given public offering. The District will work to maintain its current credit ratings and to increase ratings when the opportunity to do so exists. The General Manager or their assigned designee will periodically communicate with the agencies rating the District's debt so that they will remain well-informed.

5.10.010.09 Debt Administration

The General Manager or their assigned designee shall be responsible for ensuring that the District's debt is administered in accordance with its terms, federal and State law and regulations, and best industry practices.

5.10.010.09.1 Continuing Disclosure

Under federal law, the District must commit to provide continuing disclosure to investors in any of its debt that is sold to underwriters to be offered to the public. All existing and future District debt should be compliant with the requirements of the Continuing Disclosure Certificates executed at the time of issuance, including the annual filing with the Municipal Securities Rulemaking Board's ("MSRB") Electronic Municipal Market Access ("EMMA") website of the District's Comprehensive Annual Financial Report and any other required reports; the filing of notices of the material events set out in the Continuing Disclosure Certificates; and the filing of any voluntary disclosures deemed material. All such filings will be made within the time requirements set forth in the Continuing Disclosure Certificates.

The District may retain a consultant to assist in preparing and filing required reports and notices.

5.10.010.09.2 Investment of Borrowing Proceeds

Investments of borrowing proceeds shall generally be consistent with the District's Investment Policy as modified from time to time, and with the requirements contained in the governing loan documents.

5.10.010.09.3 State Reporting Requirements

The General Manager or their assigned designee will file any reports required by State law, including the Annual Debt Transparency Report to the California Debt and Investment Advisory Commission required of all debt issued after January 1, 2017, pursuant to Government Code section 8855(k).

5.10.010.10 Relationship of Debt to Capital Improvement Program and Budget

The District is committed to long-term capital planning. The District may issue debt for the purposes stated in this Policy and to implement policy decisions incorporated in the District's capital improvement program. The District shall integrate its debt issuances with the goals of its capital improvement program by considering when projects are needed in furtherance of the District's public purposes in determining the timing of debt issuance.

The District shall avoid the use of debt to fund operating costs.

5.10.010.11 Internal Control Procedures

The General Manager or their assigned designee will monitor the expenditure of loan proceeds to ensure they are used for the purpose and authority for which the loans were issued.

In most cases, proceeds of debt will be held by a third-party trustee or fiscal agent and the District will submit written requisitions for such proceeds. The District will submit a requisition only after obtaining the signature of the General Manager or their assigned designee. In case where the proceeds of debt are not to be held by a third-party trustee or fiscal agent, the General Manager or their assigned designee shall be responsible for approving expenditures in the same manner as the approval for the expenditures for District revenues.

5.10.010.12 Conclusion

This Policy is intended to guide the District's issuance of debt. This Policy should be reviewed and updated periodically to reflect changes in the market, the identification of other best practices, and to incorporate the District's own experience or changing circumstances. Changes to the Policy are subject to review and approval by the District Board of Directors at a legally noticed and conducted public meeting.

While adherence to this Policy is generally required, it is recognized that changes in the capital markets and the District's needs as well as other unforeseen circumstances may from time to time produce situations that are not covered by the Policy or will require modifications or exceptions to best achieve policy goals. Any deviations from this Policy that is recommended by staff should be highlighted in the staff report transmitting the resolution for approval of the financing.

Chapter 5.11
FINANCIAL REPORTING AND YEAR-END CLOSING

Sections:

5.11.010 Purpose
5.11.020 Financial Reporting Policy
5.11.030 Responsibilities
5.11.040 Annual Year-End Close Calendar
5.11.050 Accounting Cutoff and Recognition
5.11.060 Required Year-End Closing Activities
5.11.070 Account Reconciliations and Management Review
5.11.080 Journal Entries and Post-Close Adjustments
5.11.090 Financial System Controls and Supporting Spreadsheets
5.11.100 Year-End Close Documentation and Records Retention
5.11.110 Monitoring, Reporting, and Exceptions
5.11.120 Administrative Procedures and Policy Review

Section 5.11.010
Purpose

The purpose of this Chapter is to establish a formal, timely, accurate, and consistently applied process for closing the Rainbow Municipal Water District's accounting records at the end of each fiscal year.

The year-end closing process shall:

1. Ensure that revenues, expenses, assets, liabilities, deferred outflows and inflows of resources, and net position are recorded in the proper fiscal year;

2. Produce complete and reliable accounting records that support the preparation and audit of the District's annual financial statements;

3. Establish clear responsibilities and deadlines for the Finance Department and all other District departments;

4. Ensure that material account balances are reconciled, documented, and reviewed before the accounting period is closed;

5. Minimize the number and amount of journal entries recorded after the completion of the year-end close;

6. Promote appropriate segregation of duties, management review, and system access controls; and

7. Preserve sufficient documentation to support the District's financial statements, external audit, regulatory reporting, grant reporting, and public accountability requirements.

Section 5.11.020
Financial Reporting Policy

The District shall maintain its accounting records and prepare its annual financial statements in conformity with accounting principles generally accepted in the United States of America applicable to state and local governmental entities, including applicable pronouncements of the Governmental Accounting Standards Board.

The District shall use the economic resources measurement focus and accrual basis of accounting for its enterprise activities unless another basis is required for a particular regulatory, budgetary, or statutory report.

Transactions shall be recorded based on the period in which the underlying economic event occurred and not solely based on the date an invoice was received, a payment was made, or cash was collected.

The District shall maintain a system of internal control designed to provide reasonable assurance that:

1. Transactions are properly authorized, recorded, classified, and reported;

2. Assets are safeguarded from unauthorized use, loss, or misappropriation;

3. Material errors are detected and corrected on a timely basis;

4. Account balances are supported by appropriate documentation; and

5. Financial information provided to management, the Board of Directors, auditors, regulators, creditors, and the public is complete and reliable in all material respects.

Section 5.11.030
Responsibilities

5.11.030.01 Board of Directors

The Board of Directors shall adopt this policy and any substantive amendments to it.

5.11.030.02 General Manager

The General Manager shall support the implementation of this policy and ensure that District departments provide the information and cooperation necessary to complete the year-end close.

The General Manager shall review and approve any material exception to the required closing timeline.

5.11.030.03 Chief Financial Officer/Finance Manager

The Chief Financial Officer/Finance Manager, referred to in this Chapter as the "CFO," shall have primary responsibility for administering the year-end close.

The CFO shall:

A. Establish and distribute the annual year-end close calendar;

B. Assign responsibility for each closing task and required supporting schedule;

C. Establish reasonable administrative materiality and accrual thresholds;

D. Determine the accounting treatment of unusual or nonroutine transactions;

E. Review material account reconciliations and journal entries;

F. Monitor the status of the year-end close;

G. Approve the closing and reopening of accounting periods;

H. Coordinate the preparation of audit schedules and auditor-requested documentation;

I. Communicate material delays, unresolved differences, or control deficiencies to the General Manager; and

J. Certify that the accounting records are sufficiently complete and supported before the records are released for final audit.

5.11.030.04 Finance Department

Finance Department staff shall complete assigned reconciliations, schedules, accruals, journal entries, and audit documentation in accordance with the annual close calendar.

Whenever practicable, the person preparing a reconciliation or journal entry shall not be the person providing final approval. When staffing limitations prevent full segregation of duties, the CFO or another qualified management employee shall perform and document a compensating review.

5.11.030.05 Department Managers

Each department manager shall be responsible for timely submission of complete and accurate year-end information affecting the department, including:

1. Unprocessed invoices and payment obligations;
2. Goods or services received but not invoiced;
3. Revenue earned but not billed or collected;
4. Open purchase orders and contracts;
5. Grant and reimbursement activity;
6. Inventory and District property information;
7. Capital project status and project completion information;
8. Commitments, contingencies, claims, or disputes;
9. Customer, developer, or contractor deposits; and
10. Other information requested by the Finance Department.

5.11.030.06 Engineering and Capital Projects

The department responsible for engineering and capital projects shall provide the Finance Department with a year-end certification identifying:

1. The status of each active capital project;
2. Costs incurred but not yet invoiced;
3. Projects or project components placed in service;
4. The date each asset was placed in service;
5. Projects that should remain classified as construction in progress;
6. Projects that have been abandoned, suspended, or determined not to create a capital asset;
7. Contributed infrastructure or other contributed capital; and
8. Retention payable and other construction-related liabilities.

Section 5.11.040
Annual Year-End Close Calendar

The District's fiscal year ends on June 30.

The CFO shall issue a written year-end close calendar and checklist no later than May 15 of each year. The calendar shall identify each task, responsible employee or department, reviewer, required documentation, and completion deadline.

At a minimum, the annual calendar shall incorporate the following deadlines:

May 15	CFO distributes the year-end close calendar, departmental instructions, assigned responsibilities, and preliminary audit request list.
June 15	Departments review open purchase orders, contracts, grants, capital projects, deposits, outstanding receivables, and anticipated accruals.
July 10	Departments submit invoices on hand, unbilled obligations, revenue accrual information, capital project status, inventory information, and other requested closing documentation.
July 31	Routine accounts payable, cash receipts, payroll, utility billing, inventory, and other subsidiary-ledger processing for the prior fiscal year is substantially completed.
August 15	Material accruals, capital assets, construction in progress, depreciation, debt, compensated absences, deposits payable, grants, leases, subscription arrangements, and other technical schedules are substantially completed.
August 31	Balance-sheet reconciliations, management review, preliminary trial balance, and substantially complete audit schedules are completed. The accounting records are considered management-closed.
September 30	The fiscal year is system-closed and locked, subject only to approved audit or material correcting entries.
December 31	The annual audited financial statements are targeted for issuance and presentation to the Board, subject to auditor availability and applicable reporting requirements.

The CFO may establish earlier deadlines based on the external audit schedule or operational requirements.

Dates falling on a weekend or District holiday shall move to the next business day unless the annual close calendar establishes an earlier date.

The management close shall ordinarily be completed within sixty days following fiscal year-end and shall not extend beyond ninety days following fiscal year-end without written approval from the General Manager.

Section 5.11.050
Accounting Cutoff and Recognition

The Finance Department shall establish and communicate year-end cutoff procedures for revenues, expenses, purchasing, payroll, inventory, capital projects, and cash receipts.

Goods and services received on or before June 30 shall generally be recorded as an expense and liability of the fiscal year then ended, regardless of when the invoice is received or paid.

Goods and services received after June 30 shall generally be recorded in the subsequent fiscal year.

Revenue earned or service provided on or before June 30 shall be recorded in the fiscal year then ended when recognition is appropriate under generally accepted accounting principles, regardless of when the amount is billed or collected.

Reasonable estimates may be used when complete information is not available before the close, provided that:

1. The estimate is supported by a documented and reasonable methodology;

2. The estimate is reviewed and approved;

3. The amount is reconciled to subsequent invoices, payments, collections, actuarial reports, or other final information; and

4. Any material difference is recorded promptly.

The CFO may establish administrative thresholds below which individual accruals are not required when the aggregate effect is not expected to materially affect the District's financial statements. Thresholds shall not be used to intentionally delay, omit, or misclassify known transactions.

Section 5.11.060
Required Year-End Closing Activities

The year-end closing process shall include, as applicable, completion and review of the following areas:

1. **Cash and investments:** Reconciliation of all bank, investment, trustee, and petty cash accounts to the general ledger and external statements.

2. **Accounts receivable:** Reconciliation of customer, miscellaneous, grant, intergovernmental, developer, and other receivables, including evaluation of collectability and allowances for doubtful accounts.

3. **Utility revenue:** Reconciliation of the utility billing system to the general ledger and recognition of material unbilled water and wastewater revenue when required.

4. **Accounts payable and accrued liabilities:** Identification and recording of goods and services received before fiscal year-end, including invoices received after June 30.

5. **Customer and developer deposits:** Reconciliation of deposits payable and determination of whether amounts should remain refundable, be applied to charges, or be recognized as revenue.

6. **Payroll and employee benefits:** Reconciliation of payroll records, payroll liabilities, compensated absences, employee deductions, and other accrued personnel costs.

7. **Inventory:** Reconciliation of physical or cycle-count results to inventory records and the general ledger, including review of obsolete, damaged, or missing items.

8. **Prepaid expenses and other assets:** Review of prepaid expenses, deposits, and other assets to determine the appropriate year-end classification.

9. **Capital assets:** Reconciliation of capital asset records to the general ledger, including additions, disposals, transfers, impairments, depreciation, and accumulated depreciation.

10. **Construction in progress:** Reconciliation and review of all construction-in-progress balances, including project status, capitalizable costs, abandoned costs, completed projects, and placed-in-service dates.

11. **Contributed capital:** Identification, valuation, and recording of developer-contributed or other contributed infrastructure and assets.

12. **Debt and interest:** Reconciliation of principal, accrued interest, debt issuance costs, premiums, discounts, trustee balances, and debt covenant information to lender and trustee records.

13. **Leases and subscription-based information technology arrangements:** Reconciliation and update of applicable assets, liabilities, amortization, interest, additions, modifications, and terminations.

14. **Pensions and other postemployment benefits:** Recording of applicable liabilities, assets, contributions, deferred outflows and inflows of resources, and expenses based on available actuarial reports or reasonable estimates.

15. **Grants and restricted resources:** Reconciliation of grant revenues, expenditures, receivables, advances, restricted cash, and compliance requirements.

16. **Interfund and internal balances:** Reconciliation and elimination, as appropriate, of interfund receivables, payables, transfers, allocations, and internal charges.

17. **Commitments and contingencies:** Review of contracts, claims, litigation, regulatory matters, environmental obligations, and other contingencies in consultation with management and legal counsel.

18. **Net position:** Verification of restricted, unrestricted, and net-investment-in-capital-assets classifications.

19. **Budget-to-actual results:** Review of material variances and confirmation that final financial activity is reflected in management and Board reporting.

20. **Financial statement disclosures:** Preparation and support of information required for the notes to the financial statements, management's discussion and analysis, statistical schedules, and other annual reporting requirements.

Section 5.11.070
Account Reconciliations and Management Review

Each material balance-sheet account shall be reconciled to an independent supporting record or subsidiary ledger at year-end.

Each reconciliation shall:

1. Identify the general ledger account and ending balance;
2. Identify the supporting source used;
3. Explain reconciling items;
4. Include documentation supporting material reconciling items;
5. Identify the preparer and preparation date;
6. Identify the reviewer and review date; and
7. Document the resolution or planned disposition of outstanding items.

Subsidiary ledgers and supporting schedules shall agree to the final general ledger. Differences shall be investigated and resolved before the management close unless the CFO documents why resolution must occur later.

Long-outstanding, unusual, negative, or unsupported balances shall be investigated and corrected or otherwise formally resolved.

A reconciliation shall not be considered complete solely because the supporting schedule equals the general ledger. The preparer and reviewer shall also evaluate whether the balance is reasonable, properly classified, supported, and recorded in the correct fiscal year.

Section 5.11.080
Journal Entries and Post-Close Adjustments

All year-end journal entries shall contain sufficient supporting documentation to demonstrate the purpose, calculation, accounting basis, funding source, and accounts affected.

Journal entries shall identify the preparer and approver. Material, unusual, nonroutine, or manually calculated entries shall be reviewed and approved by the CFO or an authorized designee before posting.

Recurring journal entries shall be reviewed periodically to confirm that the calculation, account coding, and continued use remain appropriate.

After the accounting records have been management-closed:

1. Additional entries shall require CFO approval;

2. Each entry shall be recorded in a post-close adjustment log;

3. The log shall identify the reason the entry was not recorded before the management close;

4. The log shall identify the amount and financial statement accounts affected;

5. Supporting documentation and approval shall be retained;

6. Material entries shall be communicated to the external auditor; and

7. Recurring causes of post-close entries shall be evaluated for corrective action in the subsequent year.

An accounting period that has been system-closed or locked may be reopened only with written or electronically documented authorization from the CFO.

The CFO may determine that an identified adjustment will not be recorded when the amount is clearly immaterial, the aggregate effect of unrecorded adjustments has been evaluated, and the decision is documented. Known misstatements shall not be intentionally divided into smaller amounts to avoid review or recording.

Section 5.11.090
Financial System Controls and Supporting Spreadsheets

The District shall use available financial-system modules, subsidiary ledgers, automated workflows, and system-generated reports when they provide a more reliable or efficient control than a manual process.

Access to post transactions, approve journal entries, reopen accounting periods, modify account structures, or change financial-system configurations shall be limited to authorized employees based on assigned job responsibilities.

After the year-end close, the accounting period shall be locked to prevent unauthorized changes.

When spreadsheets or other manually maintained schedules are used as part of the year-end close, they shall be subject to appropriate controls, including, as applicable:

1. Identification of the preparer and reviewer;

2. Protection of formulas and key input cells;

3. Verification of formulas and links;

4. Reconciliation to source documents and the general ledger;

5. Clear identification of data sources and assumptions;

6. Version control;

7. Retention of the final approved version; and

8. Independent review of material calculations.

Section 5.11.100
Year-End Close Documentation and Records Retention

The Finance Department shall maintain a centralized electronic year-end close file or close binder.

The close file shall include, as applicable:

1. The annual close calendar and completed checklist;
2. Final trial balances;
3. Account reconciliations;
4. Supporting schedules;
5. Journal entries and approvals;
6. Post-close adjustment log;
7. Departmental certifications and submissions;
8. Capital project and placed-in-service documentation;
9. Debt, lease, pension, OPEB, and actuarial schedules;
10. Audit request lists and documents provided to the external auditor;
11. Management review evidence;
12. Passed or unrecorded adjustment evaluations; and
13. Documentation of exceptions, delays, and corrective actions.

Year-end closing records shall be retained in accordance with the District's records-retention requirements, including Administrative Code Section 5.05.050.04, and any longer period required by law, contract, grant agreement, debt covenant, pending litigation, or audit requirement.

Section 5.11.110
Monitoring, Reporting, and Exceptions

The CFO shall monitor completion of the annual close calendar and shall promptly communicate material delays or unresolved matters to the General Manager.

The CFO shall provide the General Manager with a year-end close status report following the management close. The report shall address:

1. Completion of material reconciliations;
2. Significant estimates or unresolved items;
3. Material post-close entries;
4. Delayed departmental submissions;
5. Internal control deficiencies identified during the close;
6. Status of audit schedules; and
7. Corrective actions planned for the subsequent fiscal year.

Material delays or control deficiencies that may affect the issuance or reliability of the annual financial statements shall be reported to the Budget and Finance Committee.

Exceptions to this policy shall be documented and approved by the CFO. Material exceptions, including an extension of the management-close deadline beyond ninety days after fiscal year-end, shall require written approval from the General Manager.

Section 5.11.120
Administrative Procedures and Policy Review

The CFO is authorized to establish and revise detailed administrative procedures, checklists, templates, account-assignment schedules, accrual thresholds, review requirements, and closing-calendar deadlines necessary to implement this Chapter, provided such procedures are consistent with Board-adopted policy.

The CFO shall review this policy and the related year-end closing procedures annually following completion of the external audit.

Substantive changes to this Chapter shall be presented to the Board of Directors for approval. Administrative, clerical, procedural, or system-related changes that do not alter the policy's substantive requirements may be implemented by the CFO with the approval of the General Manager.

Title 6
ENGINEERING

Chapters:

6.01 Engineering Department Role
6.02 Master Plan
6.03 California Environmental Quality Act
6.04 Specifications
6.05 Water and Sewer Line Extensions
6.06 Parcel Maps
6.07 Construction of Water and Sewer Facilities
6.08 Reimbursement
6.09 Inspection
6.10 Rights-Of-Way

Chapter 6.01
ENGINEERING DEPARTMENT ROLE

Sections

6.01.010 Engineering Department Role

Section 6.01.010
Engineering Department Role

The Engineering Department is responsible for the management and execution of the Capital Improvement Program for water and sewer. The Engineering Department also manages development services, which include plan checking and inspection to ensure infrastructure is designed and installed per District standards.

Chapter 6.02
MASTER PLAN

Sections

6.02.010 Master Plan
6.02.020 System Reliability

Section 6.02.010
Master Plan

The District has prepared a master plan setting forth the facilities contemplated for construction within the District. The master plan may be modified from time to time. The District may refuse to supply service if the proposal does not comply with the District's master plan. The District may condition approval of service upon the construction, by the owner; applicant or customer, of those facilities needed to serve the property and such other facilities as may be required by District.

Section 6.02.020
System Reliability

The District is to provide water system looping wherever possible and practical. This policy is a direct result of the agricultural history of the District's water system, and the District's need to increase overall system reliability for its growing domestic water supply role. Therefore, each new pipeline in the water system shall be evaluated, and if possible and practical, the new line will be required to be looped with adjacent infrastructure.

It is the policy of the District that developers construct water infrastructure necessary to provide water supply to their proposed developments. Therefore, it will be the responsibility of the developer to consult with the District Representative for an evaluation of each pipeline to determine the need for system looping and other system reliability issues. It will be the responsibility of the developer to construct the looped pipeline, as a condition of the District's acceptance of the facilities for water service by the District.

Chapter 6.03
CALIFORNIA ENVIRONMENTAL QUALITY ACT

Sections

6.03.010 California Environmental Quality Act

Section 6.03.010
California Environmental Quality Act

All persons proposing construction of water or sewer systems, or any facility requiring approval by the District, shall conform to the requirements adopted from time to time by the District in conformance with the California Environmental Quality Act (CEQA).

Chapter 6.04
SPECIFICATIONS

Sections

6.04.010 Specifications

Section 6.04.010
Specifications

The Standard Specifications and Drawings for the District are adopted by the Board of Directors. These specifications may be modified from time to time. The specifications establish standards for work, materials and construction procedures for improvement to water and sanitary sewer systems. The Standard Specifications and Drawings for the District are available at the District offices and on the District website.

It is the policy of the District that all water and sewer facilities constructed by third parties in anticipation that title to said facilities will ultimately be transferred to the District under the policies and standards of the District shall conform to the most current standard specifications of the District.

Chapter 6.05
WATER AND SEWER LINE EXTENSIONS

Sections

6.05.010	**General**
6.05.020	**Procedure**
6.05.030	**Sewer Policy**
6.05.030.01	**Goals**
6.05.030.02	**Provisions**
6.05.040	**Easements**

Section 6.05.010
General

The District may accept, maintain and operate pipelines constructed by others in accordance with District requirements. The Applicant, at their sole expense, must construct the necessary facilities required to serve the Applicant's property, subdivision development, or parcel map splits, and all other property which the District will determine should be served by common facilities as specified by the District Representative. Meters will be furnished and installed by the District at rates set by current schedules established by the Board. The Applicant shall obtain all easements required for construction and submit them to the District for approval and recordation.

Section 6.05.020
Procedure

For design and construction guidelines of water and sewer line extensions, refer to the most current standard specifications of the District.

6.05.020.01 The Applicant shall have plans prepared by a registered civil engineer and reviewed for accuracy and constructability by the District.

6.05.020.02 The Applicant shall submit to the District a complete package of plans and project documents (as stated in the current standard specifications) accompanied with the required Fee for Service Schedule deposit and fees in an amount established by the District Representative.

6.05.020.03 On District's acceptance of plans, the Applicant may proceed with construction once all contract requirements are fulfilled (as stated in the standard specifications) and submit Water and Wastewater Capacity Fees to cover cost of materials to be furnished by the District as part of the project.

6.05.020.04 Line extensions approved by the District and not completed within a two-year period after date of approval must be resubmitted for reconsideration by the District. Resubmitted plans shall be revised to reflect current District policies at the time of resubmittal. At the time of such resubmittal, an additional Project Administration Deposit and/or the difference in Water and Wastewater Capacity Fees may be required by the Applicant

6.05.020.05 After completion of the work, in accordance with District requirements, and prior to acceptance by the Board, the Applicant shall deliver to the District a properly executed Deed of Conveyance transferring all interest and title of such systems, free of liens, to the District.

Section 6.05.030
Sewer Policy

The intention of this section is (1) to provide guidelines for staff in approving and reviewing development plans, sewer line extensions, building permits, sewer system connections, etc.; and (2) to provide reasonable, predictable guidelines for property owners.

6.05.030.01 Goals

6.05.030.01.1 Provide an adequate system for serving all users and potential users within the District in an orderly, efficient and economical manner.

6.05.030.01.2 Provide a system which allows for efficient and economical maintenance.

6.05.030.01.3 Provide a system which has easy, efficient access to the District facilities, such as cleanouts and manholes.

6.05.030.01.4 Provide a reliable, safe and sanitary collection system.

6.05.030.02 Provisions

The District's basic requirement is that no private sewer lateral shall be allowed to cross a property line or (if in a public street) across the extension of a property line. The provisions of this policy apply to any new applicant or property owner who seeks to extend or modify the District facilities or to connect to the District's collection system.

6.05.030.02.1 A private lateral may be allowed across property lines in private easements to serve a single-family residence, provided no more than one parcel would be served by a public sewer line, either in the present or in the future. The District may require copies of such easements.

6.05.030.02.2 No more than one (1) property may be served by a single lateral. Multiple connections must be by public sewer line.

6.05.030.02.3 Sewer laterals between the sewer main and the edge of a public right-of-way or the District easement, if not already existing, shall be installed by the owner, at the owner's sole expense as specified by the District.

6.05.030.02.4 Maintenance and cleaning of laterals shall be the sole responsibility of the property owner. The District shall be responsible for cleaning the lateral within right-of-way or District sewer easement.

6.05.030.02.5 The District has no obligation to provide sewer by other than gravity flow. Private sewer pumps, if required, shall be installed, maintained and operated by the property owner.

6.05.030.02.6 Multi-Unit projects with a Home Owner’s Association may be served with private on-site sewer collection systems with the written approval of the District.

6.05.030.02.7 The private road easements for public road purposes are considered to be public streets for the purposes of this policy. Private sewer line extensions ("laterals") are not allowed in these easements.

6.05.030.02.8 Public sewer lines shall be designed to serve off-site property within the District, where practical. Should improvements, excessive pipe sizes, or excessive depths be required which solely benefit

off-site property, the District may assume the additional cost. The District may establish a reimbursement agreement to recover its contribution from off-site properties which benefit from improvement or excessive sizes or depths.

6.05.030.02.9 An applicant or property owner who installs off-site public sewer lines may enter into a reimbursement agreement to recover the costs of the off-site improvements, if approved by the District, in its sole discretion. The District shall establish the form and conditions of this agreement from time to time.

6.05.030.02.10 The District recognized the covenant of improvements placed on minor land divisions by the County of San Diego. The District will agree to remove covenants when the terms of the covenant are met.

6.05.030.02.11 The District normally requires only those easements, which are necessary for the immediate construction and long-term maintenance of pipelines. The District may require additional easements for future use.

Section 6.05.040
Easements

Applicant shall provide all sites and rights-of-way for required water and sewer system facilities acceptable to the District and necessary to protect the District against the possible future cost of relocating or reconstructing such facilities due to future public or private improvements, including grading and the alteration of drainage or discharge of surface, ground or flood waters.

Applicants shall grant the District an easement which will allow to the District to install, maintain, operate, repair, enlarge and remove any service connection or facilities of the District if the service connections are not located upon an existing District easement or within the public right-of-way.

Chapter 6.06
PARCEL MAPS

Sections

6.06.010 Parcel Maps

Section 6.06.010
Parcel Maps

6.06.010.01 A water distribution system serving each parcel created by a parcel map split when principal use will be a building site, shall be required as a condition of the District's certification of water availability.

6.06.020.02 Parcel map splits creating parcels essentially for agricultural use may receive the District's certification of water availability, subject to construction of a water system to serve any parcel for which service is requested prior to granting service thereto.

Chapter 6.07
CONSTRUCTION OF WATER AND SEWER FACILITIES

Sections

6.07.010 Construction of Facilities
6.07.020 Acceptance of Facilities

Section 6.07.010
Construction of Facilities

Plans and specifications for construction of water or sewer facilities shall be approved by the District in advance of construction. All construction shall be subject to inspection by the District. If for any reason the District deems it necessary to delay or stop work on any water or sewer facilities to be installed or constructed, a stop order issued by the General Manager shall be issued and delivered to the representative of the Applicant on the job. Work shall cease in an orderly manner with proper safety measures and protection for materials, equipment, property and other phases of the job. Work shall not be resumed until issuance of another order to proceed. The General Manager shall determine time of connection by an Applicant, Owner or Customer or other person.

Section 6.07.020
Acceptance of Facilities

The General Manager shall accept water, sewer and other facilities on behalf of the District after proper design, approval, construction, inspection and compliance with all requirements of the District's rules and regulations and specifications, including acquisition of sites and rights-of-way. Upon such acceptance, all such facilities and appurtenances become the property of the District. The District shall request the Applicant, Owner or Customer to execute a bill of sale or other satisfactory conveyance of the facilities to the District, including, where proper, lien releases. The District shall require a title report establishing that the facilities, sites and easements are free and clear from all liens and encumbrances. All sites and easements shall be in a form acceptable to the District and not subject to outstanding obligations to relocate such facilities or any deeds of trust, except in instances where such is determined to be in the best interests of the District. The Applicant, Owner or Customer shall hold the District harmless from all liens, claims or stop notices that may be filed in regard to the construction and shall guarantee the workmanship and materials of the facilities for a period of one year from their acceptance by the District. A longer guarantee period may be required by the District. Upon acceptance, the District will assume responsibility for providing water and sewer service to individual lots within such development.

Chapter 6.08
REIMBURSEMENT

Sections

6.08.010 Other Facilities
6.08.020 Enlargement
6.08.030 Reimbursement Agreements

Section 6.08.010
Other Facilities

Where lands outside of an area described in the application for service are susceptible to service from facilities common to those required for the property described in the application, the District may require Applicant to advance the cost of the construction of other water distribution, sewer systems or other facilities, including, but not by way of limitation, pumping facilities and treatment capacity, either within or outside the area, larger than the size determined by the District to be required for providing adequate service to the property described in the application.

