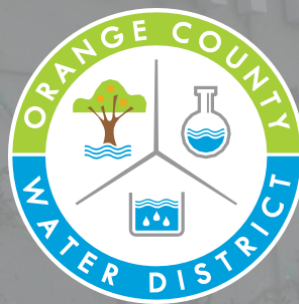


ORANGE COUNTY WATER DISTRICT

BOARD OF DIRECTORS
POLICY AND PROCEDURES MANUAL
2021



FOUNTAIN VALLEY, CALIFORNIA, USA



ORANGE COUNTY WATER DISTRICT

Policy and Procedures Manual

2021 Board of Directors

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1. GENERAL

1.1 PURPOSE OF POLICY AND PROCEDURES MANUAL

To provide a reference to specific provisions of the District Act, and to establish administrative policies and procedures relating to the operation of the District.

1.2 BOUNDARIES OF DISTRICT

Exterior

The exterior boundaries of the District generally conform to the geologic boundary of the underground water basin.

Division Boundaries

District Act, Sections 1(b) through (e), 1.2, 1.4, 1.6

The District is composed of ten divisions. The boundaries of Divisions 1 through 7 are established by resolution (by a vote of at least six Directors), using population figures derived from each federal decennial census, to be, as far as practicable, equal in population and represent, as far as practicable, a commonality of interest. No change can be made within six months immediately preceding the election of any Director. By a two-thirds vote, the Board may at any other time modify division boundaries if either the Board determines that a sufficient change in population has occurred that makes it desirable to adjust the boundaries or if territory is added to or excluded from the District. A change in the boundaries does not affect the term of office of any Directors; the Director of a division whose boundaries have been changed shall continue to be the Director of the division as formerly comprised until the office becomes vacant by term expiration or otherwise.

1.3 CREATION OF DISTRICT

The Orange County Water District was established in 1933 by a special act of the State Legislature, which is found in the State of California Statutes, Water – Uncodified Acts, Act 5683 (Chapter 924, Stats. 1933), as amended.

1.4 MISSION STATEMENT OF DISTRICT

The mission of the Orange County Water District is to provide local water retailers with a reliable, adequate, high-quality local water supply at the lowest reasonable cost in an environmentally responsible manner.

1.5 PRINCIPAL PLACE OF BUSINESS OF DISTRICT

District Act Section 13

Government Code Section 6066 and 54954

Resolution No. 74-2-6, February 20, 1974

The office of the District is established by the Board at a convenient place within Orange County. It may not be changed without first giving notice by posting in three public places within the District and by publishing a notice at least once a week for two weeks. The District's current principal place of business is 18700 Ward Street, Fountain Valley, California.

2. BOARD OF DIRECTORS

2.1 BOARD OF DIRECTORS

The District is governed by a ten-member Board of Directors representing geographic divisions within the District. Seven Directors are elected by general election of their respective constituents for a four-year term, and three are appointed by the City Councils of the Cities of Santa Ana, Anaheim, and Fullerton for a four-year term, subject to removal by the City Council.

2.2 BENEFITS

Directors as "Employees"

Motion No. 93-230, Adopted June 16, 1993

In accordance with IRS regulations and OCWD's outside auditor's at the time (KPMG Peat Marwick) recommendation, Directors' classification from "independent contractors" to employees effective 9/1/93.

Medical Insurance

Dental Insurance

Vision Insurance

Life Insurance

Retirement Plans - (Directors elected to participate in the Money Purchase Retirement Plan rather than contribute to Social Security.)

401 (A) Employee Retirement Plan/Money Purchase Plan

457 (B) Deferred Compensation Plans

2.3 RETIREE MEDICAL BENEFITS

Resolution No. 82-6-52, Adopted June 16, 1982

Clarified by Motion No. 01-94, Adopted May 2, 2001

Eligibility for group health insurance coverage is presently extended to retired Directors (who took office prior to January 1, 1995) age 55 or over with at least 12 years of service with the District, and their spouse at the time of separation of employment. The Retiree Medical Benefit cannot be taken as a cash equivalent.

2.4 CANDIDATE STATEMENTS

Resolution No. 79-6-53, Adopted June 20, 1979

District shall not pay for publication of election candidate's statements. Statements shall not contain more than 200 words. District does not authorize additional material to be mailed with sample ballot and District will not pay any costs for handling, packaging and mailing such additional material.

2.5 COMPENSATION

California Water Code - Sections 20201 and 20202

The Water Code governs the amount and method of local agencies providing compensation to members of the governing board. The code provides that the Board may, by ordinance following a public hearing, increase its compensation by an amount not to exceed an amount equal to 5 percent for each calendar year following the operative date of the last adjustment. Any compensation adjustment does not become effective until 60 days from the date of adoption of the ordinance.

2.6 DISTRICT ACT SECTION 6.5

Government Code Section 53232.3

District Act Section 6.5

Resolution No. 01-1-10 and 01-10-1, Adopted January 17, 2001 and October 17, 2001. Amended by Resolution No. 19-10-154, Adopted October 16, 2019.

Section 6.5 of The District Act, and OCWD Ordinance No. 01-10-1 authorizes compensation to Directors for attendance at meetings or rendering service as a member of the Board of Directors at the request of the Board of Directors, which include:

The following shall constitute attendance at meetings or rendering service as a member of the Board of Directors at the request or approval of the Board of Directors, Board President or General Manager and thereby eligible for compensation:

- a. Meetings of the Board of Directors of OCWD.
- b. Meetings of standing committees of OCWD.
- c. Meetings of non-standing committees per Section 2. below
- d. Meetings or conferences, and education and training classes and courses, plus travel time before or after the event not to exceed one day if held within the State of California, and not to exceed +one and one-half days if held outside the State of California.
- e. Consultation either by phone or meeting regarding the affairs of the District between any member of the Board of Directors and the President or the General Manager or a General Manager designee.
- f. Participation in committees or boards of other organizations and other agencies (e.g., ACWA, CSDA, ISDOC, WACO) on behalf of the District or other assignments.
- g. Attendance at meetings of local, regional, state or federal agencies, or with local, regional, state or federal governmental officials or with community groups or individuals, on issues of interest to the District.
- h. Meetings with Groundwater Producers within elected Directors Divisions.

All assignments of directors to non-standing committees of the District or to committees or boards of other organizations and other agencies shall be recommended by the President and ratified by the Board of Directors before attendance at such meetings shall be considered to be rendered as a member of the Board at the request of the Board of Directors.

No member of the Board of Directors shall receive compensation for more than a total of ten days in any calendar month.

Directors may provide brief reports on meetings, other than District Board and Committee meetings, attended at the expense of the District at the next regular meeting of the Board of Directors following the meeting in compliance with AB1234 if applicable.

AB1234 Summary – OCWD Directors who attend meetings, conference sessions or other gatherings at the expense of the District must provide “brief reports” on those attended activities if they are attended by six or more OCWD Directors

All meetings (including phone calls per Section 1.e) along with any preparation time prior to the meeting must exceed 30 minutes to receive compensation.

2.7 ELECTION OF OFFICERS

November 15, 2000 (Discussion/No Motion)

The election of Board officers (President, First Vice President, Second Vice President) need not be decided on tenure-based rotation system. The Board may select whatever criteria it deems appropriate and necessary when selecting officers.

Duties of the Board President

- Signs all contracts (except where otherwise authorized by the Board)
- Presides over Board meetings
- Appoints members to Board Committees
- Acts as ex officio member of all Board committees
- Represents OCWD at various functions

- Communicates with legislators and media (when requested)
- Reviews bills (if desired)
- Performs other general duties as necessary

Duties of the Vice Presidents

- Signs contracts in the absence of the President
- Presides over Board meetings in the absence of the President
- Reviews bills
- Performs other general duties as necessary
-

2.8 ELECTRONICS AND EQUIPMENT POLICY

Computers, Fax, Printers, iPad

Resolution No. 05-8-95, Adopted August 17, 2005 (Equipment)

Resolution No. 11-3-42, Adopted March 16, 2011 (iPad)

Directors are encouraged to maintain a computer, email capability and a printer/fax as part of their job function. The District will reimburse Directors for the purchase, operation and maintenance of computers and printer/fax, a fax line and broadband Internet service as well as related supplies (paper, ink cartridges, etc). The reimbursement agreement will be reviewed every three years for potential adjustment.

The Directors shall submit for approval by the Board President an "Electronic Equipment Request" and/or an "iPad Reimbursement Request". Upon review and approval, the Director will receive a monthly electronic reimbursement payment for an amount not to exceed \$107.50; and a one-time reimbursement, in the amount of \$702 for the iPad and required software.

2.9 ETHICS TRAINING

AB 1234 Compliance Fact Sheet

If the District provides any type of compensation, salary or stipend to any board member or provides expense reimbursement, then all board members need to take training on ethics laws, as do any employees the Board designates. The ethics training needs to be at least two hours every two years, and each participant needs to be provided with proof of participation. Any entity that develops an ethics training course may include local ethics policies in the curricula and needs to consult the FPPC and the Attorney General regarding the sufficiency and accuracy of any proposed course content. An agency or association can offer courses or self-study materials with tests; the courses can be taken at home, in person or online. The District needs to provide information on available ethics training to board members at least once per year.