Section 6.08.020
Enlargement

When the District requires the construction of facilities in excess of the minimum size needed to meet requirements of the properties the facilities are designed to serve, and in excess of the minimum requirements of these Rules and Regulations, the Applicant will be responsible for all costs and may be reimbursed under Ordinance 57 dated March 28, 1966.

Section 6.08.030
Reimbursement Agreements

If additional or enlarged facilities are required**,** the District will contract with the Applicant for reimbursement on a pro rated basis of the difference between the cost of the facilities required by the District and the cost of the facilities which otherwise would be required to provide adequate service to the property described in the application for service. The terms, extent and provisions of such reimbursement agreement shall be determined by the District in its discretion. In no event shall interest be paid on any such amounts. The amount so advanced for facilities available to lands outside the area described in the application for service shall be taken into account when development occurs for which such facilities are constructed, and the District shall have the right to impose and charge additional capacity and connection charges and other costs, if necessary, to cause equitable reimbursement in such instances.

Any parcel not presently receiving water and abutting the water main extension, which can receive service through the facilities and which did not contribute to the cost of the original facilities, shall pay an extension connection fee to the District prior to any connections being made per the Reimbursement Agreement(s).

Chapter 6.09
INSPECTION

Sections

6.09.010 Inspection

Section 6.09.010
Inspection

The Applicant shall notify the Engineering Department to schedule timely inspection as per the District's current Standards and Specifications. The District Representative shall inspect the water and sewer facility construction to ensure compliance with current standard specifications and District policies.

Chapter 6.10
RIGHTS-OF-WAY

Sections:

6.10.010	**Purpose**
6.10.020	**General Authorization**
6.10.030	**Definitions**
6.10.040	**Prohibited Uses**
6.10.050	**Uses Allowed Without A Permit – Notification to Rainbow Municipal Water District**
6.10.060	**Encroachment Permits – Required**
6.10.070	**District Representative**
6.10.080	**Assignment of Encroachment Permit**
6.10.090	**Encroachment Permits – Revocation – Penalty for Violation of Terms**
6.10.100	**Nonexclusive Use of Right-Of-Way**
6.10.110	**Joint Use Agreements**
6.10.120	**Pothole Procedure – U.S.A. DigAlert**
6.10.130	**Guidelines for Parallel Encroachments**
6.10.140	**Violations and Enforcement**
6.10.150	**Leases for Right-Of-Way Management**

Section 6.01.010
Purpose

(a) The Rainbow Municipal Water District (District) exists to provide our customers with reliable, high quality water and water reclamation service in a fiscally sustainable manner. In furtherance of the full exercise of its statutory purpose, the District has acquired and will acquire real property and interests therein and has acquired or constructed and will acquire and construct, and control, operate, maintain and use pipelines, associated appurtenances and facilities necessary or convenient to the full exercise of its powers. This chapter is intended to establish regulations, policies and procedures in order to protect and preserve the District's property, property interests, pipelines, associated appurtenances and facilities of the District.

(b) The District's Board of Directors (Board) finds and determines that the District's property, property interests, works and facilities must be protected and preserved against unauthorized use. The Board further finds and determines that uses of the District's rights of way which interfere with, hinder, delay or obstruct the District's ability to immediately construct, reconstruct, install, repair, maintain, remove, inspect, replace, relocate, and operate its works and facilities are detrimental to the District, to the public health, safety and welfare and to the District's regional public water and wastewater conveyance system and water and wastewater supplies. Such uses are incompatible with the District's use and ownership of its property, property interests, works and facilities. This chapter has been adopted to prohibit such incompatible uses.

(c) The District's Board also finds and determines that certain uses by other public agencies, public utilities, owners of adjoining, adjacent or underlying property, or the public generally are compatible with the District's use and ownership of its property, property interests, works and facilities or may be compatible under certain conditions and subject to certain restrictions. This chapter has been adopted to establish regulations for authorizing compatible uses or uses that may be compatible under certain conditions and subject to certain restrictions.

(d) Nothing in this chapter is intended to grant, alter, expand, or limit any title or interest in or to any District property or property interest.

(e) No permit issued pursuant to this chapter is intended to grant any title or interest in District property or create any District or independent contractor relationship between the District and any person.

Section 6.10.020
General Authorization

Except when authorized by Section 6.10.13, when the District's interest in property is a fee, leasehold or other possessory interest, no person shall use or occupy such property except as specifically authorized by a duly executed deed (including an easement deed), lease, license, contract or other written instrument approved by the Board of Directors.

1. Unless authorized by paragraph 2 of this subdivision, all deeds, leases, licenses, contracts or other written instruments shall be approved by the Board of Directors.

2. Except as otherwise approved by the Board, a deed, lease, license, contract or other written instrument shall be on terms and conditions governing use that are substantially similar to those established by this chapter for encroachment permits and shall include a requirement for consideration based upon fair market value or fair market rent, as appropriate, for the interest conveyed.

Section 6.10.030
Definitions

The following words and phrases whenever used in this chapter shall have the meaning defined in this section.

"Abatement" means action as may be necessary to remove, terminate or alleviate a nuisance, including but not limited to demolition or removal of property.

"Abatement notice" means a notice issued by the General Manager which requires a responsible person to abate a public nuisance.

"Applicant" means the person that has submitted an application to the District for any permit, license, or other authorization to use the District's right-of-way.

"Board" means the elected Board of the Rainbow Municipal Water District, Fallbrook, California.

"Detrimental use" means any use of right-of-way or property which interferes with, impedes, hinders, delays or obstructs the District's ability to immediately construct, reconstruct, install, repair, maintain, inspect, remove, replace, relocate, and operate its works and facilities.

"District Representative" means General Manager or their designee.

"Encroachment" means a physical occupation in, on, over, across, under or upon District right-of-way or property. Encroachment also means any radio or similar telecommunication transmissions that interfere with the operation of District works.

"Facility" means all assets and any other structure necessary or convenient to the full exercise of the District's rights and purposes.

"Joint Use Agreement" means an agreement between the District and one or more public or governmental agencies or public utilities to use District's right-of-way or property to install facilities for streets, sewer, water, cable, communications, electric or gas subject to District's superior rights.

"Owner" means a person having an estate in land encumbered by a District easement or other interest in property. Owner also means a person entitled to exercise a reserved right pursuant to Sections 6.10.050 or 6.10.060.

"Permittee" means a person who holds or has received, pursuant to this chapter, a permit, license or other authorization to use a District right-of-way or property, and includes any agent, contractor or employee of the permittee.

"Person" means any natural person, firm, association, business, trust, organization, corporation, partnership, company, or any other entity, which is recognized by law as the subject of rights or duties. Person includes a public utility or a public or governmental agency.

“Parallel encroachment” means an encroachment by a surface or subsurface pipeline, conduit, channel, aqueduct or similar structure, overhead electrical or telecommunication wires and surface street improvements, which has an alignment parallel to a District pipeline.

“Public nuisance” means any encroachment caused, maintained or allowed to exist in violation of this Chapter. A public nuisance also has the same meaning as defined in California Civil Code Section 3479.

“Public owned utility (POU)” means a utility subject to local public control and regulation. POUs are organized in various forms including municipal districts, city departments, irrigation districts, or rural cooperatives.

“Reserved right” means a property right owned by others to make joint use of a District right-of-way, existing by virtue of a limitation or condition of the deed, order of condemnation or other instrument by which the District acquired title to a specific right-of-way.

“Responsible person” means the person committing a violation. Responsible person also means an owner or manager of a business or property who directs or permits a violation of this Chapter to be done by any other person in the course or apparent course of business of the owner or manager or on the property of the owner.

“Right-of-way” means and includes any land, easement, franchise, or other interest in real property held, owned, leased or otherwise belonging to the District.

“RMWD” means the Rainbow Municipal Water District of Fallbrook, California.

“Structure” means anything constructed or put together and includes, without limitation, a building, or building part, manufactured or mobile home, fence, gate or chain, post, wall, pipe, foundation, concrete or asphalt foundation, driveway or pad, and other similar physical constructions.

“Use” includes any use of property and placing, causing or permitting an encroachment. Use also includes any structure or thing constructed, placed, or maintained in furtherance of a use. Use includes, without limitation, excavation, grading, filling and similar earth movement activity.

“Works” means any facility or improvement to real property necessary or convenient to the full exercise of the District’s statutory purpose. Works includes, without limitation, improved or unimproved access roads, wetlands, uplands and other lands set aside for habitat or natural resource preservation.

Section 6.10.040
Prohibited Uses

(a) Use of a District right-of-way by any person except the District or the District's officers, employees, agents or contractors for District purposes is prohibited except as otherwise authorized by this chapter. Whenever an exemption or exception from the provisions or requirements of this chapter is claimed by any person under the terms of a franchise, agreement, deed, statute, governmental regulation or legal ground the burden shall be on the person claiming the exemption to establish the authority, scope and extent of the exemption to the reasonable satisfaction of the District. No person shall install, construct, or maintain, or cause to be installed, constructed or maintained any parallel utility in the District's right-of-way except as otherwise specifically authorized pursuant to this chapter.

(b) No person shall trespass on the District's right-of-way or property in violation of any sign prohibiting trespass.

(c) No person shall damage, deface, destroy, modify, alter or mark any District facility or work except as otherwise specifically authorized pursuant to this chapter.

(d) No person shall grade, dig, excavate, fill, or trench any District right-of-way except as otherwise specifically authorized pursuant to this chapter.

(e) Any encroachment or use done, constructed, installed, or maintained in violation of any subdivision of this section is a public nuisance and may be abated pursuant to this chapter or other law. The General Counsel is authorized to enforce this section by civil action to enjoin or abate a public nuisance.

(f) No person shall blast within 400 feet of a District facility, except as specifically permitted by the District and subject to all applicable State and local laws, and Authorities Having Jurisdiction (AHJ's).

(g) The following detrimental uses are prohibited in District's rights of way:

1. Telecommunication antennas or towers, or satellite dishes on permanent foundations;

2. Any use or structure that blocks or restricts free District access to a right-of-way, work or facility;

3. Encroachment by a building, any portion of a building, a building foundation, or any part of a foundation or anything supported by a slab or a footing;

4. Concrete paving of any kind including decorative paving, driveways and walkways;

5. Mobile homes, tractor equipment and greenhouses (except as outlined in Section 6.10.050);

6. Fences constructed of wood, plastic or metal, and pre-fabricated corrals, are not permitted. Fences of concrete, stone, or similar materials, are considered walls and not permitted under this subdivision.

    i. The District Representative may permit a fence that crosses a pipeline if the fence
    (i) meets the requirements of paragraph (a) of this subdivision, and
    (ii) has posts that are constructed to minimize interference with the District's works and have a minimum of eighteen inches (18") of vertical separation from bottom of the post hole to the top of pipe. Fences include, without limitation, prefabricated portable corrals.

    ii. Any fence that crosses the District's right-of-way shall include a gate within the right-of-way as specified by the District Representative. Gateposts shall be installed in accordance with the provisions of this chapter governing fence posts. Gates must not swing to the open or closed position uncontrollably, unless constructed with a latching mechanism to control undesired movement of the gate. Gates shall have reflective caution signs or markings easily visible from a distance of one hundred (100) yards. Gate attachment/locking device shall provide space for a District lock that works independently of any lock installed by the permittee. If the gate is an electrically controlled gate with a key pad, the key code shall be provided to the District. Chains may be used as a locking mechanism for gates. If a gate is located adjacent to a public or private roadway that crosses the right-of-way, then the gate shall be set back, whenever feasible, as follows: (i) if the gate opens towards the roadway, the setback shall be a minimum of forty feet (40') from the closest edge of the roadway, (ii) if the gate opens away from the roadway, the setback shall be a minimum of thirty (30') feet from the closest edge of the roadway. Subject to the provisions of this chapter, fencing or other material to deter access around the gate may be placed in the right-of-way as specified by the District Representative. The District maintains the right to forcible access through any gates or destroy any gates or fencing in District rights-of-way for which the District does not have access. The District will not be responsible for any damage to fencing, walls, gates or any structures which block access to District assets.

7. Fence posts;

8. Electric fencing;

9. Gates or access barriers made of any material including cable, rope, chain, barbed or ribbon wire, metal or wood;

10. Swimming pools, ponds, spas or hot tubs, and other similar structures;

11. Retaining walls, structural walls or walls containing mortar or reinforcement bar;

12. Private sewage treatment systems including septic tank and leach field systems;

13. Dumping, depositing, casting, placing, or stockpiling any waste, rock, wood, dirt or other materials, including without limitation, abandoned vehicles;

14. Dumping, depositing, casting, placing, handling, stockpiling or storing of hazardous, toxic or explosive materials;

15. Corrals or pens for animals;

16. Permanent agriculture such as vineyards and orchards;

17. Trees of any kind;

18. Water wells;

19. Water tanks of any capacity;

20. Water pipeline valves, thrust blocks, backflow preventers, and flow sensors, except as specifically authorized by the District when no alternate location outside of the District's right-of-way is feasible;

21. Fertilizer injection systems;

22. Apiaries, whether permanent or temporary;

23. Utility pole anchors;

24. Columns made of concrete, concrete block, rock or any combination of these;

25. Solar electrical generation or water heating systems, including solar panels.

Section 6.10.050
Uses Allowed Without a Permit – Notice to Rainbow Municipal Water District

(a) The Board finds and declares that underlying owners of land may have reserved rights to use District rights-of-way under the deed or final order of condemnation pursuant to which the District holds title to its rights-of-way. The purpose of this section is to provide owners having reserved rights with guidelines, terms, and conditions for the exercise of reserved rights in a manner that will not be incompatible with or detrimental to the District's property or property rights. Subject to the provisions of this section, an underlying owner may exercise a reserved right for a use without obtaining a permit from the District, except that owner shall give District a minimum of 10 calendar days' notice before exercising any reserved right. The notice shall be in writing and filed with the District Representative.

(b) The following is a list of uses and structures generally allowed as an exercise of a reserved right subject to the provisions of this section:

1. Vegetable and flower gardens, lawns and ground cover (such as low growing vegetation, mulch, bark or crushed rock).

2. Bushes and shrubs, but not trees. Bushes and shrubs must be maintained so as not to obstruct visual inspection of the right of way. Hedges shall be trimmed to a height of thirty-six inches (36") or less.

3. Low voltage/decorative lighting (12 volt / 75 watt maximum).

4. Storage or parking of operational vehicles, trailers, or mobile equipment authorized for travel on public streets subject to the following weight and spacing limits. Single vehicles not exceeding sixteen thousand pounds or a combination of adjacent vehicles within a thirty-foot square having a combined weight that does not exceed sixteen thousand pounds. Vehicles weighing more than fourteen thousand pounds shall be spaced not less than sixty feet (60') apart.

5. Water lines to provide potable or non-potable water service (except reclaimed sewage or sewer water) to the property to which the reserved right is attached provided the lines are two inches (2") or less in diameter, have a minimum depth of twenty-four inches (24") at crossings under patrol or access roads, are installed above the District's pipeline and have a minimum vertical separation of twelve inches (12") from bottom of line to top of the District's pipeline, and are installed such that crossings of the District's pipelines are at right angles or as close to a right angle as possible. If pipelines will be installed below ground, the notice required by subdivision (a) shall be accompanied by a plan showing the proposed location of all subsurface facilities. The notice required by subdivision (a) shall be accompanied by a plan showing the location of all shut-off valves. The owner shall file a written update plan showing any changes in location of subsurface facilities or shut-off valves. Shut-off valves shall be located at the edge of the District's right-of-way.

6. Pipes, conduit, wires and cables to provide electric, gas, sewer, and communications service ("utility facilities") to the property to which the reserved right is attached. Subsurface utility facilities shall be installed above the District's pipelines and shall have a minimum vertical separation of twelve inches (12") from bottom of utility to top of the District's pipeline and be installed such that crossings of the District's pipelines are at right angles or as close to a right angle as possible. Conductor clearances for overhead electrical and telephone lines shall conform to California Public Utilities Commission General Order 95 for Overhead Electrical Line Construction or at a greater clearance if required by the District. The clearance shall not be less than thirty-five feet (35'). Overhead lines shall be located a minimum of thirty feet (30'), measured laterally, away from all aboveground facilities on the pipelines. When underground electric lines provide service at 120 volts or greater, conduits shall be encased in a minimum of three inches (3") of red concrete. Aboveground warning signs shall be placed at the right-of-way lines where subsurface utility facilities enter and exit the right-of-way. Non-metallic gas lines shall be placed with a twelve-gauge (12 gauge) tracer wire a minimum of six inches (6") above the buried utility, terminating in a District- approved junction box. If utility facilities will be installed below ground, the notice required by subdivision (a) shall be accompanied by a plan showing the proposed location of all subsurface facilities. The notice required by subdivision (a) shall be accompanied by a plan showing the location of all shut-off switches or valves. The owner shall file a written update plan showing any changes in location of subsurface facilities or shut-off switches or valves. Shut-off switches or valves shall be located to provide easy access by District personnel using the District's right-of-way. Septic systems and leach fields are not permitted. Utility poles are not permitted except pursuant to an encroachment permit or joint use agreement.

7. Storage of boxed landscape trees may be allowed under the following conditions: (a) the boxes must be no larger than 24 inches on each side, (b) the box must have a bottom, (c) the tree, including the box, must not exceed 15 feet in height, and (d) the trees can be stored no closer than 8 feet apart measured from the edges of the boxes. Boxed trees shall be set back at least 10 feet from the closest edge of a District pipeline.

8. Any other use or structure not otherwise prohibited by Section 6.10.040 that the District Representative determines in writing not to be incompatible with or detrimental to the District's property or property rights. The District Representative shall keep a log of written determinations made pursuant to this paragraph on file in the Engineering Department. The log shall be a public record per the District's record retention schedule.

(c) The exercise of any reserved right within a District right-of-way as authorized by this section is subject to the following:

1. Any structure or use shall be set back a minimum of twenty (20') feet from the edge of any District surface facility, unless otherwise provided in subdivisions (b) or(c).

The setback from rights of way used for access or patrol road purposes shall be 10 feet away from the centerline of the road.

2. The District shall not be liable for any damage or injury caused by or attributable to the exercise of a reserved right.

3. Any exercise of a reserved right shall at all times be subject to the paramount right of the District to use its property and property rights as necessary or convenient to the full exercise of the District's powers according to the terms of the District's document of title.

4. No person shall exercise a reserved right in a manner that creates a nuisance or causes a dangerous condition of property.

5. Any structures or uses placed or maintained pursuant to this section are subject to immediate removal by the District as may be necessary or convenient for the District's purposes. The District shall not be liable for costs of damage to or replacement of structures or uses it removes. The District may require the owner to remove or relocate a structure or use at the owner's expense.

6. Excavation over the District's pipelines shall be done with hand tools only.

7. The owner shall be responsible for compliance with all applicable zoning, building, grading and other laws relating to the use of property.

Before performing any excavation in the District's right-of-way the owner or their contractor shall contact the District Representative and provide the Dig Alert reference number.

Section 6.10.060
Encroachment Permits – Required – Encroachments

(a) The Board finds and declares that underlying owners of land may have reserved rights to use the District's right-of-way under the deed or final order of condemnation pursuant to which the District holds title to its right-of-way. The purpose of this section is to provide owners with an expedited process for obtaining a permit from the District when a proposed use or structure, appropriately located and conditioned, is or may be compatible with the District's property rights or interests. This section is intended to apply to uses proposed by owners that are accessory to or necessary for the owner's primary use of the parcel subject to the District's right-of-way. Except as specifically authorized pursuant to Section 6.10.050 uses of the District's rights of way by persons other than the District are generally incompatible with or detrimental to the District's property or property rights, but, unless otherwise prohibited by Section 6.10.040, such uses may be made compatible and authorized upon compliance with certain requirements and conditions set forth in this section and in the encroachment permit issued by the District Representative after an evaluation of the facts and circumstances of the use. Subject to the provisions of this section an underlying owner may exercise a reserved right upon obtaining an encroachment permit from the District.

(b) The following requirements apply to uses authorized pursuant to this section:

1. Addition, alteration, modification or demolition of a permitted use is itself a use subject to permit.

2. The District Representative may establish conditions limiting the time, duration and method of construction. In addition to any other condition authorized by this section, the District Representative may establish conditions for use that are consistent with the requirements for use established by Section 6.10.050.

3. Any use or structure shall be set back a minimum of twenty feet (20') from the edge of any District surface facility unless otherwise provided in this section. The District Representative may reduce or eliminate the setback requirement for a use if the District Representative finds that the reduction will not be detrimental to the District. The reasons for and conditions of the reduction or elimination shall be stated in the permit issued for the use.

4. No use shall be permitted that would create an unacceptable load on a pipeline or subsurface structure as determined by the District Representative.

5. Grading, including both excavation and fill, shall be permitted only if the District Representative determines that the proposed grading will not pose a hazard to the integrity of the pipeline, cause an impediment to its maintenance, result in an unacceptable increase or reduction in cover, or cause ponding or erosion within the easement. Grading requiring a permit from another government agency is not allowed unless both the permit of the other agency and the permit of the District are obtained.

6. Conductor clearances for overhead electrical and telephone lines shall conform to the California State Public Utilities Commission, General Order 95, for Overhead Electrical Line Construction or at a greater clearance if required by the District. Clearance shall not be less than thirty-five feet (35'). Overhead lines shall be located at least thirty feet (30'), measured laterally, away from all aboveground structures on the pipelines. Utility poles are not permitted except pursuant to a major encroachment permit or joint use agreement.

7. When underground electric lines provide service at one hundred twenty (120) volts or greater, conduits shall be encased in a minimum of three inches (3") of red concrete. Above-ground warning signs shall be placed at the right-of-way lines where the conduits enter and exit the right-of-way.

8. Hard-surface, sports courts shall be of asphalt or unreinforced concrete, six inches (6") or less in thickness. Setback from centerline of pipeline shall be at least 10- feet.

9. Unreinforced, paved driveways, walkways and parking lots may be approved subject to conditions controlling loading to pipelines, landscaping, type of light standards, depth and location of light standard foundations, drainage, access and other aspects of design and improvement. Grandfather conditions may apply.

10. The District shall not approve a permit for a reclaimed or recycled water line unless the applicant has obtained Department of Health approval.

(c) Encroachment permits issued under this section shall be processed as provided in this subdivision.

1. An owner may file an application for an encroachment permit with the District Representative. The District Representative may establish and make available guidelines for submission of applications.

2. The application shall contain such information as the District Representative deems appropriate for complete review of the application and shall include the address to which correspondence regarding the application shall be mailed.

3. Within thirty calendar days following submission of an application, the District Representative shall notify the applicant that the application is complete or the nature and extent of additional information that is required to make the application complete.

4. If the applicant submits additional information, the District Representative shall have thirty calendar working days to notify the applicant that the application is complete or whether further additional information is required.

5. Within thirty calendar days after the District Representative has determined and notified the applicant that the application is complete, the District Representative shall approve, conditionally approve or deny a permit. In addition to the information contained in the application, the District Representative may consider any of the following: topography, soils, drainage, access or other characteristics of the property and adjacent property; community characteristics; location, condition, or nature of

existing or reasonably foreseeable future works of District. The District Representative's determination shall be in writing delivered to the applicant by personal delivery or first-class mail.

6. An applicant may appeal the denial of a permit or any condition imposed on a permit to the Board by filing a written notice of appeal with the District Representative within thirty calendar days after the date of mailing or of personal service. The notice shall specify the particular reasons for the appeal. The Engineering and Operations Committee may play an advisory role to the Board based on the application, the written determination of the District Representative, the notice of appeal and any written response to the notice of appeal submitted by the District Representative. The decision of the Board shall be made in writing and delivered to the applicant by personal delivery or first- class mail. The decision of the Board is final, except for judicial review.

7. Applications, correspondence, decisions and other permit records are public records and shall be kept in the Engineering Department.

(d) The following provisions apply to all uses and structures authorized by an encroachment permit issued pursuant to this section:

1. Any use shall be located, constructed and maintained according to the terms and conditions of the use permit issued pursuant to this section. The District may (i) charge a processing fee, (ii) require a security deposit, and (iii) charge market value rent for the encroachment. The Owner shall indemnify, defend and hold the District harmless from any claims arising out of or related to the encroachment. The Owner shall add the District as additionally insured for claims related to the encroachment.

2. The District shall not be liable for any damage or injury caused by or attributable to the use or structure. The Owner will be responsible for all taxes assessed as a result of the encroachment and the Owner shall be responsible for all maintenance and repairs of the encroaching structure.

3. Any use shall at all times be subject to the paramount right of the District to use its property and property rights as necessary or convenient to the full exercise of the District's rights according to the terms of the District's document of title.

4. The Owner shall not allow the use or structure to create a nuisance or cause a dangerous condition of property. The Owner shall comply with all hazardous materials and environmental laws, and indemnify, defend and hold the District harmless from any such claims arising out of or related to the encroachment.

5. Any structures or uses placed or maintained pursuant to this section are subject to immediate removal by the District as may be necessary or convenient for the District's purposes. The District shall not be liable for costs of damage to or replacement of structures or uses it removes. District

may require the owner to remove or relocate a structure or use at the Owner's expense. The Owner waives any rights to compensation or relocation benefits in the event of a termination by the District of the encroachment permit or request to remove or relocate the encroachment.

6. The District may, at the Owner's expense, cause the encroachment permit to be recorded in the Office of the County Recorder. The Owner shall not use the encroachment area to satisfy the requirements of any governmental agency or authority, including, but not limited to, zoning and/or building or other code requirements.

7. The owner shall be responsible for compliance with all applicable zoning, building, grading and other laws relating to the use of property.

The District and its officers and employees shall not be liable for any damages resulting from the issuance, denial, revocation or enforcement of an encroachment permit. The owner shall be responsible for the accuracy and completeness of the permit application and any plans, specifications or other information required by the Director pursuant to this Chapter.

Section 6.10.070
District Representative

(a) The Board, on an appeal, shall deny an application for an encroachment permit unless the District Representative finds that the encroachment as proposed or subject to terms and requirements imposed as a condition of approval meets all the following:

1. The proposed encroachment will not be detrimental to the District's facilities or works, or to the general public;

2. The proposed encroachment will not materially interfere with the District's use of right-of-way;

3. The applicant has complied with the requirements of this chapter and all applicable local, state and federal laws;

4. The applicant has agreed to abide by all requirements, terms and conditions of the permit, including without limitation the provision requirement that the permittee indemnify, defend and hold harmless the District, its officers, agents, and employees from all liability occasioned from or caused by the issuance of the encroachment permit or by the construction, installation, maintenance or operation of the encroachment.

(b) In addition to other requirements, the District Representative may impose conditions for approval of encroachment permit as follows:

1. Traffic and pedestrian safety measures;

2. Environmental impact mitigation measures;

3. Full Topographic survey including field staking of existing and proposed easements and any encroachments in easement;

4. Limits on construction times, noise, duration and method;

5. Limits on duration and requirements for removal of an encroachment; and

6. Other requirements deemed necessary by the District Representative.

Coordination of construction with other existing encroachments or reasonably anticipated encroachments, other existing or reasonably anticipated construction pursuant to encroachment permits issued to others, and existing or reasonably anticipated District projects.

Section 6.10.080
Assignment of Encroachment Permit

A permittee shall not assign rights or delegate obligations of an encroachment permit without the prior written consent of the District. Any assignment or delegation in violation of this section shall constitute abandonment of the permit and relinquishment of any rights thereunder. The District may condition any assignment or delegation as necessary to protect the District's interests, including without limitations, imposition of conditions to assure faithful performance of the obligations imposed by the permit by the person assuming responsibility under the assignment or delegation.

Section 6.10.090
Encroachment Permits – Revocation – Penalty for Violation of Terms

(a) The District Representative is authorized to revoke an encroachment permit upon determining that the permittee has failed to comply with one or more of the material terms, conditions or restrictions incorporated in the permit or has provided materially false or misleading information regarding the encroachment or its installation. Upon the revocation of an encroachment permit, the permittee shall immediately discontinue any work and cease and desist from further encroaching upon the District's right-of-way or property. The permittee shall restore the site to an as-near original condition as shall be feasible under the supervision and direction of the District in accordance with code and legal requirements in effect at the time of restoration. Installed encroachments shall be removed, unless authorized to be disabled and abandoned in place when determined to be feasible by the District. Except in cases where immediate revocation is necessary to protect District works or facilities, the District Representative shall not revoke a permit except upon fifteen-calendar days written notice to the permittee. Such notice may be given by first class mail to the permittee at the address stated in the permit application or such other more recent address as provided by the permittee and on file with the District Representative. The notice shall advise the permittee of the permittee's right to file a written statement of good cause why the permit should not be revoked within ten days following the date of the notice. A determination of revocation shall be in writing and shall state the grounds for the revocation. The determination shall be delivered to the permittee by personal delivery or mailed to the permittee by first-class mail.

(b) Any permittee who violates any of the terms, conditions or restrictions of an encroachment permit and thereby materially and adversely affects the public health and safety shall be ineligible to receive another encroachment permit from the District for a period of one year following the date of such determination, unless this restriction is waived by the Board.

(c) Any person who has received a determination of revocation of an encroachment permit may appeal the revocation to the Board. The appeal shall be in writing and filed within ten days following the date of the determination of revocation. The appeal shall state grounds upon which the appeal is based. Within twenty working days after filing, the Board of Directors shall decide the appeal. The Engineering and Operations Committee may play an advisory role to the Board based on the application, the written determination of the District Representative, the notice of appeal and any written response to the notice of appeal submitted by the District Representative. The decision of Board shall be made in writing and delivered to the applicant by personal delivery or first-class mail. The decision of the Board is final, except for judicial review.

Section 6.10.100
Nonexclusive Use of Right-of-Way

(a) Encroachment permits are nonexclusive. Any permit issued by the District pursuant to this Chapter which permits the applicant to excavate, construct or remove improvements or encroachments, or grade or encroach within any public right-of-way also permits the District or other District permittee to utilize the right-of-way for its own public purposes during the same time period as the applicant's use. The District may extend the time period of the applicant's proposed use of the right-of-way to suit the District's own public purposes.