New board members are required to take their first ethics training no later than one year from their first day of service with the District. If board members serve with more than one local agency, they only need the training once every two years.

2.10 EXPENSE REIMBURSEMENT, BOARD OF DIRECTORS

Government Code Section 53232.3

District Act Section 6.5

Resolution No. 93-6-105, Adopted June 16, 1993. Amended by Resolution No. 05-12-153, Adopted December 21, 2005, Amended by Resolution No. 19-10-155, Adopted October 16, 2019

MAXIMUM PER DIEM ALLOWANCE - Meals, Lodging and Incidental Expenses – The District shall reimburse meals, lodging and other actual and necessary incidental expenses incurred in the performance of official duties, in accordance with this Resolution, in an amount not to exceed \$800 per day, unless a greater amount is approved by the Board President or General Manager due to special circumstances.

RECEIPTS – Consistent with Internal Revenue Service Regulations §1.274-5, *Substantiation Requirements*, receipts for expenditures are required for lodging and expenses of \$75 or more, and the traveler is required to

maintain an account book diary, statement of expense or similar record to substantiate expenses under \$75, and to complete the District's expense reimbursement form in order to obtain reimbursement for eligible expenses.

ELIGIBLE EXPENSES: Directors and staff shall receive reimbursement for actual, necessary and reasonable expenses, including but not limited to transportation, lodging, meals and other incidental expenses, incurred while on business of the District, in an amount not to exceed \$800 per day (exclusive of transportation), as follows:

- TRANSPORTATION

Reimbursement for travel by personal automobile for a total distance of 2,000 miles or less shall be for actual mileage driven, at IRS established mileage reimbursement rate, from point of departure to destination and return. Reimbursement for travel by personal automobile for a total distance of 2,001 miles or more shall be, the lesser amount of 1) mileage reimbursement for actual mileage driven to point of destination and return, or 2) the cost of normal coach-class round-trip airfare to the airport nearest the destination, plus reasonable ground transportation that would otherwise have been required.

(revised 7/19/17) -- Reimbursement for travel by air shall be for fully refundable coach-class round-trip airfare to the nearest airport, plus reasonable ground transportation. Air transportation should be arranged as early as possible to take advantage of reduced fares for early reservations. Directors and staff shall use government and group rates offered by provider of transportation services, when available. The General Manager may approve certain travel enhancements such as upgraded coach-class programs on a case-by-case basis. Transportation reimbursement shall not be counted as part of the per diem allowance.

- PUBLIC TRANSPORTATION – Reimbursement for taxi, Uber, Lyft, rail, bus, or other reasonable ground transportation at actual cost including reasonable tips not to exceed 20% and applicable taxes.
- MILEAGE - Reimbursement rate per mile for use of privately owned vehicle (other than staff receiving a monthly vehicle allowance) while on official business of the District, will be automatically adjusted to the Internal Revenue Service standard mileage rate.
- PARKING - Reimbursement for actual cost
- TOLL CHARGES - Reimbursement for actual cost.
- Rental Car - Reimbursement shall be for actual cost of rental car plus gasoline costs and necessary insurance. If a rental car is used in lieu of personal automobile, the amount shall be not greater than the cost of normal fully reimbursable coach-class round-trip airfare to the airport nearest the destination, plus reasonable ground transportation that would otherwise have been required.
- HOTEL LODGING – Reimbursement not to exceed single room rate plus tax. Lodging costs for conferences and similar activities shall not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available to the Director or staff member at the time of booking. If the group rate is not available, the Director or employee shall use comparable lodging that is consistent with this policy. Directors and employees shall use government and group rates offered by a provider of lodging services when available. Hotel reimbursement will be allowed only for events outside Orange County unless approved by the Board President or General Manager.
- TELEPHONE EXPENSE - Reimbursement of all reasonable and necessary telephone expenses to conduct District business including Internet services while traveling on District business at actual cost.
- BAGGAGE HANDLING - Reimbursement for actual cost.

- MEALS – Reimbursement for meals (Director/employee or employee/employee) is authorized when pertinent District issues require timely resolution and mealtime affords the most convenient manner to address agency business away from the normal workplace. Reimbursement for meals shall be for a reasonable amount, plus tip not to exceed 20% is authorized. Reimbursement for alcoholic beverages is not authorized

Director expense reports shall itemize meal expenses and shall not include charges for Directors' spouses' or companions' meals.

In the event that a Director or staff member is also paying the cost of meals for others in connection with the conduct of District business in accordance with these policies, a maximum amount of \$100 per guest shall be authorized in addition to the maximum daily per diem of \$800.

Food service (meals, refreshments, etc.) is authorized, upon approval of the General Manager, in conjunction with Board/Committee meetings, staff meetings, training seminars, or information exchange sessions.

- CONFERENCES AND SEMINARS: PARTICIPATION - The Board President has authority to approve all conference/meeting attendance by the Board. All attendance by staff at such events requires the prior approval of the General Manager.
- REGISTRATION FEES - Reimbursement authorized for actual cost.

INELIGIBLE EXPENSES: Personal items, laundry, entertainment, alcoholic beverages, and companion expenses are not eligible for reimbursement.

2.11 GUIDELINES AND ROLES OF BOARD APPOINTED POSITIONS

Motion No. 03-45, Adopted February 19, 2003

- The positions of General Manager, Treasurer, Auditor, General Counsel, District Secretary and Assistant District Secretary (and other positions as deemed necessary) as set forth in the District Act shall be appointed by the Board.
- Appointed employees need not be appointed from existing staff.
- With the exception of the position of General Manager, the General Manager or the District personnel as designated by the General Manager shall directly supervise appointed employees.
- Authority for employing and terminating appointed employees shall rest with the Board.
- Appointed employees shall assist in providing information to the Board and in responding to questions from the Board regarding their Board appointed duties.
- The Board shall approve the specific work requests of appointed employees; and
- Appointed employees shall have a direct communication link to the Board when faced with problems or issues regarding their Board appointed duties.

2.12 MEETINGS OF THE BOARD OF DIRECTORS

- **Location-** Government Code Section 54954

Meetings of the Board of Directors are held in the Joint Facility Boardroom at the District's headquarters, 18700 Ward Street, Fountain Valley, California.

- **Regular Meetings** - Government Code Section 54954, 54954.1

Regular meetings of the Board are held on the first and third Wednesdays of each month at 5:30 p.m. The Agenda is to be posted a minimum of 72 hours in advance of a regular Board meeting. The Agenda shall contain a brief description of each item of business to be transacted or discussed at the meeting and specify the time and location of the meeting. Notices of regular meetings must be provided to any person who has filed a written request for such notice, at the time that the meeting agenda is posted. The written request is valid for one year. A courtesy notification is sent out via email announcing when an Agenda has been posted to the District website and providing a link to the site.

▪ **Special Meetings** - Government Code Section 54954, 54954.1, 54956

Special meetings may be called by the President of the Board or by a majority of the Directors in accordance with the Government Code. Notices of Special meetings are to be posted and delivered to Directors at least 24 hours before the time of the meeting. The notice must specify the business to be transacted and no other business can be considered at the meeting.

▪ **Adjourned Regular Meetings** - Government Code Section 54955

Any regular meeting of the Board may be adjourned to a subsequent time. Notice of Adjournment is to be posted within 24 hours of Adjournment and mailed to anyone who has submitted a written request to be notified of Board meetings.

▪ **Emergency Meetings** - Government Code Section 54956.5

Emergency meetings may be called by the Board President, or by a majority of the Board, in the case of an emergency situation involving matters requiring prompt action necessary due to disruption of District facilities, without complying with either the 24-hour notice or posting requirements. The minutes of Emergency meetings, a list of persons notified, a copy of the roll call vote, and any actions taken are to be posted for a minimum of 10 days as soon as possible following the meeting.

▪ **Closed Session Meetings** - Government Code Sections 54954.5, 54956.7, 54956.8, 54956.9, 54956.95, 54957, 54957.1

Prior to holding any Closed Session meeting, the Board is to state on the agenda the Section of the Brown Act that authorizes the Closed Session and title of the subject matter to be presented, and must disclose in Open Session the item(s) to be discussed in Closed Session. Only those matters disclosed may be considered in Closed Session. In the case of special, adjourned and continued meetings, this statement is to be included as part of the notice provided for such meeting. After the Closed Session, the Board must reconvene in open session and make any disclosure required by the Brown Act of the action taken in Closed Session.

▪ **Committee Meetings**

The Board President appoints members and alternates to Standing Committees and serves as Ex Officio member of all standing committees. The full Board ratifies these appointments. All directors are encouraged to attend all meetings of those standing Committees with fixed meeting schedules. The following Committee meetings are noticed as joint meetings of the Committee and the Board of Directors to permit all Directors to attend and participate in the meetings in compliance with the Brown Act.

Standing Committees

Administration/Finance Issues	Property Management	OCWD/MWDOC Building Management
Communications/Legislative Liaison	Retirement	
GWRS Steering	Water Issues	
OCWD/MWDOC Joint Planning	Executive	

All of the committees are advisory to the Board of Directors and may not take final action unless specifically delegated that authority by action of the Board of Directors. The general purpose of the OCWD Committees is to allow a thorough and detailed discussion of issues and to make a recommended action to the full OCWD Board.

For voting purposes, in the absence of appointed committee members, other OCWD members as designated, shall be deemed a Committee member.

The Executive Committee is not a “legislative body” subject to the open meeting, agenda posting and public comment requirements of the Brown Act because it has no continuing subject matter jurisdiction or fixed meeting schedule. All of the other Standing Committees are “legislative bodies” under the Brown Act (Government Code Section 54950, et seq.), and accordingly are open to the public, have fixed meeting schedules, post agendas at least 72 hours before the meeting time, and provide opportunities for public comment.

ADMINISTRATION AND FINANCE ISSUES COMMITTEE

Composed of five Committee members and five alternates

Mission

To review, advise and make recommendations to the Board on matters relating to:

- The investment activities of the District; establish and evaluate treasury management functions; review Treasurer’s Investment Report to ensure adherence to Investment Policy; designate the District’s annual Statement of Investment Policy.
- Legal, insurance and claims issues that confront the District, including lawsuits, jurisdictional matters, modifications to the District Act, contract review.
- Personnel management review, including classifications, salary and benefits, employment conditions, and acts as Appeal Board for personnel review.
- District planning and budgeting, including implementation and review of annual audit, and analysis of current and long-range financial necessities.
- Processing of contracts and agreements, including some permits and rights-of-way.

Meets: 8:00 a.m. on the Thursday following the second Wednesday of each month (the Thursday immediately following the Water Issues Committee meeting).

COMMUNICATIONS & LEGISLATIVE LIAISON COMMITTEE

Composed of five Committee members and five alternates

Mission:

To advise the Board and make recommendations on matters relating to public relations and make recommendations on pending legislation.

- Communications and public relations efforts
- Formulate legislative guidelines and strategic plans

Meets: The Thursday following the first Wednesday of each month at 8:00 a.m.

GWRS STEERING COMMITTEE

Composed of three OCWD Board members, three OCSD Board members and six alternates (three from each agency)

Mission:

To jointly oversee planning and implementation of Groundwater Replenishment System.

Meets: Quarterly, or as needed, on the second Monday of the month at 5:00 p.m. in the Boardroom at the District office.

OCWD/MWDOC JOINT PLANNING COMMITTEE

Composed of four OCWD Board members and four MWDOC Board members.

Mission:

To jointly plan issues of mutual concern to Orange County with the Municipal Water District of Orange County (MWDOC)

Meets: Quarterly, or as needed, on the fourth Wednesday at 8:30 a.m. in the MWDOC conference room.

PROPERTY MANAGEMENT COMMITTEE

Composed of five Committee members and five alternates.

Mission:

To advise Board and make recommendations on matters related to the management of the District's real estate portfolio including acquisition of property, land use policies, environmental assessments, and District's facilities improvements.

Meets: Monthly on the fourth Friday at 12:00 p.m.

RETIREMENT COMMITTEE

Composed of three Board members, two staff members, 7 alternate members of the Board and 2 alternates from staff and an Employee Advisory Group.

Mission:

To administer the employees' retirement program in accordance with the Retirement and Deferred Compensation Plans.

Meets: Monthly on the fourth Tuesday of the month at 8:00 a.m.

WATER ISSUES COMMITTEE

Composed of five Committee members and five alternates

Mission:

To advise Board and make recommendations on matters relating to:

- Managing groundwater supply, including spreading natural and imported water, barrier supplies, conservation efforts, in-lieu and interruptible programs, basin limitations, MWD water supply programs, new projects for replenishment programs, seawater intrusion programs, and District's water rights.
- Water quality protection policies, including groundwater and surface water quality monitoring, quality maintenance, and mitigation activities; and to assure coordination of OCWD programs with other public and private interests to assure water quality protection.
- Processing capital projects

Meets: Monthly at 8:00 a.m. on the second Wednesday of each month.

EXECUTIVE COMMITTEE

Composed of President, the First and Second Vice Presidents, and the immediate past President

Mission:

To provide advice and guidance to the General Manager on major or challenging management issues on which the General Manager seeks advice, or to assist the General Manager or the President on emerging issues or future agenda items

Meets: The Executive Committee does not have a fixed meeting schedule and does not have any continuing subject matter jurisdiction (or any specific subject matter jurisdiction). Consequently, the Executive Committee is not a "legislative body" under the Brown Act and therefore is not subject to the open meeting, agenda posting and public comment requirements of the Brown Act.

OCWD/MWDOC BUILDING MANAGEMENT COMMITTEE

Composed of three Committee members

Mission:

To advise the Boards of Directors of OCWD and MWDOC, to coordinate and facilitate the design, construction, use, operation, maintenance, and repair of the Common and Office Facilities

Meets: TBD

Ad hoc Committees

Ad hoc committees are established, and their members appointed, by the President to address specific issues within a limited time period. Ad hoc committees meet on an “as needed basis,” do not have any continuing subject matter jurisdiction (an ad hoc committee is disbanded after its purpose is fulfilled) and do not have a fixed meeting schedule. Like standing committees, ad hoc committees act only in an advisory capacity, and take no final action. Examples of ad hoc committees that have been established to address distinct or isolated issues for later consideration by a Board Committee or the full Board of Directors are:

- Moulton Niguel Water District
- Water Summit Planning Committee
- Labor Relations Committee

2.13 PUBLIC HEARINGS**Notice of Hearing**

District Act, Section 26

Government Code Section 6061, 54955.1, 54956

Notices of public hearings are to be published at least 10 days prior to the hearing. Notices of continuances of hearings are to be posted within 24 hours of the continuance in the same manner as adjourned meetings (Government Code Section 54955) or immediately following the meeting if it is continued to a time less than 24 hours.

Required Public Hearings

Public Hearings are required to be held for the following:

- Engineer's Report on groundwater conditions, water supply and basin utilization - March each year (District Act, Section 26[a]&[b])
- Engineer's Investigation and Report on water supplies - (District Act Section 31.5[e])
- Levy of Replenishment Assessments and Basin Equity Assessment - April each year (District Act Section 27[c], 27.1, 31.5[e]&[f])
- Modification of Replenishment or Basin Equity Assessments (District Act Section 31.5[g][2][H]).
- Exclusion from payment of Replenishment and Basin Equity Assessments (District Act Section 38). Public Hearing to be held at least 10 days, but not more than 75 days, after filing report; publish at least 10 days prior to hearing (Government Code Section 6061)
- Exemption from payment of Replenishment and Basin Equity Assessments (District Act Section 38.1). Public Hearing to be held at least 10 days but not more than 75 days after filing report; publish at least 10 days prior to hearing (Government Code Section 6061).
- Petition for inclusion of land within the District (District Act Section 51 et. seq. and Government Code Section 6066). Notice of filing petition and public hearing to be published once a week for 2 consecutive weeks.
- Protests to Board determination of water production (District Act Section 33, 33.1) Notice of hearing to be published at least 10 days prior to hearing.

2.14 ANNUAL REPORTS

- Annual Audit Report (OCWD District Act, Section 16)
- Annual Budget Report (OCWD District Act, Section 16);
- Engineer's Report on Groundwater Conditions, Water Supply and Basin Utilization (District Act, Sections 25 and 31.5[d]);
- Statement of Investment Policy (State requirement)

2.15 BOARD ACTIONS

District Act – Section 6

The Board shall act only by resolution or motion by voice or roll call vote.

Actions specifically by Resolution

- Disposition of property (District Act Section 7)
- Find and determine projects to be feasible and necessary and of general benefit to the lands of the District, declare project instituted and determine amount of money necessary for such purpose/project (District Act – Sections 20.6,7 and 21.2)
- Cause engineering investigations, surveys, examinations, drawings, plans, and reports to be made as a basis for determining purpose/projects feasible and determining estimate of funds necessary (District Act – Section 20.6)
- Call election on bonded debt (District Act – Section 21.3)
- By two-thirds vote, determine all or part of unsold bonds shall not be sold (District Act – Section 21.20)
- Determine if expenditure of monies raised by sale of bonds for proposed voted is impractical (District Act – Section 21.21)
- Adjustment of the boundaries of Divisions 1 through 7 (by affirmative vote of 6 Directors). (District Act – Section 1.2)

2.16 OATH OF OFFICE

Government Code, Section 1023

Members of the Board of Directors are required to execute an Oath of Office.

2.17 OFFICIAL BOND

District Act, Section 12

Government Code, Section 1481

In lieu of Directors executing individual official bonds, the Board may authorize a master official bond, in the form and for a term approved by the Board, providing coverage on the directors and officers required under the District Act to be bonded.

2.18 VACANCY IN OFFICE

Government Code, Section 1780

Vacancies in any elective office:

The Board members fill the vacancy by appointment or by calling for an election.

- Appointments must be made within 60 days immediately subsequent to the effective date of the vacancy and a Notice of the vacancy must be posted in three or more conspicuous places within the District at least 15 days before the appointment is made.
- The person appointed holds office until the next District general election that is scheduled 90 or more days after the effective date of the vacancy, unless an election is also held on the same date for an election for a full term in the same office, in which event the person appointed fills the balance of the unexpired term of his/her predecessor.
- If the Board does not fill the vacancy or call for an election within the time period specified, the Board of Supervisors may fill the vacancy within 90 days of the vacancy.