(b) Permittees shall not interfere with encroachments installed under prior permits, unless arrangements satisfactory to the District and the prior permittee are made to protect or relocate the prior encroachments at the expense of the subsequent permittee. Notwithstanding, the District shall have the right to remove, relocate or displace any previously allowed or permitted encroachment without liability to a permittee when necessitated by public emergency or the District's exercise of its rights.

Section 6.10.110
Joint Use Agreements

(a) In lieu of an encroachment permit, public agencies and public utilities desiring to use District's rights of way and property for construction, operation and maintenance of compatible public facilities may apply to the District for a Joint Use Agreement. The District Representative is authorized to execute Joint Use Agreements on behalf of the District.

(b) Application for Joint Use Agreements shall be submitted to the District Representative and shall be evaluated on a case-by-case basis to determine whether such joint use is compatible with the work of the District. The applicant shall be advised of the type of joint use, if any, which will be authorized. If it is determined that joint use will not be authorized, a notice of denial shall be mailed to the applicant which explains the reason for the denial.

(c) The Joint Use Agreement shall specify the requirements, terms and conditions of construction, operation and maintenance of the compatible public facilities. Except as otherwise specifically authorized by the Board, a Joint Use Agreement shall include the following requirements:

1. The public agency or public utility shall defend, indemnify and hold the District harmless from any damage or injury to District works or facilities. The public agency or public utility shall defend, indemnify and hold the District harmless from any claim, cause of action, suit, proceeding, or liability of or to any person resulting from the construction, reconstruction, repair, maintenance, operation, condition or existence of any work or facility of the public agency or public utility, or from the acts or omissions of the public agency or public utility or its officers, employees, agents or contractors, except for liabilities resulting from the sole negligence of the District or the District's officers, employees or agents.

2. Any compatible public agency or public utility use shall at all times be subject to the paramount right of the District to use its property and property rights as necessary or convenient to the full exercise of the District's statutory purposes and rights according to the terms of the District's documents of title.

3. Any structures or uses placed or maintained pursuant to a Joint Use Agreement are subject to removal or relocation by the permittee upon reasonable demand by the District, or by the District at the permittee's cost, as may be necessary or convenient for District purposes. The District shall not be liable for costs of damage to or replacement of structures or uses it removes. The District may require the permittee to remove or relocate a structure or use at the permittee's expense. A permittee shall also be required to pay for the cost of relocating other previously permitted encroachments when necessary to accommodate the work of the District.

4. Performance of the requirements, terms or conditions of a Joint Use Agreement by a contractor shall be secured by one or more of the following, at the discretion of the permittee, subject to approval of the District:

(A) A bond or bonds by one or more duly authorized corporate sureties authorized to do business in the State of California;

(B) A deposit with the District of money or negotiable bonds of the kind approved for securing deposits of public moneys;

(C) An irrevocable letter of credit from one or more financial institutions subject to regulation by the State of California or federal government and authorized to do business in the State.

5. A Joint Use Agreement shall not constitute a representation by the District that subsurface conditions are accurately reflected in the records of the District. The party requesting the agreement assumes the risk and responsibility for damage to previously installed permitted encroachments and facilities.

(d) Plans for installation of joint user's facilities including protection of District's facilities shall be approved by the District in advance of construction. Notice of construction of such facilities shall be provided to District at least two weeks in advance.

(e) An applicant denied an agreement may, within 60 days after a notice of denial is mailed, appeal in writing to the Board of Directors. The Board shall consider the information presented in the appeal, comments from the General Manager, and other such data considered appropriate. The denial will be upheld unless it is determined by the Board of Directors that it was arbitrary, or inconsistent with this Chapter.

Section 6.10.120
Pothole Procedure – U.S.A. DigAlert

Before commencing any excavation work, except work using hand-tools, in District's rights-of-way or on District's property, a person shall obtain approval from the District and through the U.S.A. DigAlert procedure and guidelines.

Section 6.10.130
Guidelines for Parallel Encroachments

(a) Public agencies and public utilities may request authorization to place a parallel encroachment in the District's right-of-way. A permit or approval for a parallel encroachment shall be issued only if the applicant has demonstrated good cause for the parallel encroachment to the satisfaction of the District official authorized to permit or approve the encroachment.

(b) An applicant for a parallel encroachment may demonstrate good cause based on any of the following grounds:

1. Other possible alignments would have a severe economic impact on the applicant which impact would be substantially reduced or avoided by the parallel encroachment.

2. Other feasible alignments would result in significant environmental impacts which cannot be feasibly mitigated to a level of insignificance and which would be avoided by the parallel encroachment.

3. Other feasible alignments would require the relocation of a substantial number of businesses or residences or have a severe and extended negative impact on business operations or residents.

4. Other feasible alignments would have severe economic or operational impact, or both, on the applicant which impact or impacts would be substantially reduced or avoided by the parallel encroachment.

5. The parallel encroachment will provide a direct and substantial benefit to the District that outweighs the adverse impact of the encroachment.

(c) The following facilities are prohibited as parallel encroachments:

1. Sewer, storm water or non-potable water pipelines except that on a case-by-case basis the following facilities may be authorized:

(A) Pipelines which transport recycled water meeting at a minimum Title 22 of the California Code of Regulations tertiary standards and which satisfy the pipeline separation requirements set forth in the American Water Works Association Guidelines for the Distribution of Non-Potable Water, and is approved by the California Department of Health Services;

(B) Pipelines which transport brine from a water treatment plant;

(C) Storm drain pipes 18 inches in diameter or less.

2. Electric transmission lines.

3. Gas transmission pipelines.

4. Petroleum transmission pipelines.

(d) Parallel encroachments shall be subject to the following requirements:

1. Except street pavement, they shall not be located within an area designated by the District Representative as the probable trench zone in event of an emergency. The probable trench zone is generally an area along the path of the pipeline determined using a slope ratio of two feet horizontal to one foot vertical (2:1 slope), starting at point five feet from the outside edge and at the bottom of the District pipeline and ending at a point on the surface of the right-of-way. Parallel encroachments, except street pavement, shall be installed in a location as close to the edge of the right-of-way as possible, and it must be demonstrated that the District can excavate its pipelines without disruption to the encroachment;

2. They shall not be located between or over District pipelines;

3. Isolation or other shut-off valves or switches shall be located at the entry and exit points of the District's right-of-way and at such other locations as may be determined appropriate by the District. Valves or switches shall be readily accessible to the District;

4. All the requirements applicable to encroachment permits or joint use agreements;

5. A property use payment shall be made to the District in an amount to be determined by the District for use or injury to property or property rights, increased maintenance and repair costs, and all other costs or expense associated with the parallel use;

6. The District reserves the right, but not the obligation, to repair, restore service and backfill prior to the encroaching utility undertaking similar efforts for the interrupted parallel encroachment in the event of a simultaneous interruption to the operation of a District work and a parallel encroachment;

7. The applicant is to be responsible for obtaining, providing and authenticating all necessary plans, profile, and other drawings from the District's Engineering Department and shall be responsible to make all the necessary calculations prior to submittal for review by the District;

Such other terms and conditions as may be imposed on issuance of the encroachment permit or joint use agreement for the parallel encroachment.

Section 6.10.140
Violations and Enforcement

(a) The District reserves all rights to enforce a violation of this chapter, including without limitation, specific performance and all legal and equitable remedies allowed by state, local and federal law. Each day a violation of this chapter exists is a separate violation, and each violation may be charged as a separate offense. Violations may be enforced by civil or administrative measures, or a combination thereof in the District's sole discretion, as provided for in this Chapter, the California Water Code, and applicable laws, including without limitation, California Civil Code sections 3479 *et. seq*.

(b) Notwithstanding subdivision (a), violations of this chapter constitute a public nuisance and may be enjoined or abated as provided in California Civil Code sections 3479 *et. seq*.

Section 6.10.150
Leases for Right-Of-Way Management

The Board may execute a lease for right-of-way management purposes when all the following circumstances exist:

1. The lessee is the record owner of land that adjoins the District property;

2. The lease establishes terms and conditions for use of the leased property consistent with the provisions of this chapter;

3. The rent is not less than the fair market rent as determined by the District Representative;

4. The lease term does not exceed ten years.

Chapter 7.01
OPERATIONS AND SAFETY

Sections:

7.01.010 Program Goal and Outline
7.01.020 Program Responsibility
7.01.030 Injury and Illness Records
7.01.040 Documentation of Activities
7.01.050 Program Communication and Training
7.01.060 Hazard Assessment and Control
7.01.070 Mishap Reporting and Investigation
7.01.080 Standard Operating Procedures
7.01.090 Compliance and Enforcement

Section 7.01.010
Program Goal and Outline

The District is committed to ensuring safe and healthy working conditions for all employees. Our injury and illness prevention program will adhere to the best practices of similar agencies, encompassing:

A. Implementation of mechanical and physical safeguards to the maximum extent possible.

B. Regular safety and health inspections to identify and eliminate unsafe working conditions or practices, control health hazards, and comply with safety and health standards.

C. Comprehensive training for all employees in good safety and health practices.

D. Provision of necessary personal protective equipment along with clear instructions for use and care.

E. Development and enforcement of safety and health rules, with a focus on enforcing safety rules fairly and uniformly.

F. Prompt and thorough investigation of every accident to determine its cause and implement corrective measures.

G. Recognition for outstanding safety service and performance.

Section 7.01.020
Program Responsibility

The General Manager, with the authority granted by the Board of Directors, will be responsible for implementing this policy and the District's injury and illness prevention program. The Safety and Risk Management Officer may be designated by the General Manager to carry out this program.

A. Supervisory personnel will cultivate a safety culture, ensuring that all operations prioritize the well-being of personnel. Supervisory staff are responsible for direct oversight and enforcement of safe work practices, and taking the appropriate corrective actions when violations occur.

B. Employees are expected to follow all aspects of the program, complying with rules and regulations, and assisting in maintaining a safe work environment. Non-compliance will result in corrective action, which may include retraining, policy review, or appropriate disciplinary measures.

Section 7.01.030
Injury and Illness Records

The District's record-keeping system will adhere to CAL/OSHA standards for its injury and illness prevention program. Records will be maintained and used to evaluate program success.

A. Reports will be obtained for every injury or illness requiring medical treatment.

B. Injuries or illnesses will be recorded on Cal/OSHA Form 300, with a supplementary record on OSHA Form 5020.

C. An annual summary (Cal/OSHA Form 300A) will be posted by February 1st for employee review.

D. All records will be maintained in accordance with CAL/OSHA regulations and the records retention policy.

Section 7.01.040
Documentation of Activities

Records of scheduled and periodic inspections and safety and health training will be maintained in accordance with the Rainbow Municipal Water District Retention Policy.

A. Inspections will include the name of the inspector, identified hazards, and corrective actions taken.

B. Training documentation will specify employee details, training dates, type, and provider.

Section 7.01.050
Program Communication and Training

Communication with employees will be in a language they understand. The Injury Illness and Prevention Program (IIPP) and Standard Operating Procedures are available on the District's intranet website. Training for supervisors and general employee meetings will occur regularly, with written summaries maintained according to the districts Record Retention Schedule.

Section 7.01.060
Hazard Assessment and Control

Regular safety inspections, conducted by a Competent Person, will identify existing hazards. An OSHA "competent person" is defined as "one who is capable of identifying existing and predictable hazards in the surroundings or working conditions which are unsanitary, hazardous, or dangerous to employees, and who has authorization to take prompt corrective measures to eliminate them" [29 CFR 1926.32(f)]. Inspections will occur when the program is established, at least annually thereafter, and whenever new hazards are introduced.

A. Assessments will be documented, including identified hazards and corrective measures.

B. The Safety and Risk Management Officer will review reports and verify completion of corrective actions.

C. The IIPP will be supplemented to include identified workplace hazards and programs to minimize or eliminate them.

Section 7.01.070
Mishap Reporting and Investigation

All employees are required to report injuries, hazards, unsafe practices, and near-misses promptly to the Safety and Risk Management Officer. Thorough investigations will be conducted with a focus on cause(s) and corrective actions.

A. Investigations will include interviews, workplace examinations, determining of root causes, taking corrective actions, and recording findings.

B. Corrective actions will be identified not only to prevent recurrence but also to improve overall operations.

Section 7.01.080
Standard Operating Procedures

The District's Standard Operating Procedures (SOP) will be available to all employees electronically. All applicable SOPs will be reviewed with employees as part of their training. All employees must adhere to these rules, report unsafe conditions, and supervisors will enforce compliance.

Section 7.01.090
Compliance and Enforcement

The primary objective is to ensure a safe working environment through compliance with relevant regulations and established operating procedures. The District will:

A. Establish and communicate safety expectations through rules and an Injury Illness Prevention Plan.

B. Inform employees about the IIPP provisions.

C. Evaluate safety performance and implement recognition programs for safe behavior.

D. Consistently correct unsafe behavior, reminding employees to take initiative and responsibility for safety.

E. Provide additional training for deficient safety performance.

F. Document all corrective and disciplinary actions.

G. Supervisors at all levels are responsible for enforcing the program within their respective areas.

Title 8
WATER

Chapters:

8.01 District Rules and Regulations (Water)
8.02 Definitions
8.03 Area Served
8.04 Establishment of Water Service
8.05 Notices
8.06 Installations
8.07 Water Waste
8.08 Automatic Shut-Off Valves
8.09 Water Service Line
8.10 Shortage of Supply and Interruption of Service
8.11 Connection and Meter Charges
8.12 Rendering and Payment of Bills
8.13 Disputed Bills
8.14 Discontinuance and Restriction of Service
8.15 Meter Tests and Adjustment of Bills
8.16 Supply to Separate Parcels and Resale of Water
8.17 Control of Plant and Operations
8.18 Complaints
8.19 By-Passes and Tampering
8.20 Cross-Connection Control
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8.22 Schedules, Tariffs or Lists
8.23 Access to Premises
8.24 General
8.25 Inspection
8.26 Severability
8.27 Penalties
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Chapter 8.01
DISTRICT RULES AND REGULATIONS (WATER)

Sections:

8.01.010 Scope
8.01.020 Availability of Facilities
8.01.030 Contracts or Permits
8.01.040 Purpose
8.01.050 Construction of Facilities
8.01.060 Land Use Decisions
8.01.070 Terms and Conditions

Section 8.01.010
Scope

These regulations apply to potable water service from the District; fees and deposits to cover the cost thereof; the rates for water delivered; the time and manner of payment for services rendered; regulations regarding water usage; protection of the system from mechanical and health hazards; and rules for charges for extending mains and permitting connections to existing mains. This Section does not apply to recycled water service.

Section 8.01.020
Availability of Facilities

Water service is provided by the Rainbow Municipal Water District subject to the availability of facilities or adequate capacity in facilities, funds, or financing for the construction of all of the foregoing. This service is available under the rules and regulations of the District, as amended from time to time. Customers shall sign a Water Service Connection Application if service to the parcel does not currently exist acknowledging the terms and conditions under which service may be available.

Section 8.01.030
Contracts or Permits

The District is subject to contracts or permits from various other agencies such as, but not limited to; the United States Environmental Protection Agency (EPA) and the California State Water Resources Control Board. Such contracts or permits may limit use of existing or future capacity or facilities. The availability of such service is intended to be furnished to each member of the public or each segment of the public on the same basis to all such Applicants, Owners, or Customers similarly situated and desiring service.

Section 8.01.040
Purpose

The District was formed and activated primarily for the purpose of providing water service. The District has constructed facilities or acquired capacity to provide such service. Prior to submitting an application, each Applicant shall verify the existence of available capacity and the probable duration of such availability. Facts necessary for such verification may be obtained from the District; however, the District providing such information is **not** committing to provide water service or guaranteeing that capacity will be available at the time of application.

Section 8.01.050
Construction of Facilities

The facilities planned for construction within the District are set forth in the Water Master Plan as amended from time to time. The Water Master Plan concerns transmission and distribution of water.

Section 8.01.060
Land Use Decisions

The District neither determines nor intends to determine or participate in land use decisions or the accomplishment of any plan of development of various Owners of undeveloped property within the District. The District, subject to such land use decisions by others and subject to all provisions of law including, but not limited to, the California Environmental Quality Act (CEQA), will exert all reasonable efforts to have facilities and capacity available to provide service to the extent and on the conditions already described.

Section 8.01.070
Terms and Conditions

District Customers must comply with the terms and conditions set forth in this Administrative Code, as well as the terms and conditions set forth in all District resolutions, rules and ordinances. To the extent the terms and conditions of this Administrative Code may be inconsistent or in conflict with the terms and conditions of any prior District ordinances, resolutions, rules, or regulations, the terms of this Administrative Code shall prevail and such inconsistent or conflicting terms and provisions of prior ordinances, resolutions, rules and regulations are hereby repealed.

Chapter 8.02
DEFINITIONS

Section:

8.02.010 Definitions

The definitions in this sub-section shall be used to interpret this Section, unless otherwise apparent from the context.

The definitions in this sub-section shall be used to interpret this Section, unless otherwise apparent from the context. Terms pertaining to cross-connection control have the same definitions as those contained in the Cross-Connection Control Policy Handbook (CCCPH).

ABPA: American Backflow Prevention Association.

Abut District Line: Parcels abut a District line where they are crossed by a District line, or where a line runs along the boundary of a parcel in an easement or other right of way.

Active Park and School Ground Areas: Areas designated by public agencies and private schools for specific sporting and recreational activities and areas traditionally used for active play or recreation where turf is an integral part of the activity.

Agricultural Purposes: The growing or raising, in conformity with recognized practices of farming, for the purposes of commerce, trade, or industry, or for use by public educational or correctional institutions, of agricultural, horticultural, or floricultural products. Such products shall be for human consumption, for the market, or for the feeding of fowl or livestock. Products are to be grown or raised on a parcel of land having an area of not less than one acre utilized exclusively for such purposes.

Air-Gap: means of backflow prevention utilizing the unobstructed vertical distance through the free atmosphere between the lowest opening from any pipe or faucet supplying water to a tank, plumbing fixture or other device and the flood level rim of said vessel.

Air-Gap Separation (AG): or AG : means a physical vertical separation of at least two (2) times the effective pipe diameter between the free-flowing discharge end of a potable water supply pipeline and the flood level of an open or non-pressurized receiving vessel, and in no case less than one (1) inch.

Applicant: Any person, firm, corporation, association or agency that applies for water service from the District.

Approved: Accepted by the District as meeting an applicable specification stated or cited in this chapter or as suitable for the proposed use except as otherwise provided in this Article 8.

Approved Backflow Prevention Assembly: or BPA : means a mechanical assembly designed and constructed to prevent backflow, such that while in-line it can be maintained and its ability to prevent backflow, as designed, can be field tested, inspected and evaluated.

Approved Water Supply: a water source that has been approved by the
State Water Board for domestic use in a public water system and designated as such in a domestic water supply permit issued pursuant to section 116525 of the CHSC.

Auxiliary water supply: means a source of water, other than an approved water supply, that is

either used or equipped, or can be equipped, to be used as a water supply and is located on the premises of, or available to, a water user.

AWWA: American Water Works Association.

AWWA Standard: An official standard developed and approved by the American Water Works Association (AWWA).

Backflow: means an undesired or unintended reversal of flow of water and/or other liquids, gases, or other substances into a public water system's distribution system or approved water supply.

Backflow Prevention Assembly: or BPA : means a mechanical assembly designed and constructed to prevent backflow, such that while in-line it can be maintained and its ability to prevent backflow, as designed, can be field tested, inspected and evaluated.

Backflow Prevention Assembly Tester: means a person who is certified as a backflow prevention assembly tester.

Backpressure: Any elevation of pressure in the downstream piping system (by pump, elevation of piping, or steam and/or air pressure) above the supply pressure at the point of consideration, which would cause, or tend to cause, a reversal of the normal direction of flow.

Backsiphonage: The flow of water (or other liquids, mixtures or substances) into the District system from any source other than its intended source, caused by the sudden reduction of pressure in the District system.

Blow-Off: A District facility which is used to drain water mains for purposes of repair and maintenance.

Board or Board of Directors: The governing board of the District, consisting of five (5) elected representatives.

Community water system: means a public water system that serves at least 15 service connections used by yearlong residents or regularly serves at least 25 yearlong residents of the area served by the system.

Conservation Offset: The implementation of proven conservation techniques which, when installed, will result in a reduction equal to demand of the proposed use. Calculation of demand and saving shall be performed or verified by the District Representative based upon non-drought conditions.

Consumer's Water System: Is defined as and includes all facilities beyond the service meter. The system or systems may include both potable and non-potable water systems

Construction Meter: A meter attached to a fire hydrant or other appurtenance and used for construction purposes in incremental periods of six months or less.

Construction Purposes: A temporary service that is facilitated through a fire hydrant or a blow-off for construction purposes; such as construction of a dwelling, or grading of land or other purpose where water is not needed permanently. Construction meters may not be used for agricultural purposes.

Contamination: A degradation of the quality of the potable water by any foreign substance which creates a hazard to the public health, or which may impair the usefulness or quality of the water.

Control: The right and power over the sanitary quality of water.

Community water system: means a public water system that serves at least 15 service connections used by yearlong residents or regularly serves at least 25 yearlong residents of the area served by the system.

Contact hour: means not less than 50 minutes of a continuing education course.

Continuing education course: means a presentation or training that transmits information related to cross-connection control programs and backflow prevention and protection.

Cross-connection: means any actual or potential connection or structural arrangement between a public water system, including a piping system connected to the public water system and located on the premises of a water user or available to the water user, and any source or distribution system containing liquid, gas, or other substances not from an approved water supply.

Cross-Connection Control by Containment: The installation of an approved backflow prevention device in any Customer system at the water service connection.

Cross-Connection Control Specialist: means a person who is certified as a crossconnection control specialist

Customer: The person in whose name water service is furnished, as evidenced by the signature on the application or request for water service. In the absence of a signed application, the receipt and payment of bills regularly issued in that person's name shall suffice, regardless of the identity of the actual user of the service. The water bill shall be the responsibility of the person in whose name the meter service is held. In the event the water service is in the name of a renter or lessee, the ultimate responsibility for the bill shall be in the legal Owner or Owners of the property, as shown on the County Assessor's Tax Roll. The District requires a signed application by both Tenant and Owner when property is a rental.

Customer System: The Customer systems consist of all water components beyond the metered water service connections owned by the Customer.

Degree of Hazard: Is derived from an evaluation of the potential risk to public health and the adverse effect of the hazard upon the potable water system.

Department Supervisor: The designee granted this authority by the General Manager.

District: Rainbow Municipal Water District.

District Water System: The source facilities and distribution system under the control of the Rainbow Municipal Water District up to and including the meter.

Distribution Main: A pipeline with the primary intent to distribute water to Customers through laterals installed on the pipeline.

Distribution System: has the same meaning as defined in section 63750.50 of CCR, Title 22, Division 4, Chapter 2.

District: The Rainbow Municipal Water District.

District Representative: General Manager or their designee.

Domestic and Municipal Purposes: The use of water for residential, public, commercial, industrial, and recreational purposes served by the District, but not including water used for agricultural purposes.

Double Check Detector Check Assembly (DCDA): double check valve backflow prevention assembly that includes a bypass with a water meter and double check backflow prevention assembly, with the bypass's water meter accurately registering flow rates up to two gallons per minute and visually showing a registration for all rates of flow. This type of assembly may only be used to isolate low hazard cross-connections.

Double check detector backflow prevention assembly – type II or DCDA-II:
means a double check valve backflow prevention assembly that includes a bypass around the second check, with the bypass having a single check valve and a water meter accurately registering flow rates up to two gallons per minute and visually showing a registration for all rates of flow. This type of assembly may only be used to isolate low hazard cross-connections.

Double check valve backflow prevention assembly or DC: means an assembly consisting of two independently-acting internally-loaded check valves, with tightly closing shut-off valves located at each end of the assembly (upstream and downstream of the two check valves) and fitted with test cocks that enable accurate field testing of the assembly. This type of assembly may only be used to isolate low hazard cross connections

Existing public water system or existing PWS: means a public water system initially permitted on or before July 1, 2024 as a public water system by the State Water Board.

Fire Protection: Actions or facilities for prevention or suppression of fires as directed by the fire Marshal or Fire Prevention officer with jurisdiction over the local area involved.

General Manager: The General Manager of the District or designee authorized by the Board or the General Manager to act in their behalf.

Greywater: Household wastewater other than toilet water, i.e., water from the laundry, shower, tub, bathroom and kitchen sinks.

Hazard Assessment: means an evaluation of a user premises designed to evaluate the types and degrees of hazard at a user's premises.

Health Agency: Refers to the California Department of Health Services.

Health Hazard: is any condition, assembly, or practice in the water supply system and its operation that could or may create a danger to the health and well-being of the water consumer.

High hazard cross-connection: means a cross-connection that poses a threat to the potability or safety of the public water supply. Materials entering the public water supply through a high hazard cross-connection are contaminants or health hazards. See Appendix D for some examples.

Industrial Fluids System: Any system containing a fluid or solution which may be chemically, biologically or otherwise contaminated or polluted in a form or concentration such as would constitute a health, system, pollution or plumbing hazard if introduced into the District system.

Industrial Waste: Any liquid or solid waste substance, other than domestic sewage, from any producing, manufacturing, or processing operation of any nature.

Industrial Waste Treatment Plant or Facility: Any works or devices for the treatment of industrial waste prior to its discharge into the District sewer facilities.

Local Health Agency: Refers to the County of San Diego Department of Environmental Health.

Low hazard cross-connection: means a cross-connection that has been found to not pose threat to the potability or safety of the public water supply but may adversely affect the aesthetic quality of the potable water supply. Materials entering the public water supply through a low hazard cross-connection are pollutants or non-health
hazards.

Meter: Any device registering the flow or the amount of water passing through a service connection.

Micro Irrigation Systems/Equipment: Low pressure, low volume methods of water application. These devices include drip emitters, T-tape, micro sprayers, minisprinklers, twirlers, and spaghetti tubing. Pop-up sprinklers are not considered low volume, low pressure irrigation systems/equipment.

New public water system or new PWS: means a public water system permitted after July 1, 2024, as a public water system by the State Water Board. A new public water system includes a public water system receiving a new permit because of a change in ownership.

Noncommunity water system: means a public water system that is not a community water system.

Nonpotable Water: Water which does not meet state and federal standards for safe drinking water and is not safe for human consumption.

Nontransient noncommunity water system: means a public water system that is not a community water system and that regularly serves at least 25 of the same persons over six months per year.

Passive Purge: Refers to a type of fire sprinkler system that serves all toilets in addition to fire sprinklers, allowing water to circulate throughout the entire system on a regular basis and, therefore, avoiding stagnation.

Payment Date: The date on which payment is received in the District offices or approved payment location, from a Customer in funds which can be deposited into a normal bank. The postmark date of a payment mailed to the District is not considered the payment date. Payments received after the close of business at the offices of the District will be considered to have been received on the next business day.

Person: An individual, corporation, company, association, partnership, municipality, public utility, or other public body or institution

Plan Check & Inspection Deposit: *Plan Review Deposit:* Monies provided to the District by the Applicant at the time of submission of improvement plans for the District's approval. Current rates can be found on the Fee for Service Schedule.

Project Administration Deposit: Monies provided to the District by the Customer at the time of submission of an application to install a new service. The amount of deposit shall be determined by the Fee for Service Schedule.

Plumbing Hazard: is a type of plumbing cross-connection in a consumer's potable water system that has not been properly protected by an approved airgap or approved backflow prevention assembly.

Pollution: The presence of any foreign substance (organic, inorganic or biological) in water which tends to degrade its quality so as to constitute a hazard or impair the usefulness or quality of the water.

Pollution: The presence of any foreign substance (organic, inorganic, or biological) in water which tends to degrade its quality so as to constitute a hazard or impair the usefulness or quality of the water to a degree which does not create an actual hazard to the public health, but which does adversely and unreasonably affect such waters for domestic use.

Pollution Hazard: is an actual or potential threat to the physical properties of the water system or to the potability of the public or the consumer's potable water system, but which would constitute a nuisance or be aesthetically objectionable or could cause damage to the system or its appurtenances but would not be dangerous to health.

Potable Water: Water which meets state and federal safe drinking water standards.

Potable Water Service Connection: The terminal end of a service connection from the District water system (that is where the District relinquishes control over the water at its point of delivery to the Customer system), being the downstream end of the meter. Service connections shall also include water service connections from a fire hydrant and all other temporary or emergency water service connections.

Premises: Any and all areas on a customer's property which are served or have the potential to be served by the public water system.

Premises Containment: means protection of a public water system's distribution system from backflow from a user's premises through the installation of one or more air gaps or BPAs, installed as close as practical to the user's service connection, in a manner that isolates the water user's water supply from the public water system's distribution system.

Presentation or "Date of Presentation": The date on which bills for water service to any Customer are deposited in the United States mail, postage prepaid, to their address as it appears upon the records of the District or delivered personally to a Customer.

Pressure vacuum breaker backsiphonage prevention assembly or PVB: means an assembly with an independently-acting internally-loaded check valve and an independently-acting loaded air inlet valve located on the discharge side of the check valve; with test cocks and tightly closing shutoff valves located at each end of the assembly that enable accurate field testing of the assembly. This type of assembly may only be used for protection from backsiphonage and is not to be used to protect from backpressure.

Pressure Vacuum Breaker Assembly (PVB): Refers to a backflow prevention assembly containing a spring loaded check valve and a spring loaded air-inlet valve which opens when the pressure approaches atmospheric. The unit shall include two tightly closing shut-off valves located at each end of the assembly and two test cocks properly located for testing the device. Can be used for internal protection but NOT meter protection.

Property Owner or Owner: The holder of legal title to property receiving water service, contract purchaser, or lessee under a lease with any unexpired term of more than one (1) year, to be held jointly with the lessee and the holder of the title.

Public Health Agency: The State of California Water Resources Control Board.