Vacancies occurring in any appointed office:

The appointing body appoints a successor for a vacancy in an appointed office.

3. CONFLICT OF INTEREST

Political Reform Act: Government Code - Section 81000 et seq.
Title 2, California Code of Regulations, Section 18730
Fair Political Practices Commission -<http://www.fppc.ca.gov>

3.1 CONFLICT OF INTEREST - CODES

Government Code Section 81000 et seq

The Political Reform Act, Government Code Section 81000, et seq., requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a Regulation, 2 Cal. Code of Regs. Section 18730, which contain the terms of a standard conflict of interest code, which can be incorporated by reference and may be amended by the Fair Political Practices Commission after public notice and hearings to conform to amendments in the Political Reform Act. Therefore, the terms of 2 Cal. Code of Regs. Section 18730, attached hereto, and any amendments thereto duly adopted by the Fair Political Practices Commission are hereby incorporated by reference and, along with the attached Appendices "A" and "B," in which directors and employees are designated and disclosure categories are set forth, constitute the Conflict of Interest Code of the Orange County Water District. Directors and the District Treasurer are not Designated Employees included in Appendices "A" and "B" but are required to file Statements of Economic Interests pursuant to Government Code Section 87200.

Designated employees shall file applicable statements of economic interests with the District Secretary who will make the statements available for public inspection and reproduction (Government Code Section 81008). Upon receipt of the statements of the Orange County Water District Board of Directors, the District Secretary shall make and retain a copy and forward the original of these statements to the Clerk of the Orange County Board of Supervisors. Original Statements for all other designated employees will be retained by the District Secretary.

3.2 APPENDIX “A” - DESIGNATED POSITIONS

Appendix “A” to the District’s Conflict of Interest Code establishes the designated positions required to file statements of economic interests:

Designated Positions	Disclosure Categories
Accounting Manager	OC-01
Assistant District Engineer	OC-01
Assistant District Secretary	OC-02
Assistant General Counsel	OC-01
Assistant General Manager	OC-01
Board Member	OC-01
Buyer	OC-05
Chief Hydrogeologist	OC-01
Consultants	OC-30
Director of Engineering	OC-01
Director of Human Resources	OC-01
Director of Information Services/Property	OC-01
Director of Laboratory	OC-01
Director of Natural Resources	OC-01
Director of Public Affairs	OC-01
Director of Regulatory Affairs	OC-01
Director of Research	OC-01
Director of Water Production	OC-01
Director of Water Quality	OC-01
District Secretary	OC-02
Executive Director Engineering & Local Resources	OC-01
Executive Director Operations	OC-01
Executive Director Planning & Natural Resources	OC-01
Field Headquarters Manager	OC-01
Field Headquarters Maintenance Supervisor	OC-05
Finance Manager	OC-01
General Counsel	OC-01
General Manager	OC-01
GWR System Program Manager	OC-01
Lead Distribution Technician	OC-05
Principal Hydrogeologist	OC-05
Prado Operations Supervisor	OC-43
Property Manager	OC-01
Purchasing Manager	OC-05
Risk & Safety Manager	OC-01
Senior Buyer	OC-05
Treasurer/Chief Financial Officer	OC-01

*Consultants shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation: The General Manager may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The General Manager's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.

3.3 APPENDIX “B” – DISCLOSURE CATEGORIES

Disclosure Category	Disclosure Description
OC-01	All interests in real property in Orange County or the District, as well as investments, business positions and sources of income (including gifts, loans and travel payments).
OC-02	All investments, business positions and sources of income (including gifts, loans and travel payments).
OC-05	All investments in, business positions with and income (including gifts, loans and travel payments) from sources that provide services, supplies, materials, machinery, equipment (including training and consulting services) used by this department or District.
OC-08	All investments in, business positions with and income (including gifts, loans and travel payments) from sources that develop or provide computer hardware/software, voice data communications, or data processing goods, supplies, equipment, or services (including training and consulting services) used by the department.
OC-12	All interests in real property in Orange County, as well as investments in, business positions with and income (including gifts, loans and travel payments) from sources that invest funds or engage in the business of insurance including, but not limited to insurance companies, carriers, holding companies, underwriters, brokers, solicitors, agents, adjusters, claims managers and actuaries; from financial institutions including but not limited to, banks, savings & loan associations and credit unions or sources that have filed a claim, or have a claim pending, against Orange County.
OC-30	Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest category in the code subject to the following limitation: The Department Head/Director/General Manager/Superintendent/etc. may determine that a particular consultant, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant’s duties and, based upon that description, a statement of the extent of disclosure required. The determination of disclosure is a public record and shall be filed with the Form 700 and retained by the Filing Officer for public inspection.
OC-43	All income, investments, and business positions; and all income from gifts, to the extent the same arise from entities dealing in engineering design or other engineering work on public agency projects and construction firms and construction related enterprise of any kind dealing with public agency projects, or otherwise doing business in the engineering or construction sector or any other supporting business section within Orange County or the District.

3.4 STATEMENT OF ECONOMIC INTERESTS [FORM 700]

All designated employees are required to file Statements of Economic Interests (Form 700) with the Secretary of the District no later than April 1 each year. The original statements filed by Directors are forwarded to the Clerk of the Board of Supervisors of Orange County and a copy maintained at the District's offices, together with the original statements filed by employees. The filing officer must maintain statements a minimum of four years.

3.5 FAIR POLITICAL PRACTICES COMMISSION - AMENDMENTS

Amendments to Director/Agency Reporting Requirements

- Policy: Distribution of Event Tickets and Passes to Public Agency Officials
FPPC Regulation 18944.1, Resolution No. 09-4-67, Adopted April 15, 2009

All tickets donated to, purchased, or owned by the agency must be distributed in compliance with adopted resolution and must further the public purpose of the District. The adopted policy is posted on the www.ocwd.com website.

- Policy: District Provided Meals
FPPC Regulation 18944.3, Resolution No. 09-4-68, Adopted April 15, 2009

The District is authorized to provide modest meals or refreshments at Board and Committee meetings scheduled during normal mealtimes to encourage increased participation.

- Recording and Valuation of Non-Profit Fundraising Event Tickets
FPPC Regulation 18946.4

New compliance regulations were established for determining value of a donated ticket from a 501c (3) organization to a public agency/public official for a fundraising event.

4. PUBLIC RECORDS

4.1 DISTRICT RECORDS/PUBLIC RECORDS ACT

Government Code Section 6252(e)
Resolution No. 93-8-136, Adopted August 18, 1993

The Public Records Act applies to all government records and defines its terms very broadly. A "public record" is any writing containing information relating to the conduct of the public's business prepared, owned, used, or retained by any State or local agency regardless of physical form or characteristics.

The Public Records Act applies to all government agencies in California, local and state, and generally requires that the records government generates in its work be available for public inspection. The Records Act is found in the California Government Code beginning at Section 6250. It requires all government records to be open to public inspection and that copies be made at cost and on request. The Public Records Act is based upon state policy that access to government information is a "fundamental and necessary right of every person in this state." Government Code Section 6250.

4.2 DISTRICT RECORDS AVAILABLE TO THE PUBLIC

Upon written request, any person may receive a copy of any identifiable District public record not exempted in Section 4.3 herein. The staff shall make every effort to provide such duplicate copies of District records within a reasonable period of time; however, if the quantity of requested records is substantial or not readily available, the District shall have a reasonable period of time to collect and duplicate such records.

- Within ten days after receipt of a request for records, the requestor shall be notified in writing whether or not the District intends to comply and the expected date of delivery or request an extension of time to make the determination to comply, the notice shall include the fees for providing such data.
- Per statute, the District shall charge the direct cost of duplication of public records in order to provide copies to persons requesting them. A fee of 10 cents per page shall be charged for certification of district records; with the exception that public agencies shall be exempted from payment of said fee and duplication costs.
- Copies of District records will be made available to the requestor upon receipt of the required fees.
- In instances where the record requested is substantial, such as a large report, or when the need for a copy of data is urgent, the requesting party shall be advised to consider contacting a bonded reproduction/duplication business to pick up the material and to reproduce those portions required. The requestor must make arrangements with that business for payment of the reproduction work. The District will provide a list of companies that are acceptable.
- All requests for records must be coordinated with the District Secretary or the Records Coordinator. The Records Staff will release the copies upon notification by the Accounting Department that the fees have been received. Any release of records prior to receipt of payment must be approved by the District Secretary, the Chief Financial Officer/Treasurer or Executive Director.

4.3 RECORDS NOT AVAILABLE TO THE PUBLIC

The Public Records Act identifies numerous categories of records that are exempt from inspection or reproduction for the public. Examples of categories of exempt records relevant to District activities include:

- Preliminary drafts, notes, or interagency or intra-agency memoranda which are not retained by the District in the ordinary course of business; however, even such material should be disclosed where, upon the advice of General Counsel, the public interest in withholding such records is clearly outweighed by the public interest in disclosure.
- Records pertaining to pending litigation to which the District is a part, or to claims made until such litigation or claim has been finally adjudicated or otherwise settled.
- Personnel, medical, or similar files, including grievance and oral board materials, the disclosure of which would constitute an unwarranted invasion of personal privacy.
- The content of real estate appraisals, engineering or feasibility estimates and evaluation 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.
- Computer software development by the District is not itself a public record, including computer mapping system, computer programs and computer graphics systems.

4.4 RETENTION SCHEDULE & DESTRUCTION OF RECORDS

Resolution No. 20-10-143, Adopted October 21, 2020

Board approval is not required for the destruction of any record, paper, or document which is not expressly required by law to be filed and preserved if all the conditions set forth in Government Code Section 60203 for copying such document are met. The current Retention Schedule is on file at the District.

4.5 AVAILABILITY OF MATERIAL FOR PUBLIC INSPECTION

Government Code – Section 54957.5, 6256 et. seq.

Written material that is not exempt from public disclosure and that has been distributed to Directors in advance of or during a Board or Board committee meeting by any persons for discussion or consideration at the meeting is considered public record under the California Public Records Act and shall be made available to the public.

4.6 LIBRARY ACCESS POLICY

There will be no physical public access to the Research Library at the Orange County Water District. Visitors requesting access to the Library will be informed at the receptionist desk that access is prohibited. Request/approval forms for copies of any Library documents from non-district employees/general public are available at the Reception Desk.

There will be no copying done by non-employees while on the premises of the Orange County Water District. The Requestor will be charged the District's direct cost of duplication for copying costs. The copy will be picked up or mailed to the Requestor.

Only employees may check out library materials from the Research Library. Actual library documents are never to be taken by non-District employees/general public.

5. LABOR RELATIONS

5.1 PERSONNEL MANUAL

The Director of Human Resources maintains the current Personnel Manual that will act as a guide and statement of policies for employment at the District.

5.2 AFFIRMATIVE ACTION EQUAL OPPORTUNITY POLICY

Resolution No. 78-6-67, Adopted June 21, 1978. Amended by Resolution No. 78-10-96, Adopted October 18, 1978, Amended by Motion No. 92-81, Adopted March 4, 1992

It is the policy of OCWD to recruit, hire, and promote for all job classifications without regard to race, religion, creed, color, national origin, sex, age, marital status, ancestry, medical condition, physical handicap, disability, or sexual orientation. The District will ensure that all personnel actions such as rates of pay, benefits, layoffs, terminations, training, educational assistance, social and recreational activities will be executed without regard to race, religion, creed, color, national origin, sex, age, marital status, ancestry, medical condition, physical handicap, disability, or sexual orientation.

5.3 AT-WILL EMPLOYMENT

Resolution No. 03-9-138, Adopted September 17, 2003

Employment is based on mutual consent of the employee and the Orange County Water District (OCWD). At any time, either the employee or the District can terminate the relationship at-will, with or without cause or notice. This at-will relationship permits the District to change the terms and conditions of employment with or without notice, with or without cause, including, but not limited to, termination, demotion, promotion, transfer, compensation, benefits, duties and location of work. This policy becomes effective for employees hired after October 1, 2003 for the following job classifications only:

- a. General Manager
- b. Assistant General Manager(s)
- c. Chief Financial Officer/ District Treasurer

The General Manager is authorized to continue to hire and promote staff within total dollar and staffing limitations as set forth in the annual OCWD budget.

The Board shall be invited to participate in the final panel interview of the top candidates for the following positions:

- General Manager
- Assistant General Manager
- Executive Directors
- Chief Financial Officer/District Treasurer
- District Secretary

The General Manager shall confer with the Board prior to making an employment offer for any of these positions.

5.4 LEAVE OF ABSENCE FOR CONSULTING WORK

Motion No. 6803, Adopted April 21, 1982

Leave is without pay but with no interruption of benefit accrual. General Manager to determine no conflict with District workload, that work is of benefit to District and that there is no conflict of interest with District activities. Board authorization required on individual basis.

5.5 EMPLOYMENT OF FORMER EMPLOYEES AS CONSULTANTS

Resolution No. 2000-8-100, Adopted August 16, 2000

Employment of terminated employees as consultants for 18 months following termination at the District is prohibited, except for special circumstances as approved by the General Manager and reported to the Board.

5.6 EMPLOYEE LABOR ASSOCIATION

The District will periodically negotiate a Memorandum of Understanding with the Orange County Water District Employee Association (OCWDEA) regarding certain terms and conditions relative to certain employment conditions each year. The Human Resources department maintains a list of employees not represented by OCWDEA

5.7 EMPLOYEE CLASSIFICATIONS

The following classifications apply to regular, full-time and part-time employees at the District

Represented Positions

- All employees except for Management and Confidential employees

Non Represented Positions

- Management
- Confidential Employees

5.8 STAFFING PROCEDURE

Motion No. 8967, Adopted March 16, 1988

General Manager is authorized to continue to hire and promote staff within total dollar and staffing limitations set forth in annual OCWD budget.

6. CONTRACT ADMINISTRATION

6.1 CAPITAL PROJECTS

Public Works Contracts Code, Section 21040 through 21045

The following provisions apply to contracts by the District for 1) Construction of works, structures, or equipment; 2) The performance of furnishing labor, materials, or supplies necessary or convenient for carrying out any purposes of the District Act; and 3) The acquisition or disposal of any real or personal property:

- a) When the work is not to be done by the District by force account, and the amount involved is \$40,000 or more, the contract shall be awarded to the lowest and best bidder after publication of the notice calling for bids.
- b) Contracts may be let or work undertaken without advertising for bids if the work is deemed to be of urgent necessity for the preservation of life, health or property and is authorized by a resolution passed by at least eight affirmative votes of the Board containing a declaration of the facts constituting the urgency, and that the emergency will not permit a delay resulting from a competitive solicitation for bids, and that action is necessary to respond to the emergency.
- c) Contracts for acquisition or disposal of real property, for acquisition or leasing of personal property, the purchase of water to replenish the underground water supplies, the repair of District equipment or structures, and for legal, engineering, or other professional services may be let without calling for competitive bids.

6.2 CAPITAL PROJECTS - APPROVAL PROCEDURE

Resolution No. 88-2-40, Adopted February 17, 1988

Step	Description	Board Action Required
1. Project Identification	Project is conceptualized and assessed as to whether it helps.	No
2. Identification in Budget	Once project is determined to meet District goals and objectives it is identified in a specific Program budget.	Yes (at budget adoption)
3. Feasibility Study	Project description is developed; benefits, costs and land requirements are identified; and a financial analysis prepared.	No
4. Engineer's Report	Engineer's Report containing benefit-cost analysis is presented for Board consideration and determination that the project is feasible, necessary, and of general benefit to the lands of the District. Applicable Requests for Proposals are conceptually approved by the Board, and final budgeting limits established at this time.	Yes
5. Project Design	Staff may require outside assistance to design project. Board approval is required for issuance of Professional Services Agreement over \$20,000	Yes

6. Project Regulatory Requirements	Depending upon project, Board action required for execution of permits, easements, right-of-way, land purchases, inter-agency agreements, EIA/EIR's, etc.	Yes
7. Advertise Contract	Advertise project plans and specifications to receive bids	Yes
8. Award of Contract	Upon completion of design and advertisement of plans and specifications, staff presents recommendation to Board for award of the contract.	Yes
9. Acceptance of Completion	Upon construction completion, staff recommends Board acceptance of completion of the project.	Yes

6.3 PURCHASE ORDER – EMERGENCY

Resolution No. 77-1-21, Adopted January 19, 1977

Staff is authorized to establish a list of pre-qualified bidders in critical areas of operational maintenance and repair having the potential for plant shutdown, which maintenance and repair would be of urgent necessity for the preservation of life, health or property. In cases of emergency repairs or modifications where the cost will exceed \$5,000, and advertising for bids would result in untimely delays, staff is authorized to solicit a minimum of three bids from the pre-qualified bidders list and issue a Purchase Order to the lowest and best bidder for the work required. Purchase Order must be submitted for Board ratification at the first Board meeting following its issuance.

6.4 CONSULTANT SELECTION PROCEDURES

Resolution No. 96-4-73, Adopted on April 17, 1996

Written proposals for professional services shall be evaluated on the following six criteria:

- Project Approach and Schedule
- Experience and Qualifications of the Project Manager
- Experience of Firm and Other Project Team Members
- Time Commitment of Key Staff
- Man-hour Estimate
- Record of Success on Recent Similar Project

The proposals to be reviewed by a District committee composed of Group Manager under whom the work will be funded, proposal manager, and a third staff member, or other staff as directed by the General Manager.

The proposing firms will be ranked using the above process, without consideration of the project fee (firm will submit the proposed fee in a sealed envelope separate from the rest of the proposal). Before the fee envelopes are opened, the proposal review scores will be evaluated and ranked. Normally, only the top three will be selected for fee consideration.

After the fee envelopes are opened, staff will review the evaluation score and the proposed fee for each of the identified firms and present these with a recommendation to the Board. As part of the recommendation to the Board, staff will provide information on the proposed project budget and schedule.

After project completion, staff will provide a report to the Board on the project's success in meeting its budget, schedule and other goals.