Public water system or PWS: as defined in section 116275(h) of the CHSC means a system for the provision of water for human consumption through pipes or other constructed conveyances that has 15 or more service connections or regularly serves at least 25 individuals daily at least 60 days out of the year. A public water system includes the following:

(1) Any collection, treatment, storage, and distribution facilities under control of the operator of the system that are used primarily in connection with the system.
(2) Any collection or pretreatment storage facilities not under the control of the operator that are used primarily in connection with the system.
(3) Any water system that treats water on behalf of one or more public water systems for the purpose of rendering it safe for human consumption.

Rainbow Municipal Water District: RMWD.

Reclaimed Water: See Recycled Water.

Recreational and Ornamental Lakes and Ponds: Bodies of water which are not swimming pools, water storage reservoirs for potable water or irrigation purposes, or pools which maintain rare plant or animal species.

Recycled Water: is a wastewater which as a result of treatment is suitable for uses other than

potable use.

Reduced pressure principle backflow prevention assembly or RP: means an assembly with two independently acting internally-loaded check valves, with a hydraulically operating mechanically independent differential-pressure relief valve located between the check valves and below the upstream check valve. The assembly shall have shut-off valves located upstream and downstream of the two check-valves, and test cocks to enable accurate field testing of the assembly.

Reduced Pressure Principle Detector Backflow Prevention Assembly – type II:
or RPDA-II : means a reduced pressure principle backflow prevention assembly that includes a bypass around the second check, with the bypass having a single check valve and a water meter accurately registering flow rates up to two gallons per minute and visually showing a registration for all rates of flow.

Reduced Pressure - Detector Check Assembly (RPDA): A backflow prevention assembly consisting of a line-size reduced pressure principal assembly in parallel with a detector meter and meter-size reduced pressure principal assembly. Each reduced pressure principal assembly is to be equipped with properly located test cocks and a tightly closing shut-off valve at each end of the assembly.

Remote Meters: Service connections which may be provided to parcels which do not abut a District water main.

Rules and Regulations: The entire body of effective rates, tolls, rentals, charges, ordinances, rules and regulations, collectively of the District.

Schedules, Tariffs or Lists: Water rates, service connection charges, capacity fees or other charges for water service, materials, equipment and labor furnished by the District, as approved by the Board of Directors.

Sealed Meter: Any meter in which the District has closed and sealed the service connection valve on the District side of the meter.

Secondary Water Main: Extensions of primary distribution mains constructed and dedicated to the District by a developer or property Owner.

Security Deposit: Monies required to be deposited with the District for the purpose of guaranteeing payment of utility bills rendered for water or sewer service.

Service Connection: Refers to the point of connection of a user's piping to the District's facilities.

Spill-resistant pressure vacuum breaker backsiphonage prevention assembly or SVB: means an assembly with an independently-acting internally-loaded check valve and an independently-acting loaded air inlet valve located on the discharge side of the check valve; with shutoff valves at each end and a test cock and bleed/vent port, to enable accurate field testing of the assembly. This type of assembly may only be used for protection from backsiphonage and is not to be used to protect from backpressure.

State Water Board: unless otherwise specified means the State Water Resources Control Board or the local primacy agency having been delegated the authority to enforce the requirements of the

CCCPH by the State Water Resources Control Board.

Surcharge: A charge imposed by the District for the provision of a special service not normally provided by the District, such as situations involving unusual quantity or quality requirements.

Swivel-Ell : means a reduced pressure principle backflow prevention assembly combined with a changeover piping configuration (swivel-ell connection) designed and constructed pursuant to this Chapter.

System Hazard: is an actual or potential threat of severe damage to the physical properties of the public potable water system or the consumer's potable water system of a pollution or contamination which would have a protracted effect on the quality of the potable water in the system.

Temporary Customer: Any Customer for whom a temporary service connection has been approved by the District.

Termination of Service: Discontinuance of water service either by the District or as requested by the Customer.

Title 17: California Code of Regulations, Title 17, Public Health Regulations relating to cross-connection.

Transient Noncommunity Water System: means a noncommunity water system that does not regularly serve at least 25 of the same persons over six months per year.

Transmission Main: A pipeline with the primary intent to transport water from the source to distribution mains. The installation of service laterals is restricted on transmission mains.

Units of Measurement: A unit of 100 cubic feet, equivalent to 748 gallons, is the volume by which water is metered and billed by the District.

Used Water: Any water supplied by the District from the District system to a Customer after it has passed through the metered water service connection and is no longer under the control of the District.

User premises : means the property under the ownership or control of a water user and is served, or is readily capable of being served, with water via a service connection with a public water system.

User's service connection: means either the point where a water user's piping is connected to a water system or the point in a water system where the approved water supply can be protected from backflow using an air gap or backflow prevention assembly.

User Supervisor: means a person designated by a water user to oversee a water use site and responsible for the avoidance of cross-connections.

Water Capacity Fee: A charge imposed by the District for obtaining water service or service capacity.

Water Distribution System: Individually or collectively any water facilities financed, constructed and dedicated to the District by an Applicant, Owner or Customer or which are the result of local initiative and financing in tracts and subdivisions, as well as non-commercial or industrial developments, which have been accepted by the District.

Water Source: The water source shall include all components of the facilities utilized in the production, treatment, storage and delivery of water to the distribution system.

Water Supervisor: In industrial or commercial application, a water supervisor will be designated by the District. An individual designated as water supervisor will be responsible for keeping abreast of cross-connection regulations and maintenance of commercial and industrial water systems to prevent cross-connection or other sanitary effects from occurring on these types of water systems.

Water supplier: means a person who owns or operates a public water system.

Water System: The water system consists of the source and the distribution system under the control of the District, including the water meter, which is owned by the District.

Water user: means a person or entity who is authorized by the PWS to receive water

Chapter 8.03
AREA SERVED

Sections:

8.03.010	**Service Area**
8.03.020	**General**
8.03.030	**Classification of Service**
8.03.030.01	**Single Family Residential**
8.03.030.02	**Multi-Family Residential**
8.03.030.03	**Commercial**
8.03.030.04	**Institutional**
8.03.030.05	**Construction**
8.03.030.06	**Agricultural with Residence**
8.03.030.07	**Agricultural Without Residence**
8.03.040	**Classification of Service Change**

Section 8.03.010
Service Area

The Rules and Regulations pertain to water service to land or improvements (or both) lying within the boundaries of the District unless otherwise stated. The District's primary obligation is to provide water service to persons within its boundaries subject to the availability of facilities, capacity, and supply to provide such services.

Section 8.03.020
General

8.03.020.01 The District will furnish water service throughout its corporate area under the general conditions outlined in these rules and regulations. To be eligible to receive service, the parcel to be served must abut a District easement or road right-of-way in which a District water main is installed, except where a remote meter has been approved per District Administrative Code**.**

8.03.020.02 The District will endeavor to supply water in sufficient quantities and at adequate pressures to meet the needs and requirements of all Applicants and Customers. This service will be furnished under the District's rate schedules according to the classification or type of service offered by the District. The classifications are as follows:

1. Regular
2. Construction/Temporary
3. Fire Service

Section 8.03.030
Classification of Service

Water users will be billed at the rates established by the Board of Directors for the following types of service:

1. Single Family Residential
2. Multi-Family Residential
3. Commercial
4. Institutional
5. Construction
6. Agricultural with Residence
7. Agricultural without Residence

8.03.030.01 <u>Single Family Residential</u>

Service under this classification is applicable to single-family dwellings and duplexes. A duplex is a house of single structure consisting of two separate family dwellings.

8.03.030.02 Multi-Family Residential

Service under this classification is applicable to multi-family dwellings of three or more units.

8.03.030.03 Commercial

Service under this classification is applicable to commercial enterprises including, but not limited to, retail stores, markets, hotels, clinics, storage warehouses, churches, nursing homes, businesses and professional offices.

8.03.030.04 Institutional

Service under this classification is applicable to institutional establishments dedicated to public service including, but not limited to, school, university, hospital, prison, or government facility. Applicable to publicly owned establishments.

8.03.030.05 Construction

Service under this classification is applicable to temporary water service that is facilitated through a fire hydrant, blow-off, or other appurtenance selected at the sole discretion of the District for construction purposes; such as construction of a dwelling, or grading of land or other purpose where water is not needed permanently. Relocation is performed by District staff only. Should a contractor perform relocation, a $500.00 fine will be charged to customer's account.

8.03.030.06 Agricultural with Residence

Service under this classification is applicable to residences with associated water used by ranches, nurseries, flower growers, and any endeavor accepted as an agricultural service as defined by Section 8.02.030 of the Administrative Code. Applicant must also have a domestic structure on the property.

8.03.030.07 Agricultural without Residence

Service under this classification will have no residential use. Applicable to water used by ranches, nurseries, flower growers, and any endeavor accepted as an agricultural service as defined by Section 8.02.030 of the Administrative Code.

8.03.040
Classification of Service Change

Water users are billed by their designation of Classification of Service or Rate Class. Election to change Classification of Service by the customer can be requested once a calendar year. The customer must demonstrate that the property meets the definition prescribed in Administrative Code Section 8.03.030 Classification of Service for proposed change. Classification of Service proposed changes are subject to the approval of the General Manager and/or Finance Manager.

Chapter 8.04
ESTABLISHMENT OF WATER SERVICE

Sections:

8.04.010 Board of Director's Approval
8.04.020 Application for Regular Water Service
8.04.030 Application for a Remote Meter
8.04.040 Application for Construction Water Service
8.04.050 Changes in Premises Served

Section 8.04.010
Board of Director's Approval

Any Request for installation or acceptance of water facilities to serve more than five (5) parcels shall be subject to Board approval.

Section 8.04.020
Application for Regular Water Service

Effective November 1, 2014, all new water service accounts shall be established and held in the legal (record) Owner's name as shown on the San Diego County Assessor's Tax Roll.

Each Applicant for water service must sign and file in the District's Office, a New Water Service Connection Application which will set forth:

8.04.020.01 Proof of Ownership of the parcel to be served

8.04.020.02 The name, address, and telephone number of the Applicant.

8.04.020.03 A description of the parcel to be served by said application shall include but not be limited to the Assessor Parcel Number (APN).

8.04.020.04 An Agreement on the part of the Applicant to abide by the Rules and Regulations of the District, as amended from time to time, signed by the property Owner

8.04.020.05 An agreement on the part of the Applicant that water delivered through the connection will be used only on the property described in the application.

8.04.020.06 Indicate the parcel land use for character of service determination.

8.04.020.07 If the Applicant's property does not adjoin the District right-of-way, the Applicant must provide proof of an easement that may be utilized by the Applicant to bring his/her water line to the District's right of way.

8.04.020.08 If a meter is being purchased on behalf of the legal Owner by another individual, written authorization to do so shall be provided.

8.04.020.09 Before the District commits to provide new water service to a property, or to provide increased water service to a property receiving water service from the District's municipal water system, and as a condition of such new or increased water service, the landowner requesting such water service shall enter into an agreement with the District providing for the landowner's assignment of any rights to divert or extract local groundwater supplies for the benefit of the property to receive new or increased water service ("Property"), in return for water service from the District, upon such terms as may be provided by the District Representative.

This section does not apply to any other property that is not the Property. As an additional condition of District water service, the District may require the landowner to grant to the District any water production facilities located on the Property, together with an easement providing the District with the right to access, operate, maintain and replace such water production facilities.

The Board may waive the requirements set forth in this Section when it is in the public interest to do so. Following the landowner's and the water utility director's execution of the agreement, the District shall cause the agreement to be recorded against the Property. The agreement shall run with the land and bind all successors in interest of the Property.

Nothing in this ordinance shall grant, or be deemed to grant, a right to District water service and nothing in this ordinance shall require, or be deemed to require, the District to provide water service to any party.

8.04.020.10 The application for water connection service shall be issued for a term of two (2) years. If no connection is made it shall expire and all rights of application holder resulting from the issuance of such application shall terminate. Project Administration Deposit and Water and Wastewater Capacity Fees paid on the application that has expired will be refunded minus administrative costs to the applicant listed on the application.

If, prior to the expiration date of the water service connection application, a building permit has been issued by the County of San Diego or governing agency for the building or buildings described in this application, and a copy of the building permit is provided to the District, the application shall not expire and need not be renewed. In such case, the District's application shall expire upon the expiration of the building permits.

If connection complying with all District Standards is made prior to the expiration of the application (or building permit per above), the application will become an authorized water service permit for the subject property(s) to receive potable water from the District's water system in accordance with all District rules and regulations related to the use described in this water service connection application. Once a service connection is made to the District facilities and extended to the property, the account is considered active and will incur monthly water service charges.

If owner desires to sell the property during the term of this water service connection application and transfer the water service connection application with the same parcel of land and use, the applicant must submit written notice of the proposed transfer to the District. The new owner must then complete a new application and the expiration date will remain the same.

Applicant may submit a formal written request addressed to the General Manager or their designee for a one-time extension of up to six months. For an extension to be considered, any difference in the previously paid capacity fees and the current Water and Wastewater Capacity Fees, associated with the application must be paid in full. Approval of extension shall be granted at the sole discretion of the General Manager or their designee.

Notwithstanding the forgoing, at the District's discretion, a tenant or lessee of property may request water service for a property, provided a completed and signed Owner-Tenant application for water service is submitted to the District by the Owner or Property Manager of the identified property in accordance with Section 8.04.020. The application shall also include the signature of the tenant or lessee stating that he or she will be the party responsible for making monthly payments to the District for water services delivered to the identified property; and (iii) an acknowledgement by the Owner that he or she accepts liability for any delinquent or unpaid water charges associated with the identified property, including any penalties and interest related thereto. Such acknowledgment shall be renewed in writing by the Owner or Customer at any

change in tenancy at the subject property; however, a failure by the Owner or Customer to renew this acknowledgment in writing shall not excuse the Owner or Customer from any liability associated with delinquent or unpaid water charges, including any penalties or interest related thereto, associated with the District's water service to the property.

If account holder is the legal (record) Owner of service property as shown on the San Diego County Assessor's Tax Roll and has become delinquent on account where service is scheduled to be terminated, the non-owner residential occupant(s) may establish water service directly. The non-owner residential occupant(s) will not be required to pay the delinquent bill maintained under the legal Owner. In order to establish service in the non-owner residential occupant(s) name, security deposit equal to twice the estimated average periodic bill will be required. The security deposit will be returned to the depositor two (2) years after the last lock-off for non-payment, if the depositor has maintained a timely paid, delinquent free account record during the two-year period, or when the account is paid in full on termination of service, whichever occurs first. Acceptable methods of the security deposit are check, money order, cashier's check and Automated Clearing House (ACH) only. No interest shall be paid on any deposit.

During the transfer of residential property ownership from one owner to another, the current owner of a property may request that the District discontinue service and transfer the service to the proposed subsequent owner in a limited term temporary service agreement. In order to establish residential service in the proposed owner's name, the account for the current owner must be current and an Exiting Owner form must be submitted.

The new proposed owner will submit a New Owner form with all the required information to set up service in their name. Failure to provide this information within 30 days of escrow closing will result in the termination of water service to the property. The water and sewer bill becomes a charge against the property on which the water and sewer are furnished and against the owner of the property.

Section 8.04.030
Application for a Remote Meter

The District may approve applications for water service to parcels which do not abut a District water main. As a condition of service, if the parcel abuts a future line extension as identified in the District's Master Plan, the remote meter Applicant may be required to contribute an estimated prorated cost for a future line extension or meet other terms and conditions established by the Board.

8.04.030.01 Remote meters shall be granted only when the District determines that:

- A line extension for fire flow or looping is not required, and
- Under no circumstances shall more than three (3) parcels receive remote service in an area that could otherwise be served with a water main extension, and
- Approval from the fire department with jurisdiction in the area for the remote meter, and
- Proof of private easement for the private lateral is provided.

8.04.030.02 Remote meters are subject to District approval. At the time of application Applicant shall submit a Remote Meter Request with the appropriate Water and Wastewater Capacity Fee and any project deposits as determined by the Fee for Services Schedule. If approved, Applicant must complete the steps in Section 8.04.020, in addition

to signing a Remote Water Service Agreement. The Applicant shall also furnish a letter of approval from the Fire Department, and a copy of all recorded easements granting the right to the property Owner of the parcel to be served to install and maintain a private water line from the District main to the Applicant's parcel. Before installation of the remote meter, easements must be staked by a licensed land surveyor.

Section 8.04.040
Application for Construction Water Service

8.04.040.01 Each Applicant for temporary water service (construction meter) shall sign and file with the District, an application setting forth information which the District may reasonably require and pay the following:

- The application shall be accompanied by an established refundable deposit against unpaid water use and an established non-refundable installation, maintenance, materials, and testing fees.

- A monthly service charge will be applied for the period of time the meter is available for Applicant's use.

- Once all fees and deposits have been provided the District will install a construction meter and backflow device at a location of the District's choosing within two (2) business days of the date of the deposit.

8.04.040.02 The Applicant may request relocation of a construction meter to another location for an established fee.

8.04.040.03 Billing will be monthly and include an operation and maintenance fixed fee, plus the charge for the water used during the billing period.

8.04.040.04 Installation or Relocation of a construction meter shall be performed by District staff only. There is a fee and at least a two (2) business day notice to request this service. Should a contractor perform relocation, a $500 fine will be charged to the customer's account.

8.04.040.05 Applicant shall not use water service in a manner which causes sudden pressure surges that may cause damage to the District's water system.

8.04.040.06 Construction meters are available for a maximum period of two-years. Extensions may be granted for additional periods at the discretion of the District Representative. Applicant must notify the District when the construction meter is no longer required and schedule a date for pickup.

8.04.040.07 Applicants shall comply with all rules and regulations of the District. Applicants agree to pay for any damage or loss of District facilities resulting from Applicant's negligent use.

Section 8.04.050
Changes in Premises Served

Customers making any material change in the size, character of service or extent of their water systems or their operations, shall immediately give the District written notice of the extent and nature of such change.

Chapter 8.05
NOTICES

Sections:

8.05.010 **Notices of Interruption of Service**
8.05.020 **Notices from Customers**

Section 8.05.010
Notices of Interruption of Service

Notices of interruption of service from the District to a Customer will normally be given in writing, either delivered personally or mailed to the address as it appears in the billing records. In emergencies where a delay may result in impaired service or in hazards to the Customers, the public or the District's facilities, the District may resort to verbal notices given by telephone or by personal contact. Service may be interrupted without notification, if necessary.

Section 8.05.020
Notices from Customers

Notices from a Customer to the District shall be given in written communication hand delivered or mailed to the District office.

Chapter 8.06
INSTALLATIONS

Sections:

8.06.010 Service Connections
8.06.020 Cross-Connections
8.06.030 Backflow Devices
8.06.040 Booster Pumps
8.06.050 Ownership
8.06.060 Maintenance

Section 8.06.010
Service Connections

The District reserves the right to approve the size, number and location of all service connections. No more than one service connection may be extended to any single parcel without the consent of the District. The District will inspect all new installations. Only authorized employees or contractors of the District may change, repair, replace or remove service connections and meters. All meter registers shall be sealed by the District at the time of installation, and no seal shall be broken or altered except by the District's authorized employee or agent.

Section 8.06.020
Cross-Connections

A cross-connection is unprotected connection between any part of the District's potable water supply system and a source or system which potentially contains water or a substance not approved for human consumption. By-pass arrangements, jumper connections, removable sections, swivel or changeover devices, or other devices through which backflow could occur, shall be considered to be cross-connections.

Cross-connections are to be avoided. Whenever any cross-connection exists, the District's water supply shall be protected at the Customer's expense against backflow by the installation of approved protective backflow devices as specified by this code, the Health and Safety Code of the State of California, and all rules and regulations adopted by any other regulatory body having jurisdiction.

Section 8.06.030
Backflow Devices

Whenever backflow protection is necessary on a water supply line entering a Customer's premises, or when more than one domestic or irrigation service connection supplies water to a single premises, water supply lines from the District's mains entering such premises, buildings or structures shall be protected by an approved backflow device, regardless of the use of the additional water supply lines. Installation and maintenance of approved backflow devices are the responsibility of the Customer. Under requirements of the Title 17, any Customer property that has any potential hazards, such as a fertilizer injection system or private wells, must have an approved backflow device installed immediately downstream of the water meter in accordance with Section 8.20. This device shall be tested yearly to determine it is functioning satisfactorily. Testing must be performed by a person possessing a valid Certificate of Competence issued by the San Diego County Connection Control Certification Program.

Section 8.06.040
Booster Pumps

When a Customer chooses to install a booster pump on the service to any premises, such pump shall be equipped with a low pressure cut-off switch designed to shut off the pump when the pressure drops below a safe operating level. Appropriate backflow protection will be required. It shall be the duty of the Customer to maintain the cut-off device in proper working order.

Low-pressure cut-off device certification shall be by a person deemed competent by the District.

Section 8.06.050
Ownership

All service connections, meters or measuring devices, mains and appurtenances connected to the District's distribution system shall become the property of the District after installation and final inspection, and shall be operated and maintained by the District. Dedication of such mains and appurtenances to the District shall be made, in a form acceptable for recording, prior to commencement of service through any new system. No Customer shall have the right to tamper with any part of said meter or recording device. The District may immediately shut off the water and apply a penalty fee for any Customer violating this rule.

Section 8.06.060
Maintenance

8.06.060.01 The District will be responsible for the maintenance and repair of the service connection from the main line up to and including the meter. The Customer is responsible for maintenance and repair of the service connection beyond the meter. District costs for repairs that are the result of the Customer's negligence in the operation of the Customer's water distribution system shall be billed to and paid by the Customer.

8.06.060.02 The Customer shall, at all times, keep the meter box in place and in good repair, free of dirt and debris, and see that the surrounding area is reasonably clear to permit access and protect the meter. Noncompliance may result in the District's cleaning the area and billing the cost of such cleaning to the Owner.

8.06.060.03 The District will, at all reasonable times, have the right of access to a Customer's premises for any purpose normally connected with the furnishing of water service as a condition of Customer's water service. The District shall have the right to remove any and all property owned by the District on the Customer's premises upon the termination of service.

8.06.060.04 The District will not be responsible for any loss or damage caused by any act of a Customer or their representatives when installing, maintaining or operating the Customer's water system.

Chapter 8.07
WATER WASTE

Sections:

8.07.010 Water Waste Policy

Section 8.07.010
Water Waste Policy

Waste of water by a Customer, if not discontinued within one day after written notice by the District, will be sufficient cause for suspension or termination of service.

Chapter 8.08
AUTOMATIC SHUT-OFF VALVES

Sections:

8.08.010 Automatic Shut-Off Valve Provisions

Section 8.08.010
Automatic Shut-Off Valve Provisions

Approved automatic shut-off valves may be installed by Customers. Such valves shall be designed to provide a uniform shut off of flow over a period of not less than thirty (30) seconds for meter sizes two-inches and under. Automatic shut-off valves larger than two-inches in size shall be submitted to the District Representative for approval prior to installation in the system.

Chapter 8.09
WATER SERVICE LINE

Sections:

8.09.010 Water Service Line Policy

Section 8.09.010
Water Service Line Policy

District shall prescribe the size and location of the water service line, the water service connection, the water meter and any and all other appurtenances needed to provide water service. Applicant shall install the water service line to a curb line or property line of Customer's property abutting upon a public right-of-way, such as a street, highway, alley, easement, lane or road (other than a freeway) in which is installed a water main of the District. In the event it is impractical to install a meter abutting a public right-of-way or within a District easement, the District Representative may approve a different location if the property Owner provides the District, at no cost to the District, a recorded easement granting the right to install and maintain water service facilities at such location. All water service lines shall be constructed to the requirements of the District's Standards and Specifications in effect at the time of installation. All construction within the District shall comply with applicable state and federal safety standards.

Chapter 8.10
SHORTAGE OF SUPPLY AND INTERRUPTION OF SERVICE

Sections:

8.10.010 Shortage and Interruption
8.10.020 Temporary Suspension for Repairs
8.10.030 Apportionment of Supply During Times of Shortage

Section 8.10.010
Shortage and Interruption

The District shall endeavor to furnish continuous and sufficient supply of water to its Customers to avoid any shortage or interruptions of delivery. It cannot, however, guarantee complete freedom from interruptions. The District will not be liable for interruptions or shortage of supply, nor for any loss or damage occasioned by its failure to supply water.

Section 8.10.020
Temporary Suspension for Repairs

The District will have the right to suspend service temporarily for the purpose of making necessary repairs or improvements to its system without notice. In all cases where practicable, the District shall endeavor to give the Customers who may be affected reasonable notice.

Section 8.10.030
Apportionment of Supply During Times of Shortage

During times of shortage of supply, the District will apportion its available supply of water among its Customers in accordance with:

8.10.030.01 The provisions of the Municipal Water District Act 1911, as amended, and

8.10.030.02 Any Board approved allocation system.

Chapter 8.11
CONNECTION AND METER CHARGES

Sections:

8.11.010 Commencement of Service
8.11.020 Fees and Charges
8.11.030 Transfer of Meter
8.11.040 Water Capacity Charge
8.11.040.01 Application
8.11.040.02 Capacity Charge for Increasing Meter Size
8.11.040.03 Reduction in Meter Size
8.11.040.04 Exchange of Meter for Multiple Smaller Meters
8.11.040.05 Fire Service Meters
8.11.040.06 Meter Relocation
8.11.040.07 Transfer of Capacity Charges or Meters
8.11.040.08 Reimbursement of Capacity Charges
8.11.040.09 Removal of Water Service
8.11.050 Water Service Commitments of More than Five (5) Parcels
8.11.050.01 Development Consultation Fee
8.11.050.02 Application for Availability
8.11.050.03 Project Facility Availability Forms
8.11.050.04 Application for Commitment
8.11.050.05 Project Facility Commitment Forms

Section 8.11.010
Commencement of Service

Service will be commenced after submittal of an application and on payment to the District of the applicable fees, charges, and deposits as set forth in this Section.

Section 8.11.020
Fees and Charges

At the time an Applicant files an application for a service connection, and as a condition of the District's acceptance of said application, the Applicant shall pay to the District the amount established by the current Fee for Service Schedule. If said application is for a connection to District facilities constructed as provided under this policy or to other line extensions or facilities being acquired by the District under an agreement that requires the District to make an additional charge for said connection, then the Applicant shall also pay to the District such sum as the District is obligated to pay under the agreement for acquisition of said facilities.

Section 8.11.030
Transfer of Meter

No installation or meter charge will be billed upon the change of ownership or property. If the meter being transferred does not conform to these Rules and Regulations, it shall be changed to conform at the time of transfer.

Section 8.11.040
Water Capacity Charge

8.11.040.01 <u>Application</u>

8.11.040.01.1 A water capacity charge shall be paid at the time of the District's approval of an application for a permanent water service. Customer must hire a private contractor with a Class-A general engineering license to install water service per District's standards. Any capacity charges shall be in addition to the Project Administration Deposit to cover the actual cost of labor and materials necessary to make the physical connection to the water system by the contractor.

8.11.040.01.2 The capacity charge shall be based on the potential water demands which the Applicant can derive from the District's system and shall be established and adjusted by the Board of Directors from time to time. Funds collected by the District from the capacity charge shall be utilized for capital facilities used to supply water service within the District. It is the customer's responsibility to maintain water demands and flow within the capacity of the installed service. If the capacity of the service/meter is exceeded, the District shall restrict flow to prevent damage to the service line or meter, or the customer may decide to upsize

the meter at their cost, including additional capacity charges as prescribed herein.

8.11.040.01.3 The application for water service shall be issued for a term of two (2) years. If no connection is made it shall expire and all rights of application holder resulting from the issuance of such application shall terminate. The Project Administration Deposit and Water and Wastewater Capacity Fees paid on the application that has expired will be refunded minus administrative costs to the applicant listed on the application. A new application may be submitted with the applicable payment at the current Water and Wastewater Fees and a new Project Administrative Deposit based on the current Fee for Service Schedule.

8.11.040.01.4 If applicant desires to sell the property during the term of the application transfer to the future owner with the same parcel of land and use, the applicant must submit in writing to the District of the transfer. Otherwise, at the expiration of the application for water connection, the connection fees minus administrative costs, will be refunded to the applicant. The parcel and use described in the application must be the same and the new owner must complete a new application. The term of the application will remain the same.

8.11.040.02 Capacity Charge for Increasing Meter Size

If a property owner wishes to increase the size of a water meter serving their property and the District determines that such a larger sized meter is appropriate, the difference between the current capacity charge of the new meter and the current Water and Wastewater Capacity Fee charge of the existing meter to be replaced shall be the total capacity charge to be collected. In the event property owner replaces a smaller meter with a larger meter, they must abandon the existing smaller meter lateral. Additional Project Administration Deposit and fees shall apply.

8.11.040.03 Reduction in Meter Size

Reduction of meter size is subject to District approval. Property information and water usage history for the requesting account will be reviewed by the District to determine if a smaller meter is capable of meeting the requirements for downsize, which may include water usage, current capacity class requirements, minimum lot size restrictions, and other factors subject to review by the District Engineer. For all usage classes, excluding agricultural accounts, the water usage would have to demonstrate that it did not exceed the maximum monthly flow capacity of the requested lower-sized meter in any month in the last 12 months. For the basis of this calculation, the maximum monthly flow capacity per meter size is the same as is used to assess the amount of current capacity fees. For agricultural accounts, due to the high variability of usage patterns, to qualify for downsizing, the owner must demonstrate to the satisfaction of the District Engineer that onsite water demands does/will not exceed the maximum continuous flow rating of the meter. The property owner must complete all required District forms and provide proof of ownership. If approval is granted by the District for the meter capacity class downsize,

the owner will be required to sign a Meter Downsize Agreement and their account must be current.

The owner is responsible to pay the cost to replace their existing meter with the new downsized meter. This cost will be assessed via a Project Administration Deposit and material fees at the current rates due prior to the execution of the Meter Downsize Agreement. The amount of the deposit is determined on a case-by- case basis by District staff in assessing the total probable cost to replace the meter size requested by the owner for that property. Should the actual cost to downsize the meter be less than the deposit a refund of the difference will be issued. If the actual cost is higher than the deposit, the difference will be added to the owner's next monthly bill and be payable on the same terms as other standard charges for water service, including the ability for the owner to request a standard payment arrangement of up to12 months.

If the flow through a meter exceeds its flow capacity in any month after it has been downsized, it is subject to the following actions if the flow continues to exceed this limit in the meter read billing period beginning at least 30 days after a warning notice is issued by the District. The District may immediately physically restrict flow to the property and may commence with the following actions if the owner of the parcel has already been given a warning notice in the last 24 months.

1. The owner will be required to pay the lesser of either (1) the difference in fixed monthly service charges, as determined by meter size, between the current meter size and the smallest meter size whose maximum monthly flow capacity would exceed the maximum monthly flow on the meter since the first month of exceedance on the property, or (2) the difference in capacity fees between the downsized meter and the larger meter size necessary with higher meter size as determined in the same manner.
2. The owner will be required to pay the cost to physically upsize the meter, inclusive of District material, labor, and administrative costs, to the appropriate meter size determined in Action 1 above, if the District makes a determination that the higher usage impairs the accuracy of the meter or otherwise damages the meter, degrades its useful life, or would cause an increase in necessary maintenance. The District will notify the owner that it is electing to physically upsize the meter unless the owner can get the water usage on the meter down below the applicable maximum flow capacity limit within the meter read billing period beginning at least 30 days from the date of the notification. This may be the same or a different period than the original exceedance notice.
3. The fixed monthly service charge for the applicable customer account will be assessed based on the larger meter size as determined in Action 1 above.
4. Any fees assessed under Actions 1-3 will be added to the owner's next monthly bill and be payable on the same terms as other standard charges for water service, including the ability to request up to a standard 12-month payment arrangement. Alternatively, the owner may elect to request the total amount be financed under the options and terms included in Section 9.05.070 pertaining to owing additional sewer capacity fees.

No capacity charge shall be imposed upon and no credit or refund shall be made to a property owner replacing an existing water meter with a meter of smaller size, whether or

not any capacity charge was in effect for the larger meter when it was obtained. The difference in capacity between the larger and smaller meter is lost.

The requirements of this Section shall also apply to any property that previously elected to downsize a meter.

8.11.040.04 Exchange of Meter for Multiple Smaller Meters

Owners of parcels presently receiving water service through a District meter that subdivide their property and apply to exchange their original meter for smaller meters to new legal parcels will be given a credit toward the new capacity charges for the new meters. This credit is equal to the amount of capacity for the meter being replaced at the current Water and Wastewater Capacity Fee rate for that meter size. Meters must be downsized and installed concurrently in order to receive credit. An additional Project Administration Deposit and Plan Review Deposit may apply.

8.11.040.05 Fire Service Meters

No capacity charge shall be imposed upon a property owner for a water meter obtained and used solely for fire protection purposes. Should it be later determined that other water uses are being made from a fire service meter, the then appropriate capacity charge shall be immediately due and payable or service shall be immediately discontinued. Project Administration Deposit and Plan Review deposit may apply.

8.11.040.06 Meter Relocation

Meters shall not be relocated to other parcels of land within the District unless the parcels are abutting and owned by the same Owner. Owner must hire a private contractor with an Class-A license to abandon the existing meter lateral and install a new meter lateral per District Standards. Owner must pay appropriate Project Administration Deposit and Plan Review Deposit to the District. Relocation of meters is subject to the approval of General Manager.

8.11.040.07 Transfer of Capacity Charges or Meters

Neither capacity charges nor meters shall be transferable to other parcels of land within the District unless the parcels are abutting and owned by the same owner. Transfer of capacity charges or meters are subject to the approval of the General Manager.

8.11.040.08 Reimbursement of Capacity Charges

Once the water meter for which capacity charges have been paid has been installed in the District's water system and inspected and accepted by the District, no portion of the capacity charges paid for that meter shall be reimbursable.

8.11.040.09 Removal of Water Service

If the owner of District serviced property no longer requires service and wants a meter

removed permanently, the owner must provide a written request to the District. In addition, the owner must sign a Meter Removal Agreement with the District that outlines the terms of the removal of the water meter, including the forfeiture of capacity rights in the system.

The following work is required: shutdown of the existing water main (affected customers notified in advance), abandonment of the service lateral connection at the District's water main, removal of the corporation stop, installation of a brass or steel plug at the service saddle, removal of the water meter, re-energizing the water main, and closing the customer account.

The Customer has the option to hire a Class A licensed contractor who shall provide an insurance certificate in accordance with District standards. The Class A contractor shall abandon the lateral connection at the District's water main, remove the corporation stop, and install a plug at the service saddle or weld on a coupling. District crews will notify affected customers, shut down the water main, remove the water meter, re-energize the water main, and close the account. Alternatively, the customer can request the District perform the work described above in lieu of hiring a Class A contractor. All work shall be done according to the District's most current specifications.

Prior to work commencing, the customer must provide a Project Administration Deposit, to cover all District costs. The deposit amount shall be determined by a District Representative, and any unused amounts will be refunded once the project is accepted by the District. Per Section 8.11.040.08, no portion of the capacity charges paid for that meter shall be reimbursable. If the Owner requires a meter to serve the property in the future, the owner must install a new service and pay the current capacity fees.

Section 8.11.050
Water Service Commitments of More than Five (5) Parcels

8.11.050.01 Development Consultation Fee

8.11.050.01.1 Prior to meeting or consulting with District staff regarding development potential, the developer must submit a Project Administration Deposit, an amount set forth by the District per the most current Board-approved rate sheet adopted by ordinance. The developer may submit a formal written request addressed to the General Manager or their designee for a refund of the deposit balance at which time meetings and consultations with District staff shall cease.

8.11.050.01.2 At the conclusion of two (2) years without project activity, deposit balances minus administrative costs shall be refunded to the developer. Developer may submit a formal written request addressed to the General Manager or their designee for an extension of up to one (1) year. An additional deposit may be required. Approval of extension shall be granted at the sole discretion of the General Manager or their designee.

8.11.050.02 Application for Availability

Application for issuance of a Project Facility Availability Forms described in the following section may be submitted to the District on a form approved by the District, and must meet the following conditions, and other conditions as the District may require.

8.11.050.02.1 File with the District a preliminary parcel or subdivision map and such other information as the District may require.

8.11.050.02.2 Pay the District a non-refundable processing fee in an amount set forth by the District per the most current Board-approved Fee for Service Schedule.

8.11.050.03 Project Facility Availability Forms

Upon compliance by applicant with the requirements of the previous paragraphs, and if the District has adequate capacity or expects to have adequate capacity, the District may complete and issue the Project Facility Availability Forms or equivalent forms to allow processing of a tentative parcel map or tentative subdivision map. The form shall certify that the District has, or expects to have, capacity available to serve the proposed parcels or subdivision. The form shall not be a commitment on the part of the District to have or make capacity in the District's water system available to the proposed parcels or subdivision. No commitment shall be made until applications for water connection have been issued in accordance with these rules and regulations.

The issuance of Project Facility Availability Forms and processing fees shall have the sole effect of entitling the applicant to be considered along with other applicants for the issuance of water service connection which the District may issue and shall not create any right or

entitlement in the applicant to obtain water service connection from the District. The Project Facility Availability Forms identify conditions the applicant must address prior to service commitment.

8.11.050.04 Application for Commitment

Application for issuance of Project Facility Commitment Forms described in the following section may be submitted to the District on a form approved by the District, and must meet the following conditions, and other conditions as the District may require:

8.11.050.04.1 File with the District a parcel or subdivision map and such other information as the District may require.

8.11.050.04.2 Pay to the District a non-refundable processing fee in an amount set forth by the District per the most current Board-approved Fee for Service Schedule.

8.11.050.05 Project Facility Commitment Forms

Upon compliance by applicant with the requirements of the previous paragraphs and subject to the following conditions, the District may complete and issue the Project Facility Commitment Forms or equivalent forms, stating that water service is committed to parcels or subdivision, and the terms of such commitment and conditions which must be satisfied for service.

Section 8.11.050
Water Service Commitments of More than Five (5) Parcels

8.11.050.01 Development Consultation Fee

8.11.050.01.1 Prior to meeting or consulting with District staff regarding development potential, the developer must submit a Project Administration Deposit, an amount set forth by the District per the most current Board-approved rate sheet adopted by ordinance. The developer may submit a formal written request addressed to the General Manager or their designee for a refund of the deposit balance at which time meetings and consultations with District staff shall cease.

8.11.050.01.2 At the conclusion of two (2) years without project activity, deposit balances minus administrative costs shall be refunded to the developer. Developer may submit a formal written request addressed to the General Manager or their designee for an extension of up to one (1) year. An additional deposit may be required. Approval of extension shall be granted at the sole discretion of the General Manager or their designee.

8.11.050.02 Application for Availability

Application for issuance of a Project Facility Availability Forms described in the following section may be submitted to the District on a form approved by the District, and must meet the following conditions, and other conditions as the District may require.

8.11.050.02.1 File with the District a preliminary parcel or subdivision map and such other information as the District may require.

8.11.050.02.2 Pay the District a non-refundable processing fee in an amount set forth by the District per the most current Board-approved Fee for Service Schedule.

8.11.050.03 Project Facility Availability Forms

Upon compliance by applicant with the requirements of the previous paragraphs, and if the District has adequate capacity or expects to have adequate capacity, the District may complete and issue the Project Facility Availability Forms or equivalent forms to allow processing of a tentative parcel map or tentative subdivision map. The form shall certify that the District has, or expects to have, capacity available to serve the proposed parcels or subdivision. The form shall not be a commitment on the part of the District to have or make capacity in the District's water system available to the proposed parcels or subdivision. No commitment shall be made until applications for water connection have been issued in accordance with these rules and regulations.

The issuance of Project Facility Availability Forms and processing fees shall have the sole effect of entitling the applicant to be considered along with other applicants for the issuance of water service connection which the District may issue and shall not create any right or

entitlement in the applicant to obtain water service connection from the District. The Project Facility Availability Forms identify conditions the applicant must address prior to service commitment.

8.11.050.04 Application for Commitment

Application for issuance of Project Facility Commitment Forms described in the following section may be submitted to the District on a form approved by the District, and must meet the following conditions, and other conditions as the District may require:

8.11.050.04.1 File with the District a parcel or subdivision map and such other information as the District may require.

8.11.050.04.2 Pay to the District a non-refundable processing fee in an amount set forth by the District per the most current Board-approved Fee for Service Schedule.

8.11.050.05 Project Facility Commitment Forms

Upon compliance by applicant with the requirements of the previous paragraphs and subject to the following conditions, the District may complete and issue the Project Facility Commitment Forms or equivalent forms, stating that water service is committed to parcels or subdivision, and the terms of such commitment and conditions which must be satisfied for service.

Section 8.11.010
Commencement of Service

Service will be commenced after submittal of an application and on payment to the District of the applicable fees, charges, and deposits as set forth in this Section.

Section 8.11.020
Fees and Charges

At the time an Applicant files an application for a service connection, and as a condition of the District's acceptance of said application, the Applicant shall pay to the District the amount established by the current Fee for Service Schedule. If said application is for a connection to District facilities constructed as provided under this policy or to other line extensions or facilities being acquired by the District under an agreement that requires the District to make an additional charge for said connection, then the Applicant shall also pay to the District such sum as the District is obligated to pay under the agreement for acquisition of said facilities.

Section 8.11.030
Transfer of Meter

No installation or meter charge will be billed upon the change of ownership or property. If the meter being transferred does not conform to these Rules and Regulations, it shall be changed to conform at the time of transfer.

Section 8.11.040
Water Capacity Charge

8.11.040.01 **Application**

8.11.040.01.1 A water capacity charge shall be paid at the time of the District's approval of an application for a permanent water service. Customer must hire a private contractor with a Class-A general engineering license to install water service per District's standards. Any capacity charges shall be in addition to the Project Administration Deposit to cover the actual cost of labor and materials necessary to make the physical connection to the water system by the contractor.

8.11.040.01.2 The capacity charge shall be based on the potential water demands which the Applicant can derive from the District's system and shall be established and adjusted by the Board of Directors from time to time. Funds collected by the District from the capacity charge shall be utilized for capital of facilities used to supply water service within the District.

8.11.040.01.3 The application for water service shall be issued for a term of two (2) years. If no connection is made it shall expire and all rights of application holder resulting from the issuance of such application shall terminate. The Project Administration Deposit and Water and Wastewater

Capacity Fees paid on the application that has expired will be refunded minus administrative costs to the applicant listed on the application. A new application may be submitted with the applicable payment at the current Water and Wastewater Fees and a new Project Administrative Deposit based on the current Fee for Service Schedule.

8.11.040.01.4 If applicant desires to sell the property during the term of the application transfer to the future owner with the same parcel of land and use, the applicant must submit in writing to the District of the transfer. Otherwise, at the expiration of the application for water connection, the connection fees minus administrative costs, will be refunded to the applicant. The parcel and use described in the application must be the same and the new owner must complete a new application. The term of the application will remain the same.

8.11.040.02 Capacity Charge for Increasing Meter Size

If a property owner wishes to increase the size of a water meter serving their property and the District determines that such a larger sized meter is appropriate, the difference between the current capacity charge of the new meter and the current Water and Wastewater Capacity Fee charge of the existing meter to be replaced shall be the total capacity charge to be collected. In the event property owner replaces a smaller meter with a larger meter, they must abandon the existing smaller meter lateral. Additional Project Administration Deposit and fees shall apply.

8.11.040.03 Reduction in Meter Size

Reduction of meter size is subject to District approval. The water usage history for the property will be reviewed by the District to determine if a smaller meter is capable of meeting the water usage demands and capacity class requirements. The water usage would have to demonstrate that it did not exceed the maximum monthly flow capacity of the requested lower sized meter in any month in the last 12 months. For the basis of this calculation, the maximum monthly flow capacity per meter size is the same as is used to assess the amount of current capacity fees. The property owner must complete all required District forms and provide proof of ownership. If approval is granted by the District for the meter capacity class downsize, the owner will be required to sign a Meter Downsize Agreement and their account must be current.

The owner is responsible to pay the cost to replace their existing meter with the new downsized meter. This cost will be assessed via a Project Administration Deposit and material fees at the current rates due prior to the execution of the Meter Downsize Agreement. The amount of the deposit is determined on a case-by- case basis by District staff in assessing the total probable cost to replace the meter size requested by the owner for that property. Should the actual cost to downsize the meter be less than the deposit a refund of the difference will be issued. If the actual cost is higher than the deposit, the difference will be added to the owner's next monthly bill and be payable on the same terms as other standard charges for water service, including the ability for the owner to request a standard payment arrangement of up 12 months.

If the flow through a meter exceeds its maximum monthly flow capacity in any month after it has been downsized, it is subject to the following actions if the flow continues to exceed this limit in the meter read billing period beginning at least 30 days after a warning notice is issued by the District. The District may immediately commence with the following actions if the owner of the parcel has already been given a warning notice in the last 24 months.

1. The owner will be required to pay the lesser of either (1) the difference in fixed monthly service charges, as determined by meter size, between the current meter size and the smallest meter size whose maximum monthly flow capacity would exceed the maximum monthly flow on the meter since the execution of the Meter Downsize Agreement on the property, or (2) the difference in capacity fees between the downsized meter and the larger meter size necessary with higher meter size as determined in the same manner.
2. The owner will be required to pay the cost to physically upsize the meter, inclusive of District material, labor, and administrative costs, to the appropriate meter size determined in Action 1 above, if the District makes a determination that the higher usage impairs the accuracy of the meter or otherwise damages the meter, degrades its useful life, or would cause an increase in necessary maintenance. The District will notify the owner that it is electing to physically upsize the meter unless the owner can get the water usage on the meter down below the applicable maximum monthly flow capacity limit within the meter read billing period beginning at least 30 days from the date of the notification. This may be the same or a different period than the original exceedance notice.
3. The fixed monthly service charge for the applicable customer account will be assessed based on the larger meter size as determined in Action 1 above.
4. Any fees assessed under Actions 1-3 will be added to the owner's next monthly bill and be payable on the same terms as other standard charges for water service, including the ability to request up to a standard 12-month payment arrangement. Alternatively, the owner may elect to request the total amount be financed under the options and terms included in Section 9.05.070 pertaining to owing additional sewer capacity fees.

No capacity charge shall be imposed upon and no credit or refund shall be made to a property owner replacing an existing water meter with a meter of smaller size, whether or not any capacity charge was in effect for the larger meter when it was obtained. The difference in capacity between the larger and smaller meter is lost.

The requirements of this Section shall also apply to any property that previously elected to downsize a meter.

8.11.040.04 Exchange of Meter for Multiple Smaller Meters

Owners of parcels presently receiving water service through a District meter that subdivide their property and apply to exchange their original meter for smaller meters to new legal parcels will be given a credit toward the new capacity charges for the new meters. This credit is equal to the amount of capacity for the meter being replaced at the current Water and Wastewater Capacity Fee rate for that meter size. Meters must be downsized and installed concurrently in order to receive credit. An additional Project Administration Deposit and Plan Review Deposit may apply.

8.11.040.05 Fire Service Meters

No capacity charge shall be imposed upon a property owner for a water meter obtained and used solely for fire protection purposes. Should it be later determined that other water uses are being made from a fire service meter, the then appropriate capacity charge shall be immediately due and payable or service shall be immediately discontinued. Project Administration Deposit and Plan Review deposit may apply.

8.11.040.06 Meter Relocation

Meters shall not be relocated to other parcels of land within the District unless the parcels are abutting and owned by the same Owner. Owner must hire a private contractor with an Class-A license to abandon the existing meter lateral and install a new meter lateral per District Standards. Owner must pay appropriate Project Administration Deposit and Plan Review Deposit to the District. Relocation of meters is subject to the approval of General Manager.

8.11.040.07 Transfer of Capacity Charges or Meters

Neither capacity charges nor meters shall be transferable to other parcels of land within the District unless the parcels are abutting and owned by the same owner. Transfer of capacity charges or meters are subject to the approval of the General Manager.

8.11.040.08 Reimbursement of Capacity Charges

Once the water meter for which capacity charges have been paid has been installed in the District's water system and inspected and accepted by the District, no portion of the capacity charges paid for that meter shall be reimbursable.

8.11.040.09 Removal of Water Service

If the owner of District serviced property no longer requires service and wants a meter removed permanently, the owner must provide a written request to the District. In addition, the owner must sign a Meter Removal Agreement with the District that outlines the terms of the removal of the water meter, including the forfeiture of capacity rights in the system. The District will seal the meter service, remove the meter, and abandon the lateral connection at the District water main. The customer must provide a Project Administration Deposit, to cover all District costs for meter removal and meter lateral abandonment. The deposit amount shall be determined by a District Representative and any unused amounts will be refunded once the project is accepted by the District. All work shall be done according to the District's most current specifications by a Class-A contractor and provide an insurance certificate to District standards. Per Section 8.11.040.8, no portion of the capacity charges paid for that meter shall be reimbursable. If the Owner requires a meter to serve the property in the future, the owner must install a new service and pay the current capacity fees.

Section 8.11.050
Water Service Commitments of More than Five (5) Parcels

8.11.050.01 Development Consultation Fee

8.11.050.01.1 Prior to meeting or consulting with District staff regarding development potential, the developer must submit a Project Administration Deposit, an amount set forth by the District per the most current Board-approved rate sheet adopted by ordinance. The developer may submit a formal written request addressed to the General Manager or their designee for a refund of the deposit balance at which time meetings and consultations with District staff shall cease.

8.11.050.01.2 At the conclusion of two (2) years without project activity, deposit balances minus administrative costs shall be refunded to the developer. Developer may submit a formal written request addressed to the General Manager or their designee for an extension of up to one (1) year. An additional deposit may be required. Approval of extension shall be granted at the sole discretion of the General Manager or their designee.

8.11.050.02 Application for Availability

Application for issuance of a Project Facility Availability Forms described in the following section may be submitted to the District on a form approved by the District, and must meet the following conditions, and other conditions as the District may require.

8.11.050.02.1 File with the District a preliminary parcel or subdivision map and such other information as the District may require.

8.11.050.02.2 Pay the District a non-refundable processing fee in an amount set forth by the District per the most current Board-approved Fee for Service Schedule.

8.11.050.03 Project Facility Availability Forms

Upon compliance by applicant with the requirements of the previous paragraphs, and if the District has adequate capacity or expects to have adequate capacity, the District may complete and issue the Project Facility Availability Forms or equivalent forms to allow processing of a tentative parcel map or tentative subdivision map. The form shall certify that the District has, or expects to have, capacity available to serve the proposed parcels or subdivision. The form shall not be a commitment on the part of the District to have or make capacity in the District's water system available to the proposed parcels or subdivision. No commitment shall be made until applications for water connection have been issued in accordance with these rules and regulations.

The issuance of Project Facility Availability Forms and processing fees shall have the sole effect of entitling the applicant to be considered along with other applicants for the issuance of water service connection which the District may issue and shall not create any right or entitlement in the applicant to obtain water service connection from the District. The Project

Facility Availability Forms identify conditions the applicant must address prior to service commitment.

8.11.050.04 Application for Commitment

Application for issuance of Project Facility Commitment Forms described in the following section may be submitted to the District on a form approved by the District, and must meet the following conditions, and other conditions as the District may require:

8.11.050.04.1 File with the District a parcel or subdivision map and such other information as the District may require.

8.11.050.04.2 Pay to the District a non-refundable processing fee in an amount set forth by the District per the most current Board-approved Fee for Service Schedule.

8.11.050.05 Project Facility Commitment Forms

Upon compliance by applicant with the requirements of the previous paragraphs and subject to the following conditions, the District may complete and issue the Project Facility Commitment Forms or equivalent forms, stating that water service is committed to parcels or subdivision, and the terms of such commitment and conditions which must be satisfied for service.

Chapter 8.12
RENDERING AND PAYMENT OF BILLS

Sections:

8.12.010 Rendering of Bills
8.12.020 Payment of Bills
8.12.020.01 Delinquent
8.12.020.02 Unreadable Water Meters – Estimated Water Bill
8.12.020.02.1 Calculating the Estimated Bill
8.12.020.03 Responsibility of Water Bill; Notices to Residential Occupants
8.12.020.04 Delinquent Account Fees
8.12.020.05 Collection of Unpaid Bills by Lien

Section 8.12.010
Rendering of Bills

Bills will be rendered once a month.

Section 8.12.020
Payment of Bills

All bills for water or for service or materials are due and payable upon receipt. Failure to receive a bill does not relieve a customer of liability for payment.

To ensure fairness to all customers, any convenience fee, surcharge, or processing fee associated with the use of a credit card, debit card, or other electronic payment method for payment of monthly service bills shall be borne by the customer choosing that payment method.

8.12.020.01 Delinquent

8.12.020.01.1 Bills are issued to cover the preceding billing period. Payment is due and payable upon receipt and delinquent thirty (30) days after the billing date. At that time, a delinquent charge will be added to the unpaid balance. If said bills are not paid within sixty-five (65) days of the billing date, the District may discontinue service until all charges have been paid in full, provided that residential services may be discontinued per Sections 8.13 and 8.14. An established turn-on charge will be made to restore service following discontinuance.

If a payment made by check or credit card is not honored by the issuing bank for any reason, the District will inform the Customer of the returned payment. The Customer shall have five (5) business days to pay the full amount with cash or certified check only. If the Customer does not pay in full within the allotted time, the District will discontinue service, provided that residential services may be discontinued per Sections 8.13 and 8.14.

8.12.020.01.2 Any Customer desiring water service from the District who has had service discontinued for non-payment of a bill at any time or whose check has been returned by the Customer's bank shall be required to post a security deposit equal to twice the estimated average periodic bill.

8.12.020.01.2.1 This deposit is in addition to the payment of all charges due and any applicable re-establishment of service charges

8.12.020.01.2.2 The General Manager may waive or adjust the security deposit requirement with sufficient written justification.

8.12.020.01.2.3 The security deposit will be returned to the depositor two (2) years after the last lock-off for non-payment, if the depositor has maintained a timely paid, delinquent free account record during the two-year period, or when the account is paid in full on termination of service, whichever occurs first.

8.12.020.01.2.4 The security deposit can be cash, a certificate of deposit, letter of credit or bond, or any other comparable guarantees approved by the District's General Manager. No interest shall be paid on any deposit.

8.12.020.02 Unreadable Water Meters – Estimated Water Bill

The District will make every attempt to read the meter monthly. However, when the meter is broken or is determined to be unreadable, the amount to be billed will be estimated. The estimated bill will be determined in the following manner:

8.12.020.02.1 Calculating the Estimated Bill

The Customer's water usage during a like month in the year immediately preceding the billing cycle in which the meter became broken or was determined to be unreadable shall be used in calculating the estimated bill. If this history is not available, water usage during the month immediately preceding the billing cycle shall be used in calculating the estimated bill.

When a meter malfunctions, the meter shall be repaired or replaced at the District's expense. If a meter is abused or broken by Customer, the Customer shall bear the cost involved repairing or replacing the meter. A bill describing the material and labor involved in the project shall be presented to the Customer and shall be paid in full.

8.12.020.03 Responsibility for Water Bill; Notices to Residential Occupants

Payment of the water bill shall be the responsibility of the Customer. The District requires a signed application by both Tenant and Owner when the property is a rental.

An unpaid or delinquent bill is the responsibility of the person in whose name the water service is held. If the Customer is the non-occupant owner, manager or operator of a residence, District shall make every good faith effort to inform the residential occupants by written notice when the account is delinquent that service will be terminated in 10 days, including an additional 5 days if notice is by mail. The notice shall inform the residents that they have the right to become a customer of the District without being required to pay the delinquent bill, provided it is feasible to provide separately metered service to such residents.

Where services is provided through a master meter to a multi-unit residential structure or structures, or mobile-home park, the District will comply with the additional requirements of section 10009.1 of the Public Utilities Code for notice to residents and offering residential reasonable conditions for service to the property prior to termination of service. The General Manager shall issue guidelines for assistance to residential users served by a master meter and a form for such notice and requirements for requesting separate service. In the event the service is in the name of a renter or lessee, water service will not be re-established in the name of such renter or lessee or any other current or subsequent renter or lessee but shall be established and held in the legal (record) Owner's name as shown on the San Diego County Assessor's Tax Roll.

8.12.020.04 Delinquent Account Fees

The Board of Directors shall establish from time to time certain fees for delinquent accounts and service fees for various actions related to delinquent accounts. The District will have the ability to waive one late/delinquent fee upon request by customer within a two-year period, preceding the date of the late bill.

8.12.020.05 Collection of Unpaid Bills by Lien

The following measures may be taken to make collection of any bill in excess of $20.00 which remains delinquent 63 days after the date of bill issue.

8.12.020.05.1 After the 63-day delinquent period, a written notice will be sent to the legal Owner of the land or property, as shown in the San Diego Assessor's tax roll, notifying the legal Owner of the land or property of accruing unpaid water and other service charges that may become a lien on such property.

8.12.020.05.2 Five business days after the date of notification referenced in Section 8.12.020.7.1 herein, The District may secure payment of unpaid water bills and other service charges by filing for record (i.e., lien) in the office of the San Diego County Recorder, a certificate specifying the amount of such charges and the name and address of the person liable there for.

8.12.020.05.3 In May of each calendar year, the legal Owner of the land or property will be notified in writing any accrued unpaid water bills or other service charges as well as a $45.00 service charge will be turned over to the County Tax Assessor's tax roll for that calendar year for collection. If water bills and other service charges remain unpaid, a second written notification will be sent to the legal Owners of the land or property in June of same calendar year.

8.12.020.05.4 On August 1st of each calendar year all unpaid water bills and service charges for that calendar year will be sent to the San Diego County Tax Assessor's tax roll for collection.

8.12.020.05.5 From the time of recordation of the certificate, the amount required to be paid, together with interest and penalties, constitutes a lien upon all real property in the county owned by the person or afterwards and, before the lien expires, acquired by them.

8.12.020.05.6 The lien has the force, priority, and effect of a judgment lien and shall continue for 10 years from the date of the filing of the certificate unless sooner released or otherwise discharged and may be extended by filing for record a new certificate.

Chapter 8.13
DISPUTED BILLS

Sections:

8.13.010 Bill Dispute
8.13.020 Customer Rights
8.13.030 Resolution of Disputed Bills
8.13.040 Review of Dispute

Section 8.13.010
Bill Dispute

A dispute is when a customer has advised the District that their most recent bill may not be accurate due to clerical or meter errors, and they wish to have the bill investigated to determine if the charges and meter reads are accurate.

Section 8.13.020
Customer Rights

Any Customer will have the right to initiate a complaint or request an investigation by filing a written request with the District within thirty (30) days of the date of the issuance of the water bill.

Section 8.13.030
Resolution of Disputed Bills

Should any Customer wish to dispute a bill and turn in the required form, the District shall notify the Customer in writing that:

8.13.030.01 While the bill is disputed the customer should continue to keep their account current or set up a payment plan with the District if necessary;

8.13.030.02 That upon receipt of notice of dispute, the General Manager will determine the proper person to investigate the matter and advise the Customer of District findings;

8.13.030.03 If the account is current, service will not be discontinued pending the outcome of the investigation; and.

8.13.030.04 That failure of Customer to keep the account current during the dispute process will result in continuation of the collections process for the delinquent bills.

Section 8.13.040
Review of Dispute

The review of a complaint or request will be completed within thirty (30) calendar days of receipt. The decision of the District will be final and provided in writing and any necessary adjustments to a customer's account that need to be made will be completed within five (5) days.