6.5 CHANGE ORDER POLICY - PUBLIC WORKS/CONSTRUCTION

Resolution No. 03-6-87, Adopted June 18, 2003

- At the time of award of the construction contract by the Board, a Change Order budget shall be established for the purpose of funding construction Change Orders.
- The General Manager is authorized to approve and execute all necessary and appropriate Change Orders in an aggregate amount not to exceed the Change Order budget established by the Board without requiring subsequent Board action.
- The General Manager is authorized to approve and execute all necessary and appropriate Change Orders that decrease the contract amount without requiring subsequent Board action.
- The General Manager is authorized to approve and execute all necessary and appropriate Change Orders that increase or decrease the construction contract completion date without requiring subsequent Board action.
- Change Orders in excess of the Change Order budget require Board approval prior to execution and issuance by the General Manager. In this instance, the Board may elect to establish a new Change Order budget under which the General Manager may approve Change Orders without formal Board action.
- Should conditions arise that require immediate execution of a Change Order to prevent or correct a hazardous or cost-escalating condition, the General Manager is authorized to approve and execute the necessary Change Order, subject to subsequent ratification by the Board.
- The General Manager shall prepare a monthly informational report to the Board of all Change Orders, amount and purpose, approved by the General Manager.
- The General Manager is authorized to initiate emergency repairs with the on-call firms for an amount not to exceed \$150,000 per emergency occurrence. (added February 17, 2021)

6.6 PROFESSIONAL SERVICES AGREEMENTS

Resolution No. 02-10-158, Adopted October 16, 2002

Professional Service Agreements are Agreements for professional or special services, i.e., small construction jobs, surveys, reports, etc. (*Not for Public Works Contracts*). **Approval levels for services requested are as follows*:**

<p>Class 1 \$20,000 or less</p>	<p>If budgeted, General Manager approval required</p>
<p>Class 2 Greater than \$20,000 and Less than or equal to \$50,000</p>	<p>Upon receipt of a minimum of three written proposals, the General Manager will recommend selection of a consultant for Board approval. A minimum of five consultants will be formally requested to submit a proposal where appropriate.</p>
<p>Class 3 Greater than \$50,000</p>	<p>Board approval required for issuance of Request for Proposals. Upon receipt of a minimum of three written proposals, Board approval is required for issuance of Agreement. A minimum of seven consultants will be formally requested to submit proposals.</p>

<p>Class 4</p> <p>Continuing professional and special services (bringing total amount over \$20,000)</p>	<p>Board approval required if total PSA amount exceeds \$20,000 for additional services. Ongoing PSAs must be for tasks similar in scope to initial PSA.</p>
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*The Board of Directors may waive or modify any or all portions of this policy if special circumstances warrant.

6.7 SIGNING AUTHORITY - CONTRACTS AND PURCHASES ORDERS

(Excluding Public Works contracts governed by state law and Professional Services Agreements governed by Board)

The following signature authority will be used*. The functional authority level listed describes the highest level of signature approval needed. Intermediate management approval between the initiator/requestor and listed approval level is also obtained. If an acquisition will result in a net increase of the District’s budget, the Board must approve the item.

Purchase Orders: Required Approvals

- Items exceeding \$50,000 – require Board of Directors approval
- Items \$25,000 - \$49,999 – require General Manager approval
- Items \$5,000 - \$24,999 – require Executive Director/Assistant General Manager approval
- Items less than \$5,000 – require authorized Program Manager approval

Co-Signatures Required

In addition to the signature of the Delegated Authority to ensure that all policies and procedures governed purchase orders and contracts are followed:

- All contract or Purchase Orders less than \$50,000 will be signed by the Purchasing Manager.
- All contracts or Purchase Orders \$50,000 and above will require Board approval prior to signature of Purchasing Manager.
- Inventory Purchases over \$50,000 require Board approval.
- All purchases for computer hardware, software and communication equipment will be approved by the Director of Information Services or designee prior to signature of Purchasing Manager.

*The General Manager shall have discretionary control over delegation of Board-approved signing authority levels to Assistant GM, Executive Directors, and Department Managers.

6.8 SIGNING AUTHORITY – RESEARCH AND DEVELOPMENT

- The General Manager or his/her designee is authorized to execute forms and agreements to enable research in partnership with various organizations to support grants and collaboration either by “wet” signature or by electronic signature.
- The General Manager or his/her designee is authorized to execute Research and Development (R&D) Department related forms and agreements by “wet” signature or by electronic signature approaches, subject to approval as to form and content by OCWD General Counsel, including non-monetary agreements and monetary agreements up to \$50,000 in which expenses will be reimbursed from external grants, and other forms and agreements associated with R&D Department routine activities. (Added September 16, 2020)

6.9 PROCUREMENT GUIDELINES – COMPETITIVE BIDS

The following guidelines will be followed by the Purchasing Manager in obtaining pricing and competitive bids under general Procurement methods.

EXPENDITURE RANGE	PROCUREMENT METHOD
Less than \$5,000	Noncompetitive negotiation
\$5,000 to \$9,999	A minimum of two (2) verbal quotations are required
\$10,000 to \$19,999	A minimum of two (2) written quotations are required
\$20,000 to \$50,000	A minimum of three (3) written quotations are required

\$50,000 or more	IF BUDGETED, a minimum of three (3) written quotations and Board authorization for award of purchase order is required. IF NOT BUDGETED, Board discretion to either accept three (3) written quotations and award purchase order or follow formal advertisement for bid procedures.
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6.10 REPORTING PROCEDURES

General Manager, Assistant General Manager, Executive Directors, Program/Department Manager will receive monthly cumulative updated reports from the Finance Department on all major contracts, service contracts and purchase orders.

7. DISTRICT ADMINISTRATION

7.1 BOARDROOM USE BY OTHERS

Resolution No. 92-7-141, Adopted July 1, 1992

Use of MWDOC/OCWD joint facility Boardroom by others is limited to water entities or water-related organizations and is limited to normal business hours. Exceptions when there is a benefit to either District.

7.2 COMMUNICATION POLICY (BOARD-STAFF)

Resolution No. 2000-8-99, Adopted August 16, 2000

Except for routine requests for information or clarifications on specific agenda items, Directors are requested to contact the General Manager, who will either address the issue or assign appropriate staff to meet with the Director. Information that results from a Director's special request will be distributed to all Directors.

General requests from Directors for published materials, brochures, and items relating to public relations may be requisitioned directly from Public Affairs.

Individual staff members should not, without prior authorization from the General Manager, contact Board members on policy matters pending before the Board outside of the formal Committee or Board meeting process.

7.3 MEDIA RELATIONS POLICY (BOARD-STAFF)

Resolution No. 15-7-94, Adopted July 15, 2015

The Media Relations Policy is on file at the District.

7.4 COMMUNITY SERVICE AWARD PROGRAM

Resolution No. 02-1-6, Adopted January 16, 2002

Community Service Award Program provides commendations to individuals and organizations taking an active role in protecting Orange County's groundwater. The Program operates as follows:

- Nominations for Community Service Awards may be made by either the OCWD Board of Directors or staff.
- Individuals, businesses, community organizations, community leaders, schools, environmental organizations, government agencies or other organizations that take an active role in protecting Orange County's valuable groundwater resources are eligible to receive an award.
- Selection of award recipients will be made by the OCWD Communications/Legislative Liaison Committee and recommended for approval by the full Board.
- Selection must meet the following criteria:
 - Activities must be done on a voluntary basis and not as a result of regulatory or organizational requirements.
 - Nominations activities must have a direct benefit to the OCWD mission or groundwater basin.
 - Activities must encourage, focus or result in protection of groundwater.
 - Awards may be made on an as occurring basis and will be presented at the first Board meeting that the recipient can attend following Board approval/selection.
 - It is anticipated that 10 awards will be made annually at a cost of approximately \$230 per award.

DELEGATION OF AUTHORITY POLICY

Resolution No. 96-3-52, Adopted on March 20, 1996

General Manager has discretionary control over delegation of Board-approved signing authority levels to the Assistant General Manager and individual Executive Directors and Group Managers. With the exception of hiring, promotion, review and disciplinary action, delegated authority for that functional management level will be elevated one level in the absence of respective authority. General Manager will formally delegate his authority to the Assistant General Manager or Executive Director in his absence.

7.5 HONORARIUMS

Resolution No. 91-8-181, Adopted August 21, 1991

Honorariums for presentations accomplished on District time by District employees are paid to and retained by the District for deposit in the General Fund.

7.7 PATENT POLICY

Resolution No. 95-9-114, Adopted September 20, 1995

All new employees are required to sign a Patent Agreement. (The Patent Agreement is on file at the District.) Managers shall also request that existing employees in a position to develop an invention sign this agreement. Other employees may sign this agreement if they wish.

For the purpose of this policy, a "District invention" includes all inventions and works conceived by an employee, either alone or with others, during the term of the employee's employment by the District. Exceptions are inventions or works for which no equipment, supplies, facility or trade secret information of the District was used in the conception and/or development thereof and which were developed entirely on the employee's own time, and (a) which do not relate (1) to District business or (2) to the District's actual or demonstrably anticipated research or development, or (b) which do not result from any work performed by employee for the District. An invention includes any written or unwritten idea related to the District's business or developed with District time and/or resources, whether reduced to practice or not and whether or not patentable, copyrightable or otherwise protectable.