Chapter 8.14
DISCONTINUANCE AND RESTRICTION OF SERVICE

Sections:

8.14.010 Discontinuance of Water Service
8.14.010.01 Discontinuance of Water Service for Nonpayment
8.14.010.02 Exceptions for Discontinuance of Water Service for Nonpayment
8.14.020 Notice of Proposed Discontinuance of Water Service
8.14.020.01 Time of Notice
8.14.020.02 Form of Notice
8.14.020.03 48-Hour Notice
8.14.020.04 Elders; Dependent Adults
8.14.020.05 No Discontinuance of Water Service on Holidays
8.14.030 Payment Extension Plan for Delinquent Bills
8.14.030.01 Right of Customer
8.14.030.02 Authority to Allow for Payment Extension Plan
8.14.030.03 Failure to Comply with the Payment Extension Plan
8.14.040 Discontinuance of Service to Master Meters
8.14.050 Service Detrimental to District and/or Customer
8.14.060 Fraud
8.14.070 Noncompliance
8.14.080 Water Use for Other than Premises

Section 8.14.010
Discontinuance of Water Service

Service may be discontinued for any one of the following reasons:

8.14.010.01 Discontinuance of Water Service for Nonpayment

A customer's water service will be discontinued for non-payment for services furnished to the customer by the District if not paid in full within sixty-five (65) days. The customer's water service will be discontinued until the amount is paid.

8.14.010.02 Exceptions for Discontinuance of Water Service for Nonpayment

Delinquency in the payment of any bill, except that residential service shall not be discontinued for nonpayment in the following situations:

8.14.010.02.1 During the pendency of any investigation by the District of a customer dispute or complaint.

8.14.010.02.2 District has received notice of a stay in bankruptcy which precludes discontinuance of water service.

8.14.010.02.3 Any violation by the customer of any rules and regulations of the District governing water service.

Section 8.14.020
Notice of Proposed Discontinuance of Water Service

8.14.020.01 Time of Notice

At least fifteen (15) calendar days before any proposed discontinuance of service for nonpayment of a delinquent account, the District will mail a notice warning customer of the delinquency and proposed discontinuance. Such notice will be given no earlier than nineteen (19) calendar days from the date the bill is generate.

8.14.020.02 Form of Notice

The notice of the proposed discontinuance of service will include all of the following information:

8.14.020.02.1 The name and address of the customer whose account is delinquent.

8.14.020.02.2 The amount of the delinquency.

8.14.020.02.3 The date by which payment or arrangements for payment is required in order to avoid discontinuance.

8.14.020.02.4 The procedure by which the customer may initiate a complaint or request an investigation concerning service or charges, unless the District's bill for services contains a description of that procedure.

8.14.020.02.5 The procedure by which the customer may request a Payment Extension Plan of the unpaid charges.

8.14.020.02.6 The procedure for the customer to obtain information on the availability of financial assistance.

8.14.020.02.7 The telephone number and name of a representative of the District who can provide additional information or institute arrangements for payment.

8.14.020.03 48-Hour Notice

At least forty-eight (48) hours prior to the actual discontinuance of water service, the District will use its best efforts to notify the customer. The notification shall contain the following:

8.14.020.03.1 The name and address of the customer whose account is delinquent.

8.14.020.03.2 The amount of the delinquency.

8.14.020.03.3 The date by which payment or arrangements for payment is required in order to avoid discontinuance of water service.

8.14.020.03.4 The procedure for the customer to obtain information on the availability of the Payment Extension Plan as set forth in this policy.

8.14.020.03.5 The telephone number of a representative of the District who can provide additional information or institute arrangements for payment.

8.14.020.04 Elders; Dependent Adults

District shall, upon request by or on behalf of any residential customer who is 65 years of age or older, or who is a dependent adult, as defined by California law, also provide notices that the customer's account is past due and subject to discontinuance of water service to a designated third party. The designated third party must provide written consent to receive such notices on a form prescribed by the General Manager. Third party notices shall be sent concurrently with the notices to the customer. The third party shall not thereby become responsible for the delinquent account; nor shall such notice delay or prevent discontinuance of water service.

8.14.020.05 No Discontinuance of Water Service on Holidays

District shall not discontinue any water service for nonpayment on any Saturday, Sunday, legal holiday or other day on which the business office of the District is closed. Any notices of discontinuance of water service for such days shall not be effective until the next business day.

Section 8.14.030
Payment Extension Plan for Delinquent Bills

8.14.030.01 Right of Customer

Any customer shall have the right to make a formal request to be placed on a Payment Extension Plan for any account on which they are delinquent by completing the required processes set forth below within thirteen (13) calendar days of receipt of a shut-off notice. Payment Extension Plans do not include current monthly charges; therefore, all current balances are to be paid in conjunction with any Payment Extension Plan agreed upon amounts.

1) Contact a District Customer Service Representative formally requesting being placed on a Payment Extension Plan specifying the amount of time necessary to amortize the unpaid balance of the account not to exceed twelve (12) months.

2) The District will provide a formal Payment Extension Plan Agreement to the customer for review and signature to be returned to the District within seventy-two (72) hours or three (3) business days of receipt.

Any customer with an account that has been registered with the County of San Diego for tax lien may also apply for a Payment Extension Plan following these same processes; however, such customers will be required to place a down payment equal to no less than 20% of their outstanding balance. The District will notify the County to release the lien once a payment agreement has been signed and 20% payment received.

8.14.030.02 Authority to Allow for Payment Extension Plan

Upon receipt of a signed Agreement, the Department Supervisor will consider and may grant permission for the unpaid balance to be amortized over the period of time stipulated in the Agreement. Any approved Payment Extension Plan Agreement will be fully executed by the Department Supervisor with the original kept on file at the District and a copy provided to the customer.

8.14.030.03 Failure to Comply with the Payment Extension Plan

Once a Payment Extension Plan Agreement is granted, no discontinuance of service will be effective for any customer complying with such Agreement as described in the Customer Rights section of this policy. In the event a customer fails to comply with an approved Payment Extension Plan Agreement, the District will discontinue service upon providing the customer with at least forty-eight (48) hour notice prior to service interruption.

Additional Payment Extension Plan Agreements will not be granted to any customer who has failed to comply with a previously approved agreement for at least one year from the date of non-compliance.

Section 8.14.040
Discontinuance of Service to Master Meters

Whenever the District furnishes residential service to a master meter or furnishes individually metered service to a multi-unit residential structure, mobile home park, or farm labor camp where the owner, manager, or farm labor employer is listed by the District as the customer of record, the District will make every good faith effort to notify the customer of record when the account is in arrears that service will be discontinued within fifteen (15) calendar days.

Section 8.14.050
Service Detrimental to District and/or Customers

The District will not establish service to a customer's system if the operation of the customer's system will be detrimental to the service of other District customers. The District will discontinue water service to any customer who continues to operate equipment in a manner which is detrimental to the District or to its other customers, after said customer has been directed by the District to cease so doing. Included in detrimental acts by the customer is non-compliance with waste discharge requirements in the use of public sewers.

Section 8.14.060
Fraud

The District will have the right to refuse or to discontinue water service at any time to protect the District from fraud.

Section 8.14.070
Noncompliance

The District will have the right to discontinue water service to a customer for noncompliance with or violation of any ordinance or rule or regulation of the District.

Section 8.14.080
Water Use for Other than Premises

If the customer shall use or deliver water delivered by the District outside the boundaries of the Rainbow Municipal Water District or on premises not described in the application for service, the District will have the right to refuse or to discontinue water service to said customer.

Chapter 8.15
METER TESTS AND ADJUSTMENT OF BILLS

Sections:

8.15.010 Tests
8.15.020 Adjustment of Bills for Meter Errors
8.15.020.01 Fast Meters
8.15.020.02 Slow Meters
8.15.020.03 Non-Registering Meters

Section 8.15.010
Tests

A Customer may request the District test the meter upon making a deposit with the District.

The deposit will be returned if the meter is found to register more than five percent (5%) above true registration. If the error is less than five percent (5%), the deposit will be retained by the District. The Customer may be present when the District conducts the test, and, upon the request of the Customer, a written report showing the results of the test performed will be furnished to the Customer within ten (10) days after completion of the test.

Section 8.15.020
Adjustment of Bills for Meter Errors

8.15.020.01 Fast Meters

When, upon test a meter is found to be registering more than five (5%) fast, the District will refund to the Customer the amount of overage, based on the corrected meter readings, for the preceding two (2) months.

8.15.020.02 Slow Meters

When, upon test a meter is found to be registering more than ten percent (10%) slow, the District will bill the Customer for the amount of the underage, based on corrected meter readings for the preceding two (2) months.

8.15.020.03 Non-Registering Meters

It is the Customer's responsibility to report immediately whenever a meter fails to register. When upon test a meter is found to be non-registering, the District will bill the Customer for a calculated amount of water consumed but not registered for a maximum period of three (3) months. Bills to cover the period during which the meter did not register will be based upon the Customer's prior water usage taken in connection with subsequent usage correctly metered, the District's experience with other Customers in the same class, and the general characteristics of the Customer's operations.

Chapter 8.16
SUPPLY TO SEPARATE PARCELS AND RESALE OF WATER

Sections:

8.16.010 One Service per Parcel
8.16.020 Resale of Water

Section 8.16.010
One Service per Parcel

Effective November 1, 2014, water service is to be provided to a single parcel only. The use of water from a single service to multiple parcels is prohibited.

Where service has been approved to multiple parcels in the past, the use will be allowed to continue until a change in Ownership of the parcel or water service Applicant occurs at which point the use of water across multiple parcels must end.

Section 8.16.020
Resale of Water

No Customer shall resell any of the water received by them from the District to any other person, nor shall said water be used on any premises other than those described in their application for service.

Chapter 8.17
CONTROL OF PLANT AND OPERATIONS

Sections:

8.17.010 Control of Plant and Operations

Section 8.17.010
Control of Plant and Operations

All reservoirs, pumps, pipe lines, gates, meters, and other property of the District shall be under the exclusive management and control of the General Manager appointed by the Board of Directors, and no person except District employees shall have any right to operate said reservoirs, pumps, pipe lines, gates, meters, or other District property, in any manner.

Chapter 8.18
COMPLAINTS

Sections:

8.18.010 Complaints

Section 8.18.010
Complaints

The General Manager will attempt to resolve all complaints regarding service. Any person wishing to present a matter to the Board shall so inform the General Manager. The General Manager will place the matter on the Board Agenda for action at the next un-posted regularly scheduled meeting.

Chapter 8.19
BY-PASSES AND TAMPERING

Sections:

8.19.010 By-Pass
8.19.020 Tampering
8.19.030 Water Theft
8.19.040 Payment and Appeals Procedure

Section 8.19.010
By-Pass

No by-pass, cross-connection or other connection between the meter and the District's mains, or directly to the District's mains, shall be made, installed or maintained by any unauthorized individual.

Section 8.19.020
Tampering

"Tamper" means to rearrange, injure, alter, interfere with, or otherwise prevent from performing a normal or customary function.

"Reconnection" means the reconnection of service by a customer or other person after service has been lawfully disconnected by the District.

Tampering with, injuring in any way District facilities, reconnection of a service or changing the adjustment on any meter register is prohibited. The District may immediately shut off the water of any Customer violating this rule.

Notwithstanding anything set forth in these Policies, the valve installed on the discharge side of the meter or service connection is the Customer's responsibility to operate and maintain. However, the Customer shall not remove the valve from the installation.

Section 8.19.030
Water Theft

Water theft is prohibited. Each act of water theft constitutes a misdemeanor. Any individual found stealing water from District facilities may be reported to appropriate authorities and a written "Notice of Violation" will be mailed to the offender. The notice shall include a warning that further violation could result in stricter penalties as set forth in Ordinance No. 26-09, and Appendix A to Ordinance No. 23-04. District will determine all fines based on the extent of the violation in accordance with theft regulations and administrative penalties as established in Ordinance No. 26-09, and Appendix A to Ordinance No. 23-04.

(a) "Water theft" means an action to divert, tamper, or reconnect water utility services, as defined in Section 498 of the Penal Code, and includes all of the following:

1. Diverting or causing any District services to be diverted, by any means.
2. Preventing any utility meter, or other device used in determining the charge for services, from accurately performing its measuring function by tampering or by any other means.
3. Tampering with any property owned by or used by the District to provide services.
4. Making or causing to be made any connection with or reconnection with property owned or used by the District to provide services without the authorization or consent of the District.
5. Using or receiving the direct benefit of all or a portion of water utility services with knowledge or reason to believe that the diversion, tampering, or unauthorized connection existed at the time of that use, or that the use or receipt was otherwise without the authorization or consent of the District; and,
6. Unauthorized use of a fire hydrant for any purpose other than active firefighting.

(b) "Divert" means to change the intended course or path of water or sewer without the authorization or consent of the District.

In addition to any other remedies provided in Ordinance No. 26-09, and Appendix A to Ordinance No. 23-04 or available under applicable law, the District may also seek injunctive relief in the Superior Court or take enforcement action. All remedies provided herein shall be cumulative and not exclusive.

The District's General Manager is hereby declared and appointed as the enforcement officer of this Section and shall be empowered to take such other actions as authorized, or as may otherwise be authorized by the District's Board of Directors or be reasonably necessary for enforcement of the Section.

Customers shall be encouraged to report violations to the District.

Section 8.19.040
Payment & Appeals Procedure

The District shall calculate the amount of any damages and penalty(ies) to be imposed, and shall send a bill to the customer, or if the offender is not a customer of record, an invoice for payment of damages or penalty(ies) may be sent to the offender, water user, or recipient.

(a) All costs relating to the District's processing and handling of the water theft, investigation and enforcement thereof, and potential charges for reestablishment of service, shall be borne by the party having responsibility for the water account at the time of the water theft, or if there is no customer of record, by the offender, water user or recipient. These charges include, but are not limited to, service call charges, water charges, turnoff of service, charges for damage to District facilities and equipment, and plug or termination fees. Before the meter will be replaced and service reestablished, the party requesting service, if in anyway involved in or related to, or associated with, parties involved in the water theft, shall deposit twice the average bi-monthly water bill, plus the standard meter reinstallation fee, in addition to all service call charges, and an amount representing any damage to District property.

(b) Any person (an "Appellant") who wishes to appeal the imposition of an administrative penalty imposed by the District pursuant to this article shall comply with the following procedures:

1. The Appellant shall submit an appeal request to the District General Manager no later than fifteen (15) calendar days from the date of the bill or invoice sent to the customer or offender.
2. A response to the appeal request shall be provided by the District within thirty (30) calendar days from receipt of the appeal request.
3. The Appellant may request to provide evidence in writing or in person in support of his or her appeal.
4. The decision by the District's General Manager shall be final.
5. Within ten (10) days after any denial of an appeal, the Appellant shall pay any penalty(ies) imposed by the District.
6. The provisions of Section 1094.6 of the California Code of Civil Procedure shall be applicable to judicial review of the decision.

Chapter 8.20
CROSS-CONNECTION CONTROL

Sections:

8.20.010 Cross-Connection Control Policy
8.20.010.01 Purpose
8.20.010.02 Responsibility
8.20.010.03 Definitions
8.20.010.04 Water System
8.20.010.05 Prevention of Contamination
8.20.010.06 Conditions for Providing Service
8.20.010.07 Customer Notification
8.20.010.08 Discontinuation of Water Service for Non-Compliance
8.20.010.09 Implementation of the Cross-Connection Control Policy
8.20.010.10 User Supervisor

Section 8.20.010
Cross-Connection Control Policy

8.20.010.01 Purpose

The purpose of this policy is to:

A. To protect the public potable water supply from the possibility of contamination or pollution by containing within the consumer's internal distribution system(s) or the consumer's private water system(s) such contaminants or pollutants which could backflow into the public water systems; and,

B. To promote the elimination or control of existing cross-connections, actual and/or potential, between the consumer's internal potable water system(s) and non-potable water system(s), plumbing fixtures and industrial piping systems; and,

C. To provide for the maintenance of a continuing Cross-Connection Control (CCC) Program which will systematically and effectively prevent the contamination or pollution of the potable water system.

8.20.010.02 Responsibility

A. The Purveyor shall be responsible for the protection of the public potable water distribution system from contamination or pollution due to the backflow of contaminants or pollutants through the water service connection. If, in the judgment of the Purveyor an approved backflow prevention assembly is required at the consumer's water service connection for the safety of the water system, Purveyor or their designated agent shall give notice in writing to said consumer to install such an approved backflow prevention assembly(s) at a specific location(s) on the consumer's premises.

B. The consumer shall install such an approved backflow prevention assembly(s) at the consumer's own expense in the time frame specified in the CCC Program; and failure, refusal or inability on the part of the consumer to install, have tested and maintained said assembly(s), shall constitute grounds for discontinuing water service to the premises until such requirements have been satisfactorily met.

C. The Cross-Connection Control Program Coordinator (CCCPC) of the Purveyor is authorized to implement, and shall oversee, a Backflow/Cross-Connection Control Program consistent with the intent of this Article, California Department of Public Health (CDPH), the SWRCB Regulations, California Code of Regulations (CCR), and any other applicable laws.

8.20.010.03 Definitions

Unless otherwise defined, all terms used in this Policy pertaining to cross-connection control have the same definitions as those contained in the Cross-Connection Control Policy Handbook (CCCPH). For purposes of this policy, reference Section 8.02.010 for definitions.

8.20.010.04 Water System

A. The water system shall be considered as made up of two parts: Purveyor's System and the Consumer's System.

B. Purveyor's System shall consist of the source facilities and the distribution system; and shall include all those facilities of the water system under the complete control of the utility, up to the point where the consumer's system begins (meter).

1. The source shall include all components of the facilities utilized in the production, treatment, storage, and delivery of water to the distribution system.

2. The distribution system shall include the network of conduits used for the delivery of water from the source to the consumer's system.

C. The Consumer's System shall include those parts of the facilities beyond the termination of the water supplier's distribution system which are utilized in conveying potable water to points of use.

8.20.010.05 Prevention of Contamination

A. The Consumer's plumbing system, starting from the termination of the Purveyor's water service pipe, shall be considered a potential high-health hazard requiring the isolation of the Consumer's premises by an approved, Consumer-installed and maintained reduced-pressure principle backflow assembly (RP) or reduced-pressure detector assembly (RPDA). The RP or RPDA shall be located at the end of the Purveyor's water service pipe (i.e., immediately downstream of the meter). Water shall only be supplied to the Consumer through an approved, customer-installed and maintained RP or RPDA.

B. No water service connection to any premise shall be installed or maintained by the Purveyor unless the water supply is protected as required by Purveyor rules and regulations and this policy.

C. Service of water to any premises shall be discontinued by the Purveyor if a backflow prevention assembly required is not installed, tested and maintained, or if it is found that a backflow prevention assembly has been removed, bypassed, or if an unprotected cross-connection exists on the premises. Service will not be restored until such conditions or defects are corrected.

D. The consumer's system should be open for inspection at all reasonable times to authorized representatives of the Purveyor to determine whether unprotected cross-connections or other structural or sanitary hazards, including violations of these regulations, exist. When such a condition becomes known, the Purveyor shall lock, deny, or immediately discontinue service to the premises by providing for a physical break in the service line until the consumer has corrected the condition(s) in conformance with the Purveyor CCC Program.

E. Notwithstanding the aforesaid, the Purveyor, upon an assessment of the risk of contamination posed by the Consumer's plumbing system and use of water, may allow:

1. A single-family or duplex residential consumer to connect directly to the water service pipe, i.e., without a purveyor-approved DC or RP.

2. Any Consumer other than a single-family or duplex residential customer, as a minimum, to be supplied through an approved, Consumer-installed and maintained double-check valve assembly (DC) or double-check detector assembly (DCDA).

8.20.010.06 <u>Conditions for Providing Service</u>

Water service is provided based on the following terms and limitations:

A. The Consumer agrees to take all measures necessary to prevent the contamination of the plumbing system within their premises and the Purveyor's distribution system that may occur from backflow through a cross connection. These measures shall include the prevention of backflow under any backpressure or backsiphonage condition, including the disruption of the water supply from the Purveyor's system that may occur during routine system maintenance or during emergency conditions, such as a water main break.

B. The Consumer agrees to install, operate, and maintain at all times their plumbing system in compliance with the current edition of the California Plumbing Code (CPC) having jurisdiction as it pertains to the prevention of contamination and protection from thermal expansion, due to a closed system that could occur with the present or future installation of backflow preventers on the customer's service and/or at plumbing fixtures.

C. For cross-connection control or other public health-related surveys, the Consumer agrees to provide for the Purveyor's employees or agents free access to all parts of the premises during reasonable working hours of the day for routine surveys and at all times during emergencies.

1. Where agreement for free access for the Purveyor's survey is denied, the Purveyor may supply water service provided that premises containment is provided through an approved reduced-pressure principle backflow assembly (RP).

D. The Consumer agrees to install all backflow prevention assemblies requested by the Purveyor and to maintain those assemblies in good working order. The assemblies shall be of a type, size, and make approved and acceptable to the Purveyor. The assemblies shall be installed in accordance with the recommendations given in the most recently adopted CCR editions of the CPC, of the CCCPH, current manufacturer standards, and per the Purveyor's construction standards and specifications.

An approved backflow prevention assembly shall be installed on each service line to a Consumer's water system at or near the property line or immediately inside the building being served, but in all cases, before the first branch line leading off the service line, wherever the following conditions exist:

1. In the case of premises having an auxiliary water supply which is not or may not be of safe bacteriological or chemical quality and which is not acceptable as an additional source by the Purveyor, the public water system shall be protected against backflow from the premises by installing an approved backflow prevention assembly in the service line as specified in the CCC Program.

3. In the case of premises on which any industrial fluids or any other objectionable substance is handled in such a fashion as to create an actual or potential hazard to the public water system, the public system shall be protected against backflow from the premises by installing an approved backflow prevention assembly in the service line as specified in the CCC Program. This shall include the handling of process waters and waters originating from the water supplier's system which have been subject to deterioration in quality.

4. In the case of premises having (1) internal cross-connections that cannot be permanently corrected or protected against, or (2) intricate plumbing and piping arrangements or where entry to all portions of the premises is not readily accessible for inspection purposes, making it impracticable or impossible to ascertain whether or not dangerous cross-connections exist, the public water system shall be protected against backflow from the premises by installing an approved backflow prevention assembly in the service line as specified in the CCC Program.

5. The Consumer agrees to have all assemblies (e.g., RPs and/or DCs) that the Purveyor relies upon to protect the public

water distribution system tested upon installation, after repair, and after relocation.

6. Have all testing done by a purveyor-approved and currently certified Backflow Prevention Assembly Tester (BPAT).

7. Have the RP or DC tested in accordance with approved test procedures.

8. Submit to the Purveyor the results of the test(s) on Purveyor-supplied test report forms within the time period specified by the Purveyor, and

9. Comply with annual testing requirements and test procedures which is performed by the purveyor. The cost of the backflow test shall be borne by the Consumer.

E. The Consumer agrees to bear all costs for the aforementioned installation, testing, repair, maintenance and replacement of the RP, RPDA, DC or DCDA installed to protect the Purveyor's distribution system.

F. At the time of application for service, the Consumer agrees to submit a plumbing plan to the purveyor. The purveyor's certified cross-connection control specialist (CCCS) conducts the cross-connection control survey of the premises.

1. The cross-connection control survey shall assess the cross-connection hazards and list the backflow preventers provided within the premises. The survey must be completed before the Purveyor turns on water service to a new Consumer. The cost of the survey shall be borne by the Consumer.

G. For Consumers other than single-family residential, when required by the Purveyor, the Consumer agrees to periodically participate in a cross-connection control re-survey of the premises performed by the Purveyor. The Purveyor may require the re-survey to be performed in response to changes in the Consumer's plumbing or water use, or performed periodically (annually or less frequently) where the Purveyor considers the Consumer's plumbing system to be complex or subject to frequent changes in water use. The cost of the re-survey shall be borne by the Consumer.

H. Within 30 days of a request by the Purveyor, a residential Consumer shall agree to complete and submit to the Purveyor a "Cross Connection Survey" 500for the purpose of surveying the health hazard posed by the Consumer's plumbing system on the Purveyor's distribution system. Further, the residential Consumer agrees to cooperate with the Purveyor to schedule and coordinate a survey within 30 days of a request. The Purveyor's certified CCCS will perform the survey.

I. The Consumer agrees to obtain prior approval from the Purveyor for all changes in water use, and alterations and additions to the plumbing system, and shall comply with any additional requirements imposed by the Purveyor for cross-connection control.

J. The Consumer agrees to immediately notify the Purveyor and the local health jurisdiction of any backflow incident occurring within the customer's premises (i.e., entry of any contaminant/pollutant into the drinking water) and shall cooperate fully with the Purveyor to determine the reason for the backflow incident.

K. The Consumer acknowledges the right of the Purveyor to discontinue the water supply within 72 hours of giving notice to the Consumer, or a lesser period of time if required to protect public health, if the Consumer fails to cooperate with the Purveyor in the survey of premises, in the installation, maintenance, repair, inspection, or testing of backflow prevention assemblies or air gaps required by the Purveyor, or in the Purveyor's effort to contain a contaminant or pollutant that is detected in the Consumer's system.

1. Without limiting the generality of the foregoing, in lieu of discontinuing water service, the Purveyor may install an RP on the service pipe to provide premises containment, and recover all costs for the installation and subsequent maintenance and repair of the assembly, appurtenances, and enclosure from the customer as fees and charges for water. The failure of the Consumer to pay these fees and charges may result in termination of water service per the Purveyor's water billing policies.

L. Where the Purveyor imposes mandatory premises containment in compliance with CCCPH regulations or agrees to the Consumer's voluntary premises containment through the installation of an RP immediately downstream of the Purveyor's water meter, the Consumer acknowledges their obligation to comply with the other cross-connection control regulations having jurisdiction (i.e., California Plumbing Code). Although the Purveyor's requirements for installation, testing, and repair of backflow assemblies may be limited to the AGs, DCs, and RPs used for premises containment, the Consumer agrees to the other terms herein as a condition of allowing a direct connection to the Purveyor's service pipe.

M. The Consumer agrees to indemnify and hold harmless the Purveyor for all contamination of the Consumer's plumbing system or the Purveyor's distribution system that results from an unprotected or inadequately protected cross connection within the Consumer's premises. This indemnification shall pertain to all backflow conditions that may arise from the Purveyor's suspension of water supply or reduction of water pressure, recognizing that the air gap separation otherwise required would require the Consumer to provide adequate facilities to collect, store, and pump water for their premises.

N. The Consumer agrees that, in the event legal action is required and commenced between the Purveyor and the Consumer to enforce the terms and conditions herein, the substantially prevailing party shall be entitled to reimbursement of all incurred costs and expenses including, but not limited to, reasonable attorney's fees as determined by the Court.

O. The Consumer acknowledges that the Purveyor's survey of a Consumer 's premises is for the sole purpose of establishing the Purveyor's minimum requirements for the protection of the public water supply system, commensurate with the Purveyor's assessment of the degree of hazard.

P. It shall not be assumed by the Consumer or any regulatory agency that the Purveyor's survey, requirements for the installation of backflow prevention assemblies, lack of requirements for the installation of backflow prevention assemblies, or other actions by the Purveyor's personnel constitute an approval of the Consumer's plumbing system or an assurance to the Consumer of the absence of cross connections therein.

Q. The Consumer acknowledges the right of the Purveyor, in keeping with changes to California State regulations, industry standards, or the Purveyor's risk management policies, to impose retroactive requirements for additional cross-connection control measures.

R. The SWRCB, and Purveyor may, at their discretion, require a water user to designate a user to designate a user supervisor when the user premises has a multi-piping system that conveys various types of fluids and where changes in the piping system are frequently made.

A. The Purveyor will record the Consumer's agreement to the above terms for service on a "Water Service Connection Application," "Application for Change of Water Service," or other such form prepared by the Purveyor and signed by the Consumer.

8.20.10.07 <u>Customer Notification</u>

A. The District will notify the water user of the survey findings, listing corrective action to be taken if required. A period of thirty (30) days will be given to complete all corrective action required including installation of backflow prevention assemblies.

B. A second notice will be sent to each water user which does not take the required corrective action prescribed in the first notice within the thirty (30) day period allowed. The second notice will give the water user a second thirty (30) day period to take the required corrective action.

C. If no action is taken within the second thirty (30) day period, a final notice will be sent sixty (60) days after the original notice. The customer has fifteen (15) days from the day of the final notice to repair or request an extension.

D. If the Consumer does not comply, service will be discontinued and the Consumer will be required to pay appropriate unlock fees and repair the backflow to reestablish service.

8.20.010.08 Discontinuation of Water Service for Non-Compliance

A. The District will make reasonable effort to advise water user of intent to terminate water service.

B. If corrective measures are not made by the user, the District will terminate water supply and lock service valve. The water service will remain inactive until correction of violations has been approved by the District.

8.20.010.09 Implementation of the Cross-Connection Control Policy

A. The Purveyor will designate at least one individual as the Cross-Connection Control Program Coordinator (CCCPC) to develop, implement and be in responsible charge of the Water System's cross-connection control program.

B. The Purveyor, under the direction of the aforementioned CCCPC, will prepare a written cross-connection control program plan to implement the requirements of this policy. The written plan shall be consistent with this policy and shall comply with the requirements of the CCCPH.

C. The Purveyor will use the most recently published editions of the following publications as references and technical aids:

1. *M-14 Backflow Prevention and Cross-Connection Control Recommended Practices,* published by the American Water Works Association, or latest edition thereof.
2. *Manual of Cross-Connection Control,* published by the Foundation for Cross- Connection Control and Hydraulic Research, University of Southern California, or latest edition thereof.

D. The Purveyor, in consultation with the aforementioned CCCPC, shall have the authority to make reasonable decisions related to cross connections in cases and situations not provided for in the policy or written plan.

E. If any provision in this policy, or in the written cross-connection control program, is found to be less stringent than or inconsistent with the CCCPH, or other California state statutes or rules, the more stringent state statute, rule, or regulation shall apply.

F. As required by the CCCPH, Rainbow Municipal Water District prepared and submitted its Cross-Connection Control Program Plan

(CCCPP) for the Rainbow Municipal Water District Water System to the State Water Resources Control Board. The CCCPP was adopted via Resolution No. 2025-07 and is hereby incorporated by reference.

8.20.010.10 <u>User Supervisor</u>

At each premises, a "User Supervisor" shall be designated by and at the expense of the water user. If no User Supervisor is appointed, the customer shall be considered the same. This User Supervisor shall be responsible for the monitoring of the backflow prevention assemblies and for the avoidance of cross-connections. In the event of contamination or pollution of the drinking water system due to a cross-connection on the premises, the District shall be promptly notified by the User Supervisor so that appropriate measures may be taken to overcome the contamination. The water user shall inform the District of the User Supervisor's identity on, as a minimum, an annual basis and whenever a change occurs.

Chapter 8.21
PRESSURE

Sections:

8.21.010 Pressure

Section 8.21.010
Pressure

At the time a meter application is first received, the District will inform each Customer as to the expected range of pressures at which water maybe delivered to the Customer. The Customer shall have the sole responsibility of installing pressure regulators to reduce the water pressure of water served by the District to that pressure desired by the Customer. All pressure regulators hereinafter acquired by a Customer shall be at the Customer's expense and shall be installed on the Customer's side of the meter by the Customer, or by their duly authorized agent. Customers in areas with pressure greater than 150 psi must sign a high water pressure agreement that is recorded on the property. Customers in areas with pressure less than 20 psi must sign a low water pressure agreement that is recorded on the property. The Customer shall have the sole responsibility of installing a booster bump to deliver water to their property.

Chapter 8.22
SCHEDULES, TARIFFS OR LISTS

Sections:

8.22.010 Schedules, Tariffs or Lists

Section 8.22.010
Schedules, Tariffs or Lists

The Board of Directors, by motion or resolution may approve one or more schedules, tariffs or lists, setting forth the water rates, service connection charges, or other charges to be made by the District for water service or for property and labor furnished by the District, which shall agree with and not conflict with the Ordinances of the District. Said schedules, tariffs or lists become appendices to these Rules and Regulations and shall go into effect on the date set at their adoption by the Board, and shall establish the charges to be paid by the Customer to the District.

Chapter 8.23
ACCESS TO PREMISES

Sections:

8.23.010 Access to Premises

Section 8.23.010
Access to Premises

Inspectors, supervisors, and employees of the District, whose duty it may be to enter upon private premises to make inspection, examination, and tests of pipes, fixtures, or attachments used in connection with the water supply, shall be provided with credentials to identify them as authorized agents of the District. Any authorized employee of the District shall, upon presentation of their credentials, have access at all reasonable hours to any premises supplied with water for the purpose of making an inspection, examination or tests of the entire water system upon said premises. In case any authorized employee is refused admittance to any premises, of being admitted is hindered or prevented from making such inspection, examination, or tests, the District may discontinue water service to said premises after giving twenty-four (24) hours notice to the Owner or occupant of said premises of the intention to do so.

Chapter 8.24
GENERAL

Sections:

8.24.010 Waiver or Modification
8.24.020 Amendment
8.24.030 Availability

Section 8.24.010
Waiver or Modification

No officer, agent or employee of the District has any authority to alter, change, amend, waive or add to any of these Rules and Regulations.

Section 8.24.020
Amendment

These Rules and Regulations may be repealed and amended, or new rules and regulations adopted, at the pleasure of the Board of Directors.

Section 8.24.030
Availability

These Rules and Regulations shall be available in the office of the District and, at any time any application for service is received by the District, a copy of said Rules and Regulations shall be delivered to said Applicant, and said Applicant acknowledges receipt thereof in signing the application for service.

Chapter 8.25
INSPECTION

Sections:

8.25.010 Inspection

Section 8.25.010
Inspection

The General Manager or their designee shall have the right to enter upon the Customer's premises during reasonable hours for the purpose of inspecting the Customer's water system to insure compliance with these rules and regulations, including the provision that all cross connections are properly protected.

Chapter 8.26
SEVERABILITY

Sections:

8.26.010 Severability

Section 8.26.010
Severability

If any section, subsection, sentence, clause or phrase of these rules and regulations is for any reason held to be invalid or unconstitutional, such decision shall not affect the remaining portions of these rules and regulations if the remaining portions can be reasonably interpreted to carry out the intent of the Board. In such instances, the Board declares that it would have passed these rules and regulations without the invalid or unconstitutional section, subsection, clause or phrase thereof.

Chapter 8.27
PENALTIES

Sections:

8.27.010 Penalties

Section 8.27.010
Penalties

Any person, firm, corporation, association or agency found to be violating any provision of these rules and regulations shall be served by the District with written notice stating the nature of the violation and providing a reasonable time limit for the satisfactory correction thereof. The offender shall, within the period of time stated in such notice, permanently cease all violations. This provision is in addition to and not by way of derogation of any other remedies or procedures available to the District by law, regulation or pursuant to any of the provisions of these rules and regulations.

Chapter 8.28
JUDICIAL REVIEW

Sections:

8.28.010 Judicial Review

Section 8.28.010
Judicial Review

Judicial review of any decision of the District, its Board, General Manager or employee may be pursuant to Section 1094.5 of the California Code of Civil Procedure only if a petition for a writ of mandate is filed within the time limits specified in Section 1094.6 of the California Code of Civil Procedure.

Chapter 8.29
WATER CONSERVATION REQUIREMENTS

Sections:

8.29.010 Water Conservation Requirements
8.29.020 Indoor Fixtures and Appliances
8.29.030 Landscape Requirements
8.29.040 Local Supply Use Requirements
8.29.050 Compliance with Other Regulations
8.29.060 Nonfunctional Turf

Section 8.29.010
Water Conservation Requirements

Conservation and local supply use requirements of this section apply to all new residential and commercial developments or redevelopments. The landscape requirements also apply to any re-landscaping that is subject to review by the District and/or the County of San Diego.

Section 8.29.020
Indoor Fixtures and Appliances

- All water fixtures and appliances installed must be high-efficiency. "High-efficiency" means fixtures and appliances that comply with the most efficient specifications under the EPA WaterSense or Energy Star programs, as in effect at the time of installation commences.

Section 8.29.030
Landscape Requirements

8.29.030.01 All landscapes must be designed and managed consistent with requirements of the County of San Diego and/or local agency having jurisdiction within which the property is located.

8.29.030.02 Any covenants, Conditions, and Restrictions (CC&Rs) pertaining to a new subdivision/development shall not limit or prohibit the use and maintenance of low water use plant materials and the use of artificial turf and shall require property owners to design and maintain their landscapes consistent with the County's, or applicable local agency having jurisdiction, regulations.

8.29.030.03 Dedicated irrigation meters shall be installed in:

- All parks and common areas with 5,000 square feet or more of irrigated landscape
- Commercial sites with 5,000 square feet or more of irrigated landscape

8.29.030.04 In compliance with the District's Administrative Code Article pressure regulators must be installed when and where appropriate to maximize the life expectancy and efficiency of the irrigation system.

8.29.030.05 New commercial development must install separate, dual-distribution systems for potable and recycled water. Residential development must install recycled water lines to irrigated common areas.

Section 8.29.040
Local Supply Use Requirements

It is the policy of the District that other local sources of water, such as reclaimed water and groundwater, shall be used within its jurisdiction to reduce the demand for imported potable water for any appropriate use when it is economically, financially, and technically feasible and consistent with legal requirements preservation of public health, safety and welfare and the environment.

Section 8.29.050
Compliance with Other Regulations

The requirements of this Section shall not be interpreted in any way to limit the owner's obligation to comply with any other applicable federal, state, or local laws and regulations.

Section 8.29.060
Nonfunctional Turf

The restrictions on the use of potable water for the irrigation of non-functional turf described in this section apply to all new and existing commercial, industrial, and institutional properties (CII), other than cemeteries, and on properties of homeowners' associations, common interest developments, and community service organizations or similar entities. The use of potable water for the irrigation of non-functional turf is prohibited as of the following dates:

1. All properties owned by the California Department of General Services, beginning January 1, 2027.
2. All properties owned by local governments, local or regional public agencies, and public water systems, except those specified in paragraph (5), beginning January 1, 2027.
3. All other institutional properties and all commercial and industrial properties, beginning January 1, 2028.
4. All common areas of properties of homeowners' associations, common interest developments, and community service organizations or similar entities, beginning January 1, 2029.
5. All properties owned by local governments, local public agencies, and public water systems in a disadvantaged community, beginning January 1, 2031, or the date upon which a state funding source is made available to fund conversion of nonfunctional turf on these properties to climate-appropriate landscapes, whichever is later.

8.29.060.01
Exemptions

The use of potable water is not prohibited by this section to the extent necessary to ensure the health of trees and other perennial non-turf plantings, or to the extent necessary to address an immediate health and safety need.

1. The board may, upon a showing of good cause for reasons including economic hardship, critical business need, and potential impacts to human health or safety, postpone a compliance deadline in subdivision (a) by up to three years for certain persons, institutions, and businesses, and may create a form to be used for compliance certification to the board by property owners.
2. Special Watering Needs: Turf areas that are part of environmental mitigation efforts, such as fire prevention and mudflow abatement.
3. Single-family homes and turf areas irrigated with recycled water are excluded from the requirements of California Water Code Section 10608.14 and are not required to comply.

8.29.060.02
Prohibition on Installation of Nonfunctional Turf

Nonfunctional turf shall not be installed at any new or existing commercial, industrial, and institutional (CII) properties, including common areas of Homeowners' Association (HOA) properties and common interest development properties.

8.29.060.03
Replacement of Nonfunctional Turf

Nonfunctional turf that is recycled or removed from CII properties and common areas of HOAs shall be replaced within two years with living trees and climate-appropriate non-turf plants that cover a minimum of 50% of the landscape area.

8.29.060.04
District Assistance

The District shall provide educational resources and technical assistance to covered entities regarding compliance with California Water Code Section 10608.14 and Section 8.29.060 of the Administrative Code.

8.29.060.05
Compliance and Administration

The general manager, or designee, is authorized to develop forms, procedures, and other administrative requirements necessary to implement and enforce this section.

8.29.060.06
Definitions

The definitions in this sub-section shall be used to interpret this Section, unless otherwise apparent from the context.

Common Area: A portion of a common interest development or of a property owned or managed by a homeowners' association, a community service organization, or a similar entity that is not assigned or allocated to the exclusive use of the occupants of an individual dwelling unit within the property.

Common Interest Development: defined as any of the following:

- A community apartment project
- A condominium project
- A planned development
- A stock cooperative

Community Service Organization: A nonprofit or similar entity, other than an association, that is organized to provide services to residents of the common interest development or to the public in addition to the residents, to the extent community common area or facilities are available to the public. "Community service organization or similar entity" does not include an entity that has been organized solely to raise money and contribute to other nonprofit organizations that are qualified as tax exempt under Section 501(c)(3) of the Internal Revenue Code and that provide housing or housing assistance.

Community space: An area designated by a property owner or a governmental agency to accommodate human foot traffic for civic, ceremonial, or other community events or social gatherings.

Disadvantaged Community: A community with an annual median household income that is less than 80 percent of the statewide annual median household income.

Functional Turf: A ground cover surface of turf located in a recreational use area or community space. Turf enclosed by fencing or other barriers to permanently preclude human access for recreation or assembly is not functional turf.

Homeowners' Association: A corporation or unincorporated association created for the purpose of managing a common interest development.

Institutional Property: A water user dedicated to public service. This type of user includes, among other users, higher education institutions, schools, churches, hospitals, government facilities, and nonprofit research institutions.

Nonfunctional Turf: Any turf that is not functional turf, and includes turf located within street rights-of-way and parking lots.

Potable water: Water that is suitable for human consumption.

Recreational use area: An area designated by a property owner or a governmental agency to accommodate human foot traffic for recreation, including, but not limited to, sports fields, golf courses, playgrounds, picnic grounds, or pet exercise areas. This recreation may be either formal or informal.

Recycled: Ground material that is sheet mulched, composted, tilled in, or decomposed on site.

Chapter 8.30
LEAK POLICY

Sections:

8.30.010 Leak Policy
8.30.020 Criteria and Procedure
8.30.030 Temporary Policy Suspension

Section 8.30.010
Leak Policy

A courtesy leak adjustment on water used is available to customers who experience above average water consumption due to leaks. The leak adjustments will be limited to 2 billing periods and will also be limited to one adjustment every 60 months. The 60-month period begins the first month of the billing period following the last billing period for which the loss of water adjustment was prepared.

Section 8.30.020
Criteria and Procedure

a) A leak appeal form must be properly completed by the customer and submitted with original repair receipts within 30 days of the statement date of an affected bill.

b) The customer has to have taken reasonable attempts to mitigate the leak.

c) An adjustment will be considered if the water consumption for the billing period(s) appealed by the customer is at least 50% more than the property's monthly average corresponding seasonal water consumption, as evidenced by the historical water consumption available for the property.

   i. If the previous historical consumption for the corresponding season is not present, then the consumption must be at least 50% more than the property's historical average consumption.

d) The repair must be completed within 30 days of the statement date of an affected bill.

e) The adjustment will only be applied to the water consumption rate charge and the variable pumping charge. Adjustments will not be applied to other fixed or variable charges such as; RMWD O&M charge, backflow, fixed pumping or sewer charges.

f) The value of the adjustment will be determined by applying the wholesale rate to all usage above 10 units.

g) No adjustment shall exceed $750. Should the value of the adjustment exceed $750, the customer may submit additional information for consideration by the District's Communications and Customer Service Committee who will review this information and make a recommendation to the District's Board of Directors to consider a variance from this policy.

Section 8.30.030
Temporary Policy Suspension

Should a customer be impacted by a large-scale disaster the Board has the right to temporarily suspend this policy.

Title 9
SEWER

Chapters:

9.01 General Provisions
9.02 Definitions
9.03 Use of Public Sewers
9.04 Size, Location and Installation of Laterals
9.05 Sewer Permits
9.06 Sewer Service Charges and Fees
9.07 Equivalent Dwelling Units Established
9.08 Quality of Sewage
9.09 Waste Flow Pre-Treatment
9.10 Industrial Permits
9.11 Entry Upon Private Property to Enforce Provisions
9.12 Grease, Oil and Sand Interceptors
9.13 Users Outside of District
9.14 Implementation of Provisions
9.15 Challenges to Provisions
9.16 Revocation or Suspension of Permits
9.17 Violation-Responsibility for Loss or Damage
9.18 Enforcement Measures in Case of Delinquency

Chapter 9.01
GENERAL PROVISIONS

Sections:

9.01.010 Policy
9.01.020 Limitations on Powers to Serve

Section 9.01.010
Policy

The general policy of the District is to furnish sewer service to properties within its boundaries, provided it has facilities, capacity, funds and financing for the providing of such service and it is reasonably able to do so. The District does not make land use or zoning decisions. Such decisions are the responsibility of other units of government.

Section 9.01.020
Limitations on Powers to Serve

The District is a public agency formed pursuant to the Municipal Water District Law of 1911, as amended. It is subject to the provisions of that law, as well as other state and federal statues, such as the California Environmental Quality Act, and state and federal regulations, such as those issued by the Environmental Protection Agency and the Regional Water Quality Control Board. The providing of sewer service by the District is subject to all applicable laws and regulations. Any District agreement or commitment to serve is subject to, and subordinated to, any future such lawful conditions.

Chapter 9.02
DEFINITIONS

Sections:

9.02.010	**Applicant**
9.02.020	**Board of Directors**
9.02.030	**BOD**
9.02.040	**Connection Fee**
9.02.050	**Customer**
9.02.060	**District**
9.02.070	**District Representative**
9.02.080	**Domestic Sewage**
9.02.090	**Equivalent Dwelling Unit or EDU**
9.02.100	**Granny Unit/Casita/Guest House**
9.02.110	**Improvement District**
9.02.120	**Industrial Waste**
9.02.130	**Industrial Waste Treatment Facility**
9.02.140	**Lateral Connection**
9.02.150	**Lateral Sewer**
9.02.160	**Main Sewer**
9.02.170	**Manager**
9.02.180	**Non-reclaimable Sewage**
9.02.190	**Permit**
9.02.200	**Pre-Treatment**
9.02.210	**Property Owner or Owner**
9.02.220	**Reclaimable Sewage**
9.02.230	**SS**
9.02.240	**Security Deposit**
9.02.250	**Sewer Capacity Fee**
9.02.260	**Sewerage Facilities**
9.02.270	**Sewer Service Charge**
9.02.280	**Surcharge**
9.02.290	**Trunk Sewers**

Section 9.02.010
Applicant

Applicant: Any person, firm, corporation, association or agency that desires to obtain service from the District by means of its sewerage facilities.

Section 9.02.020
Board of Directors

Board of Directors: The governing body of the Rainbow Municipal Water District.

Section 9.02.030
BOD

BOD: Denotes the unit of measurement of biochemical oxygen demand and means quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedures for five days at twenty degrees Celsius expressed in milligrams per liter.

Section 9.02.040
Connection Fee

Connection Fee: That fee paid to the District for Water and Wastewater Capacity in the District's collection, treatment and disposal facilities. It may be referred to as "capacity fee" or "impact fee".

Section 9.02.050
Customer

Customer: Any person, firm, corporation, association or agency that uses service from the District by means of its sewerage facilities.

Section 9.02.060
District

District: The Rainbow Municipal Water District.

Section 9.02.070
District Representative

District Representative: General Manager or their designee.

Section 9.02.080
Domestic Sewage

Domestic Sewage: Water-borne wastes derived from the ordinary living processes which are of such volume and character as to permit satisfactory disposal by the District's facilities, except any such liquid or substances as are hereinafter precluded from being delivered or deposited in any facilities of the District.

Section 9.02.090
Equivalent Dwelling Unit or EDU

Equivalent Dwelling Unit or EDU: An increment of wastewater flow attributable to the average single-family residence in the District. One EDU is equal to a house discharging no more than 180 gpd of dry weather sewage having concentrations of no more than 200 milligrams per liter (mg/l) biochemical oxygen demand and 200 mg/l suspended solids.

Section 9.02.100
Granny Unit/Casita/Guest House

Granny Unit/Casita/Guest House: A separate building located on a residential parcel consisting of no more than one bedroom and one bathroom. The bedroom will be included in the determination of EDU's for the parcel in question. Kitchens are allowed in Granny Units/Casitas/Guest Houses.

Section 9.02.110
Improvement District

Improvement District: Any of the improvement Districts of the District heretofore or hereafter formed.

Section 9.02.120
Industrial Waste

Industrial Waste: Any liquid or solid waste substance other than domestic sewage, from any producing, manufacturing or processing operation of any nature.

Section 9.02.130
Industrial Waste Treatment Facility

Industrial Waste Treatment Facility: Any works or devices for the treatment of industrial waste prior to its discharge into the District's sewerage facilities.

Section 9.02.140
Lateral Connection

Lateral Connection: The connection of the District's main sewer to the building or improvements of the applicant, owner or customer.

Section 9.02.150
Lateral Sewer

Lateral Sewer: The line from the connection of the District's main sewer to the building or improvements of the applicant, owner or customer.

Section 9.02.160
Main Sewer

Main Sewer: The sewer collector line of the District to which lateral sewer lines may be connected.

Section 9.02.170
Manager

Manager: The General Manager of the District or the person authorized to act on their behalf.

Section 9.02.180
Non-reclaimable Sewage

Non-reclaimable Sewage: Any liquid or solid waste substance other than reclaimable sewage emanating from within the District, including but not limited to industrial waste. It shall not include: any substance which cannot be treated or disposed of by the existing facilities of the District by reason of the design thereof, applicable waste discharge or other requirements; actual or possible increased operation and maintenance costs, or possible damage to District facilities.

Section 9.02.190
Permit

Permit: A permit for sewer connection.

Section 9.02.200
Pre-Treatment

Pre-treatment: Treatment which the District may require prior to permitting discharge of sewage into the District's sewerage facilities to insure compliance with these rules and regulations and applicable federal or State statutes, regulations, contracts. or all of the foregoing, individually or collectively, or if determined by the District to be necessary to protect the facilities of the District from any possible present or future damage.

Section 9.02.210
Property Owner or Owner

Property Owner or Owner: The holder of legal title.

Section 9.02.220
Reclaimable Sewage

Reclaimable sewage: Wastewater which can be treated and reclaimed by the District's facilities so as to be usable for some beneficial purpose. Nothing in this Administrative Code is intended to limit or be inconsistent with Division 104, Part 12, Chapter 5, Article 1 of the California Health & Safety Code relating to residential water softening or conditioning appliances.

Section 9.02.230
SS

SS: Suspended Solids.

Section 9.02.240
Security Deposit

Security Deposit: Monies required to be deposited with the District for the purpose of guaranteeing payment of District charges.

Section 9.02.250
Sewer Capacity Fee

Sewer Capacity Fee: A charge imposed by the District for obtaining sewer service from the District by means of its sewerage facilities. Also see "Connection Fee."

Section 9.02.260
Sewerage Facilities

Sewerage Facilities: Any facilities owned or used by the District in the collection, transportation, treatment, disposal and reclamation of sewage and industrial wastes.

Section 9.02.270
Sewer Service Charge

Sewer Service Charge: A monthly charge established by the District from time to time for sewer service.

To ensure fairness to all customers, any convenience fee, surcharge, or processing fee associated with the use of a credit card, debit card, or other electronic payment method for payment of monthly service bills shall be borne by the customer choosing that payment method.

Section 9.02.280
Surcharge

Surcharge: A charge imposed by the District for the provision of a special service not normally provided by the District, such as situations involving unusual quantity or quality requirements.

Section 9.02.290
Trunk Sewers

Trunk Sewers: The main interceptor sewer line of the District to which there are no connections other than main line sewers to a manhole.

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District Representative: General Manager or their designee.

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Permit: A permit for sewer connection.

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Pre-treatment: Treatment which the District may require prior to permitting discharge of sewage into the District's sewerage facilities to insure compliance with these rules and regulations and applicable federal or State statutes, regulations, contracts. or all of the foregoing, individually or collectively, or if determined by the District to be necessary to protect the facilities of the District from any possible present or future damage.

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Property Owner or Owner: The holder of legal title.

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Sewer Capacity Fee: A charge imposed by the District for obtaining sewer service from the District by means of its sewerage facilities. Also see "Connection Fee."

Section 9.02.260
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Sewerage Facilities: Any facilities owned or used by the District in the collection, transportation, treatment, disposal and reclamation of sewage and industrial wastes.

Section 9.02.270
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Sewer Service Charge: A monthly charge established by the District from time to time for sewer service.

Section 9.02.280
Surcharge

Surcharge: A charge imposed by the District for the provision of a special service not normally provided by the District, such as situations involving unusual quantity or quality requirements.

Section 9.02.290
Trunk Sewers

Trunk Sewers: The main interceptor sewer line of the District to which there are no connections other than main line sewers to a manhole.

Chapter 9.03
USE OF PUBLIC SEWERS

Sections:

9.03.010 Policy
9.03.020 Conditions of Service

Section 9.03.010
Policy

Upon issuance of a permit and connection to the District's sewerage facilities, sewer service will be provided by the District. Service shall be available only in accordance with the District's rules and regulations, as well as applicable federal and state statutes, contracts and regulations, and the terms of the permit and of any agreement with applicant, owner or customer.

Section 9.03.020
Conditions of Service

Sewer service shall be subject to the following conditions:

9.03.020.01 Applicant, owner and customer shall adhere to requirements prescribed by these rules and regulations and to any additional requirements prescribed by the Manager or by the Board, or both, to ensure compliance with the District's rules and regulations as to the quality and quantity of sewage which the District is willing to receive into its facilities.

9.03.020.02 All fees and charges of the District shall be paid when due. Application for service to any property will be granted only if all connection fees, service charges, charges, delinquent bills, and penalties due and charged to or against said property by District are paid; and if the service application was signed by the then owner of the property. Sewer service fees shall be included in the monthly water bills of the District. The fees and charges of the District are set by separate Ordinance or Resolution and may be changed by the District from time to time.

Chapter 9.04
SIZE, LOCATION AND INSTALLATION OF LATERALS

Sections:

9.04.010 Sewer and Connections
9.04.020 Limitations on Sewer Connections
9.04.030 Relocating Sewer Laterals
9.04.040 Illegal Connections

Section 9.04.010
Sewer and Connections

The District shall determine and specify in the permit: the size, location, and manner of accomplishing the installation of a sewer lateral. The size, slope, alignment, materials of construction of the customers building sewer, and the method to be used in excavating, placing of the pipe, jointing, testing, and backfilling of the trench, shall conform to the District's standard specifications.

Section 9.04.020
Limitations on Sewer Connections

No sewer connection shall be allowed except on the following conditions:

9.04.020.01 A separate and independent sewer lateral shall be provided for every building.

9.04.020.02 A single 'granny unit' will be allowed to connect to the sewer lateral serving the primary residence of the parcel.

9.04.020.03 When a property with a sewer lateral is subdivided, such sewer lateral shall be considered as serving the lot or parcels of land which it directly or first enters.

9.04.020.04 Lots with differing assessors' parcel numbers must have separate sewer laterals. Parcels under the same ownership are still required to have separate laterals.

9.04.020.05 A common private sewer system for residential developments is prohibited for developments in which individuals, such as single unit dwelling units, condominiums, and townhouses own the dwelling units.

Section 9.04.030
Relocating Sewer Laterals

Should a sewer lateral, installed pursuant to the request of the applicant, owner, or customer, be of the wrong size or at a wrong location and not in accordance with approved plans or the District's standard specifications, the cost of all changes required to correct the situation shall be paid by the applicant, owner, or customer. Customer must hire a private contractor with a Class-A general engineering license to make modifications to the sewer lateral per District's standards.

Section 9.04.040
Illegal Connections

No person shall make a connection to facilities of the District without a permit or except as provided in the permit issued by the District. Specifically, but not by way of limitation, no swimming pool drains, roof down-spouts, exterior foundation drains, areaway drains, or other building sewer or building drain which, in turn is connected directly or indirectly to a District sewerage facility. The District may disconnect such connections at the expense of the person responsible for or using such connection. The District may apply a fine for illegal connections.

Chapter 9.05
SEWER PERMITS

Sections:

9.05.010	**Applications for Five (5) or Less Equivalent Dwelling Units (EDUs)**
9.05.020	**Terms of Sewer Application**
9.05.020.01	**Term of Application**
9.05.020.02	**Application Not Transferrable**
9.05.030	**Applications Based on EDU's**
9.05.040	**Determination of EDU's**
9.05.050	**Issuance of Building Permit**
9.05.060	**Septic Tank Conversion**
9.05.070	**Change In Use**
9.05.080	**Sewer Service Commitments of More than Five (5) EDU's; Parcels**
9.05.080.01	**Development Consultation Deposit**
9.05.080.02	**Application for Availability**
9.05.080.03	**Project Facility Availability Forms**
9.05.080.04	**Application for Commitment**
9.05.080.05	**Project Facility Commitment Forms**
9.05.080.06	**Permit for Sewer Connection**
9.05.080.07	**Other Conditions**
9.05.090	**Extension of Facilities**
9.05.090.03	**Satisfaction of Conditions**
9.05.090.05	**Rights of District**

Section 9.05.010
Applications for Five (5) or Less Equivalent Dwelling Units (EDUs)

9.05.010.01 Applications for a permit for sewer connections shall be submitted on a form provided by the District which shall, among other things, require the following information:

9.05.010.01.1 The name, address, and telephone number of the owner of the property for which the application is made.

9.05.010.01.2 The name, address, and telephone number of the property owner's authorized representative, if the application is made by such a representative.

9.05.010.01.3 The address of the property for which the application is made.

9.05.010.01.4 The assessors' parcel number for the parcel.

9.05.010.01.5 The location of the District's nearest sewer system pipeline.

9.05.010.01.6 The applicant's proposed use of the property.

a. Whether the application is for a new building, new use, or for the conversion of the use of an existing building.

b. Whether the application is for a change in the use of property for which a connection to a District's sewer system exists.

9.05.010.01.7 The Land Use: Single Family Dwelling, Multiple Dwelling, Restaurant, Commercial, Industrial, or other.

9.05.010.01.8 The estimated number of units to be served.

Section 9.05.020
Terms of Sewer Application

Applications for sewer connection shall be granted upon completion of an application as set for in Section 9.05.010 and payment of fees to the District based upon the sewer capacity estimated to be required to serve a parcel or parcels (also referred to herein as “connection fees”). The District will establish an account identifying the parcel to record the application and associated payments. The District may use the funds paid under this Section to perform any work required to serve the parcel.

9.05.020.01 Term of Application

Application for sewer connection shall be issued for a term of two (2) years. If no connection is made it shall expire and all rights of the application holder resulting from the issuance of such application shall terminate. The Project Administration Deposit and Water and Wastewater Capacity Fees paid on the application that have expired will be refunded minus administrative costs to the applicant listed on the sewer application. Applicant may submit a formal written request addressed to the General Manager or their designee for a one-time extension of up to six (6) months. For an extension to be considered, any difference in application fees, including but not limited to capacity fees, associated with the application must be paid in full. Approval of extension shall be granted at the sole discretion of the General Manager or their designee. If connection is made prior to the application's expiration, the application will become an authorized sewer permit and shall remain in effect so long as sewer service is required for that parcel. Once a lateral connection is made to the District's facilities and stubbed out to the property, the account is considered active and will incur sewer service changes per District policy.

9.05.020.02 Application Not Transferrable

An application for sewer connection relates to and authorizes a connection to the District's sewer system for a parcel of land and uses specifically set forth in the application. An application may not be transferred to or used for a parcel of land which is not specifically described in the application. An application may not be used for a use not specifically set forth in the application.

If applicant desires to sell the property during the term of the application and transfer the application to the future owner with the same parcel of land and use, the applicant must submit in writing to the District of the transfer. Otherwise, at the expiration of the application for sewer connection, the connection fees minus administrative costs, will be refunded to the applicant. The parcel and use described in the application must be the same and the new owner must complete a new application. The term of the application will remain the same.