7.8 PUBLICATION OF WORK

Motion No. 7962, Adopted August 21, 1985

Employees whose work is accepted for publication will receive a District commendation.

7.9 ROYALTIES

Resolution No. 85-8-91, Adopted August 21, 1985

Royalties for publication of work accomplished on District time by District employees shall be retained by District for deposit in General Fund.

8. SAFETY AND RISK MANAGEMENT

8.1 RISK MANAGEMENT POLICY STATEMENT

Resolution No. 92-10-187, Adopted October 14, 1992

It is the policy of the Orange County Water District to protect itself against accidental loss or losses which affect personnel, property, assets, or the ability of the District to fulfill its mission.

Action to support this policy statement included the following risk management objectives:

1. Protecting against the consequences of losses that are catastrophic in nature;
2. Preserving District property, assets and provided services;
3. Minimize long-term relating to administering, controlling and financing risks and losses;
4. Developing and maintaining a system that continually reexamines exposures, losses and financing resources

To achieve these objectives, risk management processes are utilized to minimize the effects of accidental losses at the most reasonable cost. Risk Management processes include:

1. Identifying property, liability, and personnel exposures subject to loss;
2. Examining risks that cause losses, such as fire, theft, liability, workers' compensation claims, and other property loss;
3. Developing and applying loss control procedures to prevent employee injuries and to minimize losses to property;
4. Financing risk and losses through retention and transfer;

8.2 GOVERNMENTAL TORT (LIABILITY) CLAIMS PROCEDURE

Resolution No. 04-5-67, Adopted May 19, 2004

The Director of Human Resources shall make an initial determination whether a claim submitted appears to be facially sufficient; if the claim appears to be insufficient, the Director of Human Resources shall expedite its transmission to the District's insurer, noting the apparent insufficiency, and requesting direction as to the disposition of the claim within the designated response period.

The Assistant District Secretary will index, track and transmit claim information to the Claims Committee. The Claims Committee consists of the General Manager, Executive Director of Local Resources and Engineering, and General Counsel and is delegated the authority to review, deny or approve District liability claims.

The General Manager shall provide information to the Administration and Finance Issues Committee on a quarterly basis regarding the status of claims and litigation filed against the District. In connection with this reporting:

- The Director of Human Resources shall maintain a spreadsheet for tracking claims and litigation.
- The spreadsheet report will be distributed to the General Manager, Assistant General Manager, Executive Directors and General Counsel on an as-needed basis.

8.3 PROCEDURE FOR CLAIMS AGAINST THE DISTRICT

Resolution No. 07-77-103, Adopted July 18, 2007

A claim must be filed before initiating a lawsuit for monetary damages regarding any matter.

8.4 INSURANCE FOR PARTIES ENTERING INTO AGREEMENTS WITH OCWD

General Insurance Requirements

Unless otherwise approved by the General Manager or the Board of Directors, persons or entities contracting with the District shall provide insurance coverage that meets the following requirements:

1. Shall be issued by an insurance company, which maintains an A.M. Best's rating of "-A, VII" or higher; unless otherwise approved by OCWD
2. General Liability and Automobile Liability shall name the "OCWD, and its officers, officials, employees, agents, representatives and volunteers (collectively hereinafter "OCWD and OCWD Personnel") as additional insured" and contain no special limitations on the scope of protection afforded to OCWD and OCWD Personnel. All insurance provided hereunder shall include the appropriate separate endorsement(s)
3. Shall be primary insurance and any insurance or self-insurance maintained by OCWD or OCWD Personnel shall be in excess of the contracting party's insurance and shall not contribute with it
4. Shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability
5. Shall be endorsed to state that the insurer shall waive all rights of subrogation against OCWD and OCWD Personnel, excluding Professional Liability
6. Shall have project name and/or agreement number indicated on Insurance certificate

Deductibles. Any deductibles or self-insured retentions must be declared to and approved by OCWD prior to the execution of the Agreement by OCWD.

Evidence of Coverage. The contracting party shall furnish OCWD with certificates of insurance and endorsements, with additional insured (Form 2010) including waiver of subrogation endorsement, demonstrating the coverage required by this Agreement, which shall be received and approved by OCWD not less than five (5) working days before work commences.

Workers Compensation Insurance. The contracting party shall certify that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing the performance of the work of this Agreement. The contracting party and its subcontractors will keep Workers Compensation Insurance for their employees in effect during all work covered by this Agreement. In the event the contracting party has no employees requiring the contracting party to provide Workers' Compensation Insurance, the contracting party shall so certify to OCWD in writing prior to OCWD's execution of this Agreement. OCWD and OCWD Personnel shall not be responsible for any claims in law or equity occasioned by failure of the contracting party to comply with this section or with the provisions of law relating to Workers' Compensation.

8.5 SAFETY MANUAL

Motion No. 91-328, Adopted July 17, 1991

The District's Safety Manual is on file with the Risk and Safety Manager at the District and is updated on an as-needed basis.

8.6 EMERGENCY RESPONSE PLAN

Resolution No. 91-11-203, Adopted November 4, 1992. Amended by Resolution No. 05-6-69, Adopted June 15, 2005

The Emergency Response Plan, is outlined in the District's Safety Manual. The revised plan establishes the National Incident Management System (NIMS) as the District's standard for incident management. Updates are ongoing and provided on an as-needed basis.

8.7 ACWA/JPIA COMMITMENT TO EXCELLENCE PROGRAM

Resolution No. 14-6-76, Adopted June 14, 2014

OCWD participates in the Association of California Water Agencies Joint Project Insurance Authority (JPIA) Commitment to Excellence program to help the JPIA's membership reduce the frequency and severity of liability, workers' compensation and property losses.

9. FINANCE

9.1 FUND TRANSFERS

Resolution No. 89-5-93, Adopted May 3, 1989
District Act Sections 20 and 31.6

- Board approval required for transfer of moneys between funds
- Board approval (affirmative vote of 8 Directors) required for transfer of funds from the General Fund to the Water Reserve Fund (District Act, Section 20)
- Board approval required for transfers of moneys from contingencies/reserves; (General Manager authorized to approve emergency transfer of funds not to exceed \$100,000, Board ratification required)
- Board approval required for transfers of moneys between programs (General Manager authorized to approve transfer of amount not to exceed \$100,000, Board ratification required)
- General Manager authorized to approve transfers between line items and categories within programs
- A maximum of \$250,000 may be transferred from the General Fund to the Basin Equity Assessment Fund; to be repaid to the General Fund (District Act, Section 31.6)
- All claims for funds to be approved by the Board and payment only upon check signed by President and countersigned by District Secretary or such other persons approved by the Board (District Act, Section 37)

9.2 ALTERNATIVE FINANCING

Resolution No. 87-12-140, Adopted December 16, 1987

Alternative financing for District capital projects to be considered to avoid significant increases in the Replenishment Assessment.

9.3 CAPITALIZATION POLICY - PROJECT EXPENSE

Motion No. 2000-214, Adopted October 18, 2000

- Preliminary project expenses related to direct research are to be paid from the General Fund.
- Project expenses for such items as Feasibility reports, pilot studies, Engineer's reports, compliance with California Environmental Quality Act (CEQA), and project design and construction may be capitalized and funded with long-term debt.
- Project expenses that are capitalized and funded with long-term debt and which do not lead to construction of a project will require an adjustment by the Accounting Department to pay off the long-term debt incurred using cash reserves.

9.4 CAPITALIZATION POLICY - FIXED ASSETS

Resolution No. 93-12-196, Adopted December 15, 1993. Amended by Resolution No. 06-12-165, Adopted December 20, 2006

The threshold for fixed assets is \$5,000.

9.5 DISTRICT VEHICLE REPLACEMENT POLICY

Resolution No. 06-5-63, Adopted May 17, 2006

The general goals of the District Vehicle Replacement Policy include:

- Maintain safe, reliable vehicles and heavy equipment to accomplish District goals and objectives.
- Maximize the life of the District's vehicles and heavy equipment; and, replace vehicles when they become unsafe to operate and/or when repair costs become excessive.

Replacement Guidelines

The following general guidelines will be used for determining replacement of vehicles or heavy equipment. The guidelines provide a general indication as to when vehicles or equipment may need to be replaced.

- History of excessive repairs
- Availability of parts for repairs
- If cost of repair is estimated at 50% of the fair market value, replace vehicle.
- If vehicle is involved in an accident, repairs should be no greater than 80% of the fair market value.
- Reduce number of years and miles for vehicles used in off-road conditions.

Maintenance Records:

The District will maintain detailed records of each individual vehicle or equipment item.

Surplus Procedure

All replaced vehicles and heavy equipment shall be formally surplus via Board action. Upon approval of Board action, the Purchasing Manager shall sell the surplus item by auction, Internet or other means to obtain the highest value for the District.

9.6 ORGANIZATIONAL MEMBERSHIPS

Motion No. 03-60, Adopted March 19, 2003

The payment of District memberships is authorized as set forth annually in the Board approved budget document (within the General Manager's budget).