Section 9.05.030
Applications Based on EDU's

Applications for sewer connection shall be issued with the amount of connection fee to be paid based on a comparison of the daily volume of wastewater (Q), which will be discharged into the sewer system from the building or buildings for which an application is sought, and the average daily volume of wastewater discharged from a single-family residence in the District (one Equivalent Dwelling Unit). Applications shall be for the number of EDU's, as determined or estimated by the District, to be used on the property.

Section 9.05.040
Determination of EDU's

For classes of non-single family dwelling sewer service for which the volume, Biochemical Oxygen Demand (BOD) and Suspended Solids (SS) in wastewater can be determined by sampling, or based on existing empirical data, a schedule shall be calculated relating the flow and strength of the wastes discharged as a multiple of EDU's.

Section 9.05.050
Issuance of Building Permit

An application shall not expire and need not be renewed if, prior to the date of the expiration of its term, a building permit has been issued by the County of San Diego for the building or buildings described in the District's application and the application holder provides a copy of the building permit to the District. In such case, the District's application shall expire upon the expiration of the building permit if connection is not made to the District's sewer system for the building or buildings described thereon prior to the date of the expiration of the building permit. This subsection does not apply to applications for subdivisions.

Section 9.05.060
Septic Tank Conversion

The holder of an application issued for a sewer connection for an existing building connected to an onsite septic tank or leach field disposal system must complete the connection of such a building to the sewer system within the initial 365-day term of the application, and such an application may not be renewed. Septic tanks removed from service must be properly abandoned per State and County of San Diego standards.

Section 9.05.070
Change in Use

Permits are limited to the type and number of EDU's authorized by the permit to be used on the parcel identified in the permit. If a change in use occurs, including but not limited to, redevelopment, remodeling, enlargement, or new buildings, additional fees, deposits, and charges may be required in an amount set forth by the District per the most current Board-approved Water and Sewer Rates and Charges adopted by ordinance. No parcel of property for which a permit for sewer connection is outstanding shall be used for a use different than the use stated in the permit or which will result in a greater volume of wastewater or in wastewater having a greater concentration of BOD or SS being discharged into District's sewer system unless the owner of such parcel makes application for and is issued a permit for sewer connection for each additional EDU or portion thereof of wastewater flow or each additional EDU based on the increased concentration of BOD or SS in the wastewater which will be discharged from said parcel upon the commencement of such different use.

For any site(s) with an existing or proposed change in use, the District Representative will review the charges that would apply to the current connection and the charges applicable to the expanded connection and collect the incremental difference prior to issuance of District clearance/permit. Capacity fees will be based on the District's fee schedule at the time of expansion, as allowable by law. In addition, the District shall back bill up to four (4) years of the incremental difference in unpaid monthly service charges for any expanded use that has previously occurred, as applicable.

Financing options are available for customers who owe additional capacity fees to the District due to a change in use as follows:

1. Any amounts financed by the District require a signed agreement and Promissory Note. Any amount greater than $10,000 will also require a Trust Deed.

2. Amounts up to $5,000 are eligible for a 12-month repayment plan at no interest.

3. Amounts from $5,000 to $10,000 may have repayment terms of up to two years at the Local Agency Investment Fund (LAIF) interest rate. Interest rate to be re-calculated annually on the anniversary of the financing arrangement.

4. Amounts greater than $10,000 may have repayment terms of up to three years at the LAIF interest rate. Interest rate to be re-calculated annually on the anniversary of the financing arrangement.

5. Liens will not be offered as a method of postponing payment of fees.

Customers incurring back billed monthly service charges for a change in use are eligible for a 12-month repayment plan at no interest or, with General Manager approval, an extended repayment period matching the same time period being back billed (i.e. if four (4) years of monthly charges are being back billed, a payment term of up to four (4) years may be considered). Any delinquent amounts will be transferred to the property tax bill.

Application for permits for sewer connections for new buildings or for existing buildings that are to be remodeled, renovated, or enlarged shall be accompanied by final plans for such a building, remodeling, renovation, or enlargements and a letter or other certification from the Department of Planning and Land Use of the County of San Diego indicating that such plans will be approved for issuance of a building permit upon issuance by the District of an application for sewer connection.

In addition to other statutes or rules authorizing termination of service for delinquency in payment for sewer service, the District may revoke any permit issued pursuant to these regulations. The District may also terminate the sewer or water service to any property, if a violation of any provision of this Article or a permit is found to exist.

Section 9.05.080
Sewer Service Commitments of More than Five EDU's; Parcels

9.05.080.01 Development Consultation Deposit

9.05.080.01.1 Prior to meeting or consulting with District staff regarding development potential, the developer must deposit an amount set forth by the District per the most current Board-approved Fee for Service Schedule adopted by ordinance. The developer may submit a formal written request addressed to the General Manager or their designee for a refund of the deposit balance at which time meetings and consultations with District staff shall cease.

9.05.080.01.2 At the conclusion of two (2) years of project inactivity, deposit balances minus administrative costs shall be refunded to the developer. Developer may submit a formal written request addressed to the General Manager or their designee for an extension of up to one (1) year. An additional deposit may be required. Approval of extension shall be granted at the sole discretion of the General Manager or their designee.

9.05.080.02 Application for Availability

Application for issuance of a Project Facility Availability Forms described in the following section may be submitted to the District on a form approved by the District, and must meet the following conditions, and other conditions as the District may require:

9.05.080.02.1 File with the District a preliminary parcel or subdivision map and such other information as the District may require.

9.05.080.02.2 Pay to the District a non-refundable processing fee in an amount set forth by the District per the most current Board-approved Fee for Service Schedule adopted by ordinance.

9.05.080.03 Project Facility Availability Forms

Upon compliance by applicant with the requirements of the previous paragraphs, and if the District has adequate capacity or expects to have adequate capacity, the District may complete and issue the Project Facility Availability Form or equivalent form to allow processing of a tentative parcel map or tentative subdivision map. The form shall certify that the District has, or expects to have, capacity available to serve the proposed subdivision. The form shall not be a commitment on the part of the District to have or make capacity in the District's sewer system available to the proposed subdivision. No commitment shall be made until a Sewer Service Agreement for sewer connection has been executed and Water and Wastewater Capacity Fees have been paid in accordance with these rules and regulations.

The issuance of a Project Facility Availability Form and processing fee shall have the sole effect of entitling the applicant to be considered along with other applicants for the issuance of permits for sewer connection which the District may issue and shall not create any right or entitlement in the applicant to obtain a permit for sewer connection from the District. The Project Facility Availability Form identifies conditions the applicant much address prior to service commitment.

9.05.080.04 Application for Commitment

Application for issuance of a Project Facility Commitment Form described in the following section may be submitted to the District on a form approved by the District, and must meet the following conditions, and other conditions as the District may require:

9.05.080.04.1 File with the District a parcel or subdivision map and such other information as the District may require.

9.05.080.04.2 Pay to the District a non-refundable processing fee in an amount set forth by the District per the most current Board-approved Fee for Service Schedule adopted by ordinance.

9.05.080.05 Project Facility Commitment Forms

Upon compliance by applicant with the requirements of the previous paragraphs and subject to the following conditions, the District may complete and issue the Project Facility Commitment Form or equivalent forms, stating that sewer service is committed to parcels or subdivision, and the terms of such commitment and conditions which must be satisfied for service.

9.05.080.05.1 The District has adequate capacity or expects to have adequate capacity.

9.05.080.05.2 The applicant completes a Sewer Service Agreement and pays to the District a fee in the amount of 50% of the Water and Wastewater Capacity Fees required to serve the entire project in order to ensure that sewer capacity is available. The fee may be paid by check, money order, cashier's check, or Automated Clearing House (ACH). Prior to issuance of building permits, the remaining 50% connection fees shall be paid in full at the current Water and Wastewater Capacity Fees by check, money order, cashier's check, or ACH. The 50% connection fees previously secured shall be applied to the total balance due.

9.05.080.05.3 The District's service commitment shall be effective for a five-year term. The service commitment may be renewed for one additional five-year term upon amendment of the Sewer Service Agreement and payment to the District of a fee equal to the difference between fees previously paid and the current Water and Wastewater Capacity Fees rates at the time of renewal.

9.05.080.05.4 All fees paid for service commitment are non-refundable. The District may draw upon the fees to preserve its service commitment. The District will provide applicant 90 days' notice of the District's intent to use any security provided as a deposit prior to any such use. If the funds are not immediately available to the District at the expiration of its notice, the District's service commitment will expire.

9.05.080.06 Permit for Sewer Connection

Upon Sewer Service Agreement and subject to the following conditions, the District shall issue sewer permits for, and shall reserve sewer capacity to serve, the property covered by each approved subdivision map and any other project requiring more than five (5) EDU's on more than one (1) parcel. If the project is abandoned or changes ownership, the new owner must complete a new Sewer Service Agreement for service for all remaining connections. All connection fees shall be brought current by payment of the difference between fees originally paid and the current Water and Wastewater Capacity Fees rate.

9.05.080.06.1 An approved and recorded subdivision map, or in the event the Sewer Service Agreement concerns a project requiring more than five (5) EDU's on more than one (1) parcel that is not a subdivision, must be filed with the District. If the tentative map contemplates the filing of multiple file maps, the District's commitment shall not terminate if the first final map is filed within the term of the District's service commitment and subsequent maps are filed within the time provided by law. If the time for processing a tentative map is extended by the County of San Diego, the District may, but shall not be obligated to, extend its service commitment.

9.05.080.06.2 All connection fees shall be brought current by payment of difference between fees originally paid and the current Water and Wastewater Capacity Fee rate.

9.05.080.06.3 All other conditions and provisions, including those contained in Sewer Permits, Project Facility Commitment Forms, and Project Facility Availability Forms, are satisfied within the term of the District's service commitment.

9.05.080.06.4 Permits issued for lots within a subdivision shall not expire and need not be renewed if all the following have occurred prior to the expiration of the initial term or a renewal term thereof:

9.05.080.06.4.1 The final subdivision map or final parcel map for the subdivision has been approved by the Board of Supervisors of the County of San Diego and filed in the office of the County Recorder.

9.05.080.06.4.2 The sewer system within the subdivision has been installed and accepted by the District.

9.05.080.06.5 Notwithstanding the foregoing provisions of this section, at any time after ten years from the date of filing a final subdivision map, the District shall have the option of terminating permits for those parcels in the subdivision which have not connected to the District's sewer system.

9.05.080.06.6 Notwithstanding the foregoing provisions of this section, at any time a subdivision requires the execution of an amendment to either the County Joint Use Agreement or the District's Developer Sewer Service Agreement all connection fees shall be brought current by payment of the difference between fees originally paid and the current Water and

Wastewater Capacity Fee rates.

9.05.080.07 Other Conditions

The District may require as a condition of service, recordation of any final map or providing of service, that applicant, owner, or customer construct or enter into a written agreement to construct, at applicant's sole cost, any necessary or desirable sewer facilities to enable the District to provide sewer service to the property. The agreement shall be secured by a bond, or other security, in a form and amount satisfactory to the District, guaranteeing the completion of such construction within the time specified in the agreement in accordance with detailed plans approved by the District for such construction. In addition, the District may require delivery to the District of executed documents, in forms acceptable to the District, for any easements on private or other property, which are necessary or desirable for the construction, operation and maintenance of such sewer facilities.

Section 9.05.090
Extension of Facilities

If property for which an application for a permit for sewer connection is made is not adjacent to a District trunk sewer, or if the trunk sewer or other facilities have inadequate capacity, the applicant shall, at the time of filing application, enter into a written agreement with the District whereby the applicant agrees to construct, at applicant's sole cost, the necessary expansion of the District's sewer facilities to enable the District to provide sewer service to the property. The agreement shall require applicant to provide to the District, within 180 days of the date of the issuance of the application for sewer connection, as a condition thereto:

9.05.090.01 A bond or other security, in a form and amount satisfactory to the District, guaranteeing the completion of such construction within the time specified in the agreement.

9.05.090.02 Detailed plans approved by the District, and any easements on private property or other property which are necessary or desirable for the construction, operation, and maintenance of such sewer facilities.

9.05.090.03 Satisfaction of Conditions

If an applicant has entered into an agreement with the District for the extension of the District's sewer system, the applicant shall have 180 days following the date of application to deliver to the District the security to guarantee the completion of such construction and the detailed plans or easement documents provided for in the agreement. If an applicant fails to provide such security or deliver such plans or easement documents to the District within such time, application for sewer connection shall automatically terminate.

9.05.090.04 See also, Water and Sewer Line Extension policy for more detail.

9.05.090.05 Rights of District

Upon the failure of an applicant to pay fees and charges or to provide such security and deliver such plans and easement documents within the times herein allowed, the application shall automatically terminate.

Chapter 9.06
SEWER SERVICE CHARGES AND FEES

Sections:

9.06.010 Policy

Section 9.06.010
Policy

Sewer service charges or Water and Wastewater Capacity fees are those as set by District Ordinance or Resolution.

Chapter 9.07
EQUIVALENT DWELLING UNITS ESTABLISHED

Sections:

9.07.010 Classes of Service
9.07.020 Calculation for Unlisted
9.07.030 Final Determination

Section 9.07.010
Classes of Service

The District has determined the following EDU's for each of the following classes of service:

LAND USE	EDU(s)
Single-Family Residential Apartment, Condominium, Duplex or Mobile Home, Each Unit: Square Footage **≤1,250…… 0.8 EDU** **1,251 to 2,000…… 1.0 EDU** **2,001 to 3,000…… 1.2 EDU** **3,001 to 4,500 …… 1.5 EDU** **4,501 to 6,000…….... 2.0 EDU** **>6,000…… Case by Case**	Calculated by square footage.
A separate Business, Retail Shop, Office or Packing House Equipped with restroom facilities or not so equipped but located in a Building or Complex with common restroom facilities:	
Up to 1,000 square feet of floor space.	1.20
For each additional 1,000 square feet of gross floor space or part thereof.	0.80
Automobile Service Stations:	
Providing RV Holding Tank Disposal Station	2.00
Four or Under Gas Pumps	0.80
Over Four Gas Pumps	1.00
Bakery	1.00
Car Wash	1.20
Church, Fraternal Lodge or similar auditorium for each unit of seating capacity for 200 persons.	1.00
Convalescent Hospital / Boarding Home - Per Bed	0.40
Country Clubs with Common Restroom Facilities – Each additional Shower Unit, Wash closet and/or fixture.	1.20
Dentist Office - Per Practitioner	1.20
Grocery Store	1.20
Hospital - Per Bed	0.40
Labor Camp - Per Bed	0.10
Laundry (Self-Serve) - Each Washing Machine	0.40
Mortuary	1.20
Motel or Hotel:	
Each Living Unit with a Kitchen	0.80
Each Living Unit without a Kitchen	0.40
Restaurants:	
Base (Using Non-Disposable Tableware)	2.70
Per Each 7 Seats or Part Thereof	1.20
Base (Using Disposable Tableware)	1.20
Per Each 21 Seats or Part Thereof	1.20
Schools (Public or Private):	
Elementary Schools, Per Each 60 Students, Plus Staff	1.20
Junior High Schools, Per Each 40 Student, Plus Staff	1.20

High Schools, Per Each 30 Students, Plus Staff	1.20
(The number of students shall be the rated capacity of planned schools as determined by State of California Department of Education or shall be the average daily attendance of students plus the staff at the school during the preceding fiscal year determined in accordance with the Education Code of the State of California.)	
Spas with Restrooms	1.20
Swimming Pool with Restrooms	1.20
Theatre - 200 Seating Capacity	1.40

Section 9.07.020
Calculation for Unlisted

For types of sewer use other than those provided in the classes of service set forth above, the District Representative shall determine the number of EDU's for which a permit may be issued based upon the estimated daily volume of wastewater to be discharged and concentrations of Biochemical Oxygen Demand (BOD) and Suspended Solids (SS) in such wastewater. At its sole discretion, the District may require the developer, at the developer's sole expense, to provide a Sewer Analysis Study from a licensed Professional Engineer.

Section 9.07.030
Final Determination

The District Representative may review the EDU determination no earlier than one year after the date of the issuance of the permit or one year after the date of full occupancy of the building or buildings for which the permit is issued. Based upon actual metered water usage, or other method, the District Representative will determine the actual daily volume of wastewater being discharged into the District's sewer system and based thereon may re-determine the EDU's for which a permit is required. If based upon such re-determination additional EDU's over those for which the permit was issued are required, the permit holder shall make application to the District for the amendment of the permit to include such additional EDU's and shall pay to the District the required additional fee. If such re-determination indicated that less EDU's are required than the number of EDU's for which the permit was issued, the District may refund, without interest, to the applicant who paid the permit fee the excess amount of the fee which was paid, and may amend the permit by indicating thereon the correct number of EDU's for which it is issued; provided that, the EDU's shall not be reduced to less than one EDU.

This Administrative Code does not alter or affect contractual obligations of the District concerning sewer commitment and EDU purchase or reservations predating the adoption of this Code. All such commitments are grandfathered into this Administration Code as provided in those contracts or other commitments.

Chapter 9.08
QUALITY OF SEWAGE

Sections:

9.08.010 Excluded from Issuing Permit
9.08.020 Quality or Quantity Agreements
9.08.030 Responsibility for Maintenance

Section 9.08.010
Excluded from Issuing Permit

No permit shall be issued for, nor shall any person discharge, or cause to be discharged, any of the following-described substances into any District sewerage facility:

9.08.010.01 Any gasoline, benzene, naphtha, fuel oils, or other flammable or explosive liquid, solid or gas.

9.08.010.02 Any ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood, paunch manure or other solid or viscous substance capable of causing obstruction to the flow in sewers or other interference with the proper operation of the sewerage works.

9.08.010.03 Any waters or wastes containing toxic or poisonous solids, liquids, or gases, in sufficient quantity, either by singly or by interaction with other wastes, to injure or interfere with any sewage treatment process, constitute a hazard to humans or animals, create a public nuisance, or create any hazard in the receiving waters of the sewage treatment plant.

9.08.010.04 Any noxious or malodorous gas or substance capable of creating a public nuisance.

9.08.010.05 Any waters or wastes causing a temperature higher than 85 degrees Fahrenheit in any District trunk sewer.

9.08.010.06 Any waters of wastes containing more than 0.5 parts per million of dissolved sulfides.

9.08.010.07 Any waters or wastes having a pH lower than 6.5 or higher than 9.0 or having any other corrosive property capable of causing damage or hazard to structures, equipment, and personnel of the District.

9.08.010.08 Any waters or wastes containing more than 200 parts per million, by weight, of fat, oil or grease.

9.08.010.09 Any garbage which is not shredded so that all particles are less than one-half inch in any dimension.

9.08.010.10 Any suspended solids of such character and quantity that unusual attention or expense is required to handle such materials in trunk sewers or at the sewage treatment plant.

9.08.010.11 Any wastes containing compounds which are not removable by the District's facilities for reclaimable sewage consistent with the requirements established from time to time by the California Regional Water Quality Control Board San Diego Region, or any other state or federal agency which may establish discharge requirement for the District.

9.08.010.12 From any restaurant or food preparation establishment unless a District-approved grease trap is provided.

9.08.010.13 Any brine waste from an on-site regenerating water-softening unit or reverse osmosis unit.

9.08.010.14 Cooling tower blowdown water.

9.08.010.15 Stormwater, including discharge from yard, area, or roof drains.

9.08.010.16 Swimming pool drain water.

9.08.010.17 Septic tank effluent.

9.08.010.18 Septic tank pumped materials.

Section 9.08.020
Quality or Quantity Agreements

9.08.020.01 The District Representative may require special agreements in those instances where a proposed discharge may have a deleterious effect or cause an additional load upon any works, processes, or equipment of the District or the receiving waters, or if such discharge, either individually or in conjunction with other discharges, either at present or in the future, may either interfere with the accomplishment of the District plan, create a hazard or a public nuisance, increase the cost of meeting applicable discharge requirements, or preclude the District from meeting its discharge requirements or any other sewer collection systems, or other facilities, including, any other applicable state or federal requirement, in the alternative, the District Representative may:

9.08.020.01.1 Reject the wastes and shut off water supply 10 days after written notice and hearing by the Board;

9.08.020.01.2 Require pretreatment to an acceptable condition for discharge to the public sewers;

9.08.020.01.3 Require control over the quantities and rates of discharge; and/or,

9.08.020.01.4 Require payment to cover the added cost of handling and treating the wastes not covered by existing sewer charges.

9.08.020.02 If the District Representative permits the pretreatment or equalization of waste flows, the design and installation of the plants and equipment shall be reviewed and approved by the District Representative.

Section 9.08.030
Responsibility for Maintenance

The applicant, owner or customer is responsible for maintenance of the lateral sewer. Any lateral sewer shall be cleared and cleaned by the applicant, owner or customer at their own expense. Any main or trunk sewer will be repaired or reconstructed by the District at the cost of the District, unless the situation necessitating such repair or reconstruction is the result of abnormal use or damage to such facilities, in which case such repair or reconstruction will be done at the expense of the person responsible for such abnormal use or damage.

Chapter 9.09
WASTE FLOW PRE-TREATMENT

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Chapter 9.10
INDUSTRIAL PERMITS

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Chapter 9.11
ENTRY UPON PRIVATE PROPERTY TO ENFORCE PROVISIONS

Sections:

9.11.010 Policy

Section 9.11.010
Policy

The Manager or his/her authorized representative shall have the right to enter upon the customer's premises during reasonable hours for the purpose of inspecting the customer's sewer system and to ensure compliance with these rules and regulations, and the provision that all cross connections be properly protected.

Chapter 9.12
GREASE, OIL AND SAND INTERCEPTORS

Sections:

9.12.010 Policy
9.12.010.06 Design
9.12.010.07 Location
9.12.010.08 Sizing Grease Interceptors
9.12.010.09 Sizing Criteria
9.12.010.10 Effluent Sampling
9.12.010.11 Abandoned Grease Interceptors

Section 9.12.010
Policy

9.12.010.01 Grease, oil and sand interceptors or traps shall be provided at the owner's expense when, in the judgment of the Manager or designee, such devices are necessary for the proper handling of liquid wastes containing grease or oil in excessive amounts or any flammable wastes, sand or other harmful materials which can be trapped. Prior to the installation of any interceptor or trap, drawings and specifications shall be submitted to the District for approval. All interceptors and traps shall be located so as to be readily accessible for cleaning and inspection.

9.12.010.02 Grease and oil interceptors or traps shall be constructed of impervious materials capable of withstanding sudden and extreme changes in temperature. All such devices shall be of substantial construction, watertight, and equipped with easily removable covers which, when bolted in place, shall be gastight and watertight, unless otherwise authorized by the District Representative or designee.

9.12.010.03 Owners of such grease and oil interceptors or traps are required to maintain records of pumping including site where pumpings are ultimately disposed.

9.12.010.04 All grease, oil and sand interceptors or traps shall be maintained in effective operation at all times by and at the expense of the user. Waste discharge from fixtures and equipment in establishments which may contain grease, including but not limited to, scullery sinks, pot and pan sinks, dish washing machines, soup kettles and floor drains located in areas where grease-containing materials may exist, may be drained into the sanitary waste through the interceptor when approved by the District.

Toilets, urinals and other similar fixtures shall not waste through the interceptor.

9.12.010.05 All waste shall enter the interceptor through the inlet pipe only.

9.12.010.06 **<u>Design</u>**

9.12.010.06.1 Interceptors shall be constructed in accordance with the design approved by the District and shall have a minimum of two compartments with fittings designed for grease retention.

9.12.010.06.2 There shall be an adequate number of manholes to provide access for cleaning all areas of an interceptor: a minimum of one per ten feet of interceptor length. Manhole covers shall be gastight in construction having a minimum-opening dimension of twenty inches.

9.12.010.06.3 In areas where traffic may exist the interceptor shall be designed to have adequate reinforcement and cover.

9.12.010.07 Location

9.12.010.07.1 Each grease interceptor shall be so installed and connected so that it shall be at all times easily accessible for inspection, cleaning and removal of the intercepted grease. A grease interceptor may not be installed in any part of a building where food is handled. Location of the grease interceptor shall meet the approval of the District Representative.

9.12.010.07.2 Interceptors shall be placed as close as practical to the fixtures it serves.

9.12.010.08 Sizing Grease Interceptors

Each business establishment for which a grease interceptor is required shall have an interceptor, which shall serve only that establishment.

9.12.010.09 Sizing Criteria

As referenced in the current Uniform Plumbing Code.

9.12.010.10 Effluent Sampling

An effluent sampling box on grease interceptors is required by the District. District personnel may sample and inspect for adequacy at any time.

9.12.010.11 Abandoned Grease Interceptors

Abandoned grease interceptors shall be pumped and filled as required for abandoned sewers and sewage disposal facilities in the most current Uniform Plumbing Code.

Chapter 9.13
USERS OUTSIDE OF DISTRICT

Sections:

9.13.010 Policy

Section 9.13.010
Policy

The Board of Directors of the District may establish by agreement or Resolution the Water and Wastewater Capacity Fees and charges and such other conditions as it deems appropriate that shall be imposed for providing sewer service to premises located outside of the District provided, that such fees and charges shall not be less than would apply to similar service within the District. Any agreement approved or Resolution adopted by the Board of Directors of the District shall comply with the requirements and limitations of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 or successor statute (Title 5, Division 3 of the California Government Code) and procedures established by the San Diego Local Agency Formation Commission ("LAFCO"), including obtaining LAFCO approval.

Chapter 9.14
IMPLEMENTATION OF PROVISIONS

Sections:

9.14.010 Policy

Section 9.14.010
Policy

The District shall implement the provisions of this chapter in conjunction with adopted policies, Ordinances, Resolutions and standards. If greater improvements are required in any case, The District shall require those greater improvements.

Chapter 9.15
CHALLENGES TO PROVISIONS

Sections:

9.15.010 Policy

Section 9.15.010
Policy

Any person desiring to challenge any provision of this chapter must submit the grounds for challenge with supporting authority in writing, to the Board of Directors of the District for consideration. Failure to do so shall be grounds to bar any subsequent suit on the grounds of failure to exhaust administrative remedies.

Chapter 9.16
REVOCATION OR SUSPENSION OF PERMITS

Sections:

9.16.010 Enforcement Authority
9.16.020 Disconnection of Facilities
9.16.030 Notice
9.16.040 Emergency Termination
9.16.050 Alternative Surcharge
9.16.060 Resumption of Service

Section 9.16.010
Enforcement Authority

The General Manager is charged with the duty of enforcing the provisions of this chapter and the rules and regulations herein provided.

Section 9.16.020
Disconnection of Facilities

The General Manager may recommend to the Board of Directors revocation or suspension of the permit issued to any person in the event of a violation by the permittee of any provision of any applicable state, federal or local law or this chapter or any of the rules and regulations adopted in the manner provided for herein. Following notice and a hearing before the Board of Directors, the District may disconnect from the public sewer and sewer connection, main line sewer, or other facility which is constructed, connected or used without a permit, or constructed, connected or used contrary to any of the provisions of any applicable state, federal or local law or this chapter or the rules and regulations adopted as provided for herein. When a premises has been disconnected, it shall not be reconnected until the violation for which it was disconnected has ceased or been remedied and a reasonable charge for such disconnection and reconnection, as established by the General Manager, has been paid. If the General Manager determines that the violation is creating an emergency endangering the public health, safety or welfare, the General Manager may temporarily suspend or revoke the permit pending notice and a hearing before the Board of Directors of the District.

Section 9.16.030
Notice

The General Manager shall give not less than ten days' notice of intention to recommend disconnection of a premises or to suspend or revoke a permit, stating the reasons therefore, and may grant a reasonable time for elimination of the violation; provided, however, that if the General Manager determines that the danger is imminent, and such action is necessary for the immediate protection of the health, safety or welfare of persons or property, or for the protection of the sewer system, any premises may be temporarily disconnected and service terminated concurrently with the giving of such notice, pending notice and a hearing before the Board of Directors of the District. Notice shall be given to the occupant of the premises, if any, and to the owner of record of the property as shown upon the last equalized assessment roll of the County of San Diego by United States mail, registered or certified, return receipt requested, postage prepaid and by posting such notice on the premises.

Section 9.16.040
Emergency Termination

In an emergency situation, as determined by the General Manager, service may be terminated on an interim basis by the General Manager for a period up to 30 days from the date of such decision by the General Manager.

Section 9.16.050
Alternative Surcharge

As an alternative to termination, the District may establish a surcharge on the continuation of sewer service by the District for a reasonable time until such time as the applicant, owner or customer has taken action to comply with all the District's service requirements. The amount of any such surcharge shall be established by the District in its reasonable discretion.

Section 9.16.060
Resumption of Service

Any request to re-establish service subsequent to termination of sewer service by the District shall be in the manner prescribed for initially obtaining service from the District and may include the collection of a security deposit and other terms and conditions to assure compliance with the District's rules and regulations. The amount, manner and terms shall be as determined by the General Manager.

Chapter 9.17
VIOLATION-RESPONSIBILITY FOR LOSS OR DAMAGE

Sections:

9.17.010 Policy

Section 9.17.010
Policy

Any person violating any provision of this chapter, or any rule or regulation adopted as herein provided shall be liable for all damage to the sewer system incurred as a result of such violation and for any increase in the cost of maintenance or repair resulting from such violation.

Chapter 9.18
ENFORCEMENT MEASURES IN CASE OF DELINQUENCY

Sections:

9.18.010 Policy

Section 9.18.010
Policy

When any fee or charge imposed by this chapter or any other fee Resolution or Ordinance becomes delinquent, the General Manager is authorized to disconnect the property from the District's sewerage system. Prior to such disconnection, at least ten days' written notice shall be given to the occupant and to the owner of record of the property by United States mail and by posting the notice on the property. The property shall be disconnected upon expiration of the ten days unless the occupant has provided the General Manager with a letter from a medical doctor licensed in California indicating that termination of service will aggravate an existing medical condition of the occupant. When a property has been disconnected it shall not be reconnected until all delinquent fees and charges have been paid together with a reasonable charge for such disconnection and reconnection as established by the General Manager plus the penalties provided herein.