9.7 VISA – CAL CARD PURCHASING CARD POLICY

Resolution No. 12-2-18, Adopted February 15, 2012

This policy reflects the US Bank Cal Card program as the card in use. The policy and procedures provide guidance to all employees and Board members appointed as cardholders is set forth in Resolution No. 12-2-18, adopted February 15, 2012. Purchasing cards are intended for purchasing products and services for the District.

10. PROPERTY MANAGEMENT

10.1 ARCHEOLOGICAL FINDS

Resolution No. 81-9-98, Adopted September 16, 1981

All artifacts found on District property are property of District and shall be reported immediately to General Manager for determination as to ultimate disposition.

10.2 DEVELOPMENT INCOMPATIBLE WITH LANDS WITHIN PRADO RESERVOIR

Resolution No. 85-4-33, Adopted April 17, 1985

OCWD opposes the location of any facilities within the Prado Reservoir below elevation 514 feet which would impair water conservation efforts.

The Orange County Water District shall endeavor to assure that any facilities and their appurtenances, including access, constructed within the Prado Reservoir between elevations 514 and 563 feet shall be capable of withstanding inundation during flood periods.

10.3 EXCLUDING PROPERTY ACQUISITION COSTS FOR GROUNDWATER QUALITY ENHANCEMENT PROJECTS FROM REIMBURSEMENT THROUGH BEA EXEMPTIONS

Resolution No. 2000-4-55, Adopted April 19, 2000

Policy excludes property acquisition cost for siting of groundwater treatment facilities from reimbursement through BEA exemptions.

10.4 LEASING OF PRADO LANDS

Resolution No. 84-11-107, Adopted November 14, 1984

Leasing of Prado lands subject to inundation from U.S. Army Corps of Engineers is set forth in Resolution No. 84-11-107, adopted November 14, 1984.

10.5 NAMING DISTRICT FACILITIES

Resolution No. 03-6-76, Adopted June 18, 2003

For most facilities, such as recharge basins, naming the facility after the most predominant geographic feature or a street name in the same location is acceptable. Names for minor facilities and recharge basins shall be recommended by the project team in consultation with the Communications and Legislative Committee.

For major facilities, the Communications Department staff will conduct appropriate research and develop suggested names in collaboration with the Communications and Legislative Liaison Committee. Project names shall be submitted to the Board for approval.

10.6 PERMITS/LEASES

▪ **Excavation Permits**

Resolution No. 76-10-111, Adopted October 22, 1976

The General Manager is authorized to negotiate, and issue permits for excavation of material in amounts not to exceed 50,000 tons at such price and terms as he shall determine to be proper without further authority from Board. The General Manager, Secretary or Assistant Secretary are authorized to execute the permits.

▪ **Film Permits/Leases & Filming Policy**

Resolution No. 90-2-38, Adopted February 21, 1990. Amended by Resolution No. 94-2-24, Adopted February 16, 1994. Amended by Resolution No. 99-2-23, Adopted February 17, 1999. Amended by Resolution No. 11-9-126, Adopted September 7, 2011

General Manager is authorized to issue permits upon approval as to form by District General Counsel. Assistant General Manager to conduct a risk assessment of film location. If the film location is in Prado Basin, Requestor is required to post a bond/letter of credit in the amount of \$1 million or more or a Supplemental Coverage Endorsement to its Commercial General Liability Insurance Policy. Executed permit/license, fees, and insurance must be received by District prior to use. Fees for commercial photography: \$500 per day for motion pictures and \$250 per day for still pictures. General Manager may waive permit fees under the following exemptions:

Charitable films, including commercials, motion pictures, television programs, video tapes or still photography, produced by a nonprofit organization which qualifies under Section 501 (c) (3) of the IRS Code or Section 23701 of the California Revenue and Taxation Code as a charitable organization, and schools who submit a request on school letterhead and organizations sponsored or cosponsored by the District or a governmental agency.

The District may impose an additional cost to be paid by the requestor to recover costs incurred by extra work for District staff time required for location preparation as determined by the General Manager. Filming licenses issued shall be reported to the Board.

▪ **Property License Agreement Policy**

Resolution No. 14-3-29, Adopted March 5, 2014. This resolution supersedes and replaces all prior resolutions regarding license agreements for District Property.

Short-Term License Agreement (Temporary)

Access for terms less than 6 months with no significant impact on the property

Base License Fees: Access & approved uses = \$1,148

Individual use by adjacent property owner = \$100

Long-Term License Agreement

Access for terms greater than 6 months

Base License Fees: Entry = \$1,148

Approved use = \$1,148 or market rates and 3% CPI annual adjustment

Plus additional fees for recovering costs for staff time and insurance

Permits for Access over District Prado Property

Resolution No. 95-6-70, Adopted June 19, 1995

General Manager is authorized to execute, and issue permits for ingress and egress across District land at Prado.

▪ **Access license Agreements for Researchers Visiting District Laboratories and facilities**

Resolution No. 16-5-63, Adopted May 18, 2016.

10.7 MULTI PURPOSE UTILIZATION OF DISTRICT LANDS FOR PRESERVATION AND ENHANCEMENT OF THE ENVIRONMENT AND RECREATIONAL OPPORTUNITIES

Resolution No. 72-10-123, Adopted October 18, 1972

- Primary purpose of OCWD is to manage the groundwater basin for the purpose of replenishing, regulating, and protecting the groundwater supplies within the District.

- District must at all times have adequate capacity for its water conservation activities for its groundwater basin management program; and the lands, facilities, and works now owned by the District are and will in the future be utilized in conjunction with these water activities.
- District shall continue to provide for the protection and enhancement of the environment as an integral part of and in connection with water activities of the District.
- The development of multipurpose uses on District lands, facilities, and works within the middle Santa Ana River for recreational purposes and/or for protection and enhancement of the environment shall be consistent with the District's adopted Environmental Enhancement Plan.
- District shall provide by agreement with other public agencies or private persons for the recreational use of the lands, facilities and works of the District that shall not interfere, or be inconsistent with, the primary use and purpose of such lands, facilities, and work.
- Establishment of recreational or other multipurpose uses of District properties will be implemented by the use of a recreational lease or other appropriate agreement which will include the following provisions: use, hold harmless, liability insurance, fire insurance, operation, District activities (the following provisions covering activities of the District will be included in such agreements: 1) District's rights of ingress and egress, 2) Continued use of premises by the District in conjunction with its efforts to impound, conserve, and store water; 3) amount and quality of water placed and impounded upon the premises will be determined solely by the needs of the District in furtherance of its operations and the District will not be required by a recreational agreement or otherwise to maintain water on the premises at any time; 4) to the extent possible, the premises will be available for recreational uses provided for in the agreement; however, the proper operation of District water conservation and replenishment activities may, from time to time, prohibit any or all such uses.
- District will consider recreational proposals that provide the highest and best use of the property, consistent with the responsibilities, uses and purposes of the District.
- Implementation of recreational multipurpose utilization of the District lands, facilities, and works shall be determined by the Board and shall be influenced by the level of participation by other public agencies, private persons or entities, commensurate with District activities.
- Where the District joins with others, the District's financial participation in the implementation of multipurpose uses of its lands will be guided by the following principles:
 - District's contribution to capital costs of recreational development upon District lands, facilities, and works shall not exceed 25% of total capital costs paid by local participants;
 - District's shall only use funds accrued in its environmental enhancement account for expenditures related to recreational multipurpose uses;
 - District's environmental enhancement account shall accrue funds consisting of all revenues received by OCWD from recreational uses of District land and 25% of all gross revenues received by the District from the excavation of sand, gravel and earth materials.
- General assessments funds derived by District through ad valorem taxes are not to be deposited or credited into environmental assessment account.
- District expenditures for mitigation measures and/or protection and preservation of its lands, facilities and work within and outside the District will be from the District's Water Reserve Fund. Mitigation measures will be related exclusively to acquisition, construction, or development of

intrusion prevention projects, spreading grounds or basins, wastewater reclamation, water salvage projects, and other works useful or necessary for the purpose of the District.

- District will require all future utility facilities to be placed underground where such facilities cross or are placed upon District lands.
- All future rights of way, easements or permits issued by District for utilities and services crossing District lands shall have a value assigned to them. As mutually agreed upon by the individuals acquiring such documents and the District, the equivalent value may be paid to the District, to be deposited into its environmental enhancement account, or the individuals may establish environmental improvements or other required measures in exchange for the right of way, easement, or permit.
- District may participate with adjacent property owners or easement holders in the protection, preservation, and enhancement of District and adjacent lands or for the development of compatible multipurpose uses of District and adjacent properties.
- Upon special consideration, individual elements of this policy may be altered or waived upon approval of the Board.

10.8 PROHIBITED USE OF LANDS

Dynamic Recreational Use

Resolution No. 81-3-29, Adopted March 18, 1981

The District prohibits the use of District property for dynamic recreational events due to concerns regarding crowd control, parking and damage to landscape and facilities. The lease of District property is restricted to passive recreational pursuits only.

Recreational Use of Settling Basins

Resolution No. 83-4-33, Adopted April 20, 1983

Individual recreational use of the District's settling basins is prohibited due to significant liability exposure and minimal benefit to District.

11. OCWD RULES OF ORDER

December 17, 2014 - The Board of Directors adopted Rules of Order to guide the conduct of meetings of the Board and its committees. (See attached)