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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

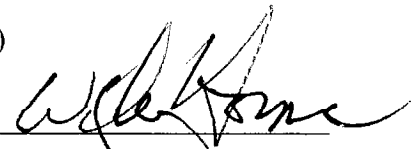
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December 17, 1996

To: Board of Directors (Executive Committee--Action)

From: General Manager

Submitted by: Lambertus H. Becker
Chief Financial Officer



William K. Stone
for

Subject: Amendment to Administrative Code Section 10100 et seq.,
Retention and Disposition of Records

RECOMMENDATION

It is recommended that the Board of Directors approve the amendment of Section 10100 et seq. of the Administrative Code pertaining to the retention and disposition of records to read as shown in Attachment A to this letter, and, concurrently, that the Board of Directors adopt the Metropolitan Water District Records Retention Schedule referenced therein and authorize the General Manager, in concert with the other department heads, to update that Schedule periodically in the future as required or deemed necessary.

EXECUTIVE SUMMARY

Best business practices for the management of records require the development of a Records Management Program. The District's Records Management Program, which has been in existence for several years, includes a comprehensive District-wide Records Retention Program to establish a standardized system to identify, inventory, classify, transfer, store, retrieve, and purge Metropolitan's records in accordance with appropriate regulations or District policies. In order to effectively implement the Records Retention Program, it is necessary to amend the Administrative Code language pertaining to the retention and disposition of records and to adopt the comprehensive Metropolitan Water District Records Retention Schedule recently approved by the three Executive Officers.

DETAILED REPORT

In May, 1995, Metropolitan retained Stone & Webster Engineering Corporation (Stone & Webster) to assist in the creation of Metropolitan's first formal and comprehensive

Records Retention Program (RRP). One key deliverable from the RRP, namely, the Metropolitan Water District Records Retention Schedule, was recently completed and a final version, dated September 19, 1996, was approved by the General Manager, General Counsel, and Auditor. A copy of the approved schedule is available for review in the Office of the Executive Secretary.

In order to develop the new RRP, Stone & Webster, working with Finance and Business Services Division staff, conducted 138 interviews at 23 Metropolitan sites; completed a comprehensive inventory of records in central reference areas (which included 119,479 total inches of paper and hardcopy, electronic records, and 7,000 cubic foot boxes stored in off-site commercial records center); established a records classification system in accordance with records management industry standards; researched (in cooperation with General Counsel staff) citations that provide the legal record requirements by jurisdiction, agency, and sub-agency; created a records management computer application; and developed policies and procedures to implement and maintain the RRP. Additionally, the consultants are training staff records coordinators at a detail level and will train senior management at an overview level on the RRP.

Sections 10100 through Section 10105 of the Administrative Code govern Metropolitan's records retention efforts. The current Administrative Code language lacks comprehensiveness and is outdated, particularly in the area of the recording medium used by the District. To facilitate the effective implementation of the RRP, the Administrative Code should be amended to include recommended policies and procedures derived from Stone & Webster's study. Moreover, the Metropolitan Water District Records Retention Schedule, which is a key component of the RRP, should be incorporated by reference into the new Administrative Code language concurrent with adopting the other proposed changes. The Schedule will guide the organization in actual retention and disposition of records in the future. The Schedule will be reviewed at least annually in the future and updated for necessary changes whenever appropriate. Such changes will be approved by the General Manager, acting in concert with the General Counsel and Auditor. A copy of the new proposed Administrative Code language is shown at Attachment A. Differences between the proposed language and the existing Administrative Code provisions are shown in Attachment B.

The best business practices for the future management of Metropolitan's records have been developed by a consultant's team of information technology, legal, and records management specialists working in conjunction with District staff. The proposed modifications of the District's record retention practices are consistent with Metropolitan's current management practices, whereby each Department Head has custody and responsibility of existing records in their control.

The benefits that will be derived from the Records Retention Program are as follows:

1. Minimize use of high cost office space for storage of inactive records.
2. Avoid increases in off-site commercial storage costs, by routine destruction of obsolete records.
3. Improved litigation support because of more organized records for review during the discovery process and better indexes for records retrieval.
4. Minimization of potential exposure or liability against the District during litigation for records destruction, through use of an approved retention schedule as a part of the "normal course of business".
5. Provide common terminology and clear guidance to District personnel for management of records.
6. Avoid additional expenditures for electronic storage media (diskette, hard disks, tapes) by deleting obsolete electronic records and reusing the media.
7. Reduce retrieval time of information by reducing volume to be searched. An Electronic Document Management System could further reduce the retrieval time.
8. Obsolete records equivalent to 256 file cabinets will be dispositioned from active file areas. These 256 file cabinets will then be available for reuse if they meet current safety standards.
9. Elimination of old unsafe file cabinets will potentially reduce risk of liability.

The RRP also interacts effectively with the District's current efforts to automate its document management processes including an Electronic Forms Pilot Project. With the exception of vital and historical records, most records can be stored in alternative media, such as electronic media or microfilm, at the discretion of the Department Head. As cited previously, these approaches will reduce the cost and space demands of storing and filing paper records.

Finally, the creation of a computerized application to manage the District's document retention practices represents a potential business development opportunity. Staff is currently working on a licensing agreement with the consultant to market the product. The application program will be licensed to water districts and other interested parties in exchange for a fee or reciprocal services.

DKM

Attachments

Division X**RECORDS**

Chapter		Sec.
1.	Retention and Disposition of Records	10100
2.	Inspection of Records	10200

Chapter 1**RETENTION AND DISPOSITION OF RECORDS**

Sec.	
10100.	Retention and Disposition of Records
10104.	Custodian of Records
10106.	Media Type

§ 10100. Retention and Disposition of Records

The General Manager, acting in concert with the other department heads, shall have a Metropolitan Water District Records Retention Schedule prepared which shall govern the retention and disposition periods for all official District records. This Schedule shall be reviewed at least annually and updated periodically as required or deemed necessary by executive management. Preliminary drafts (including notes, working papers, memoranda and other documents) accumulated in preparation of an official District record shall be destroyed when the record is prepared in final form, adopted or otherwise formalized, unless the preliminary draft or related documents have significant and lasting historical, administrative, engineering, legal, audit or fiscal research value.

§ 10104. Custodian of Records

Each Department Head shall be the custodian for official District records under his department's responsibility and control. The Department Head shall ensure that classes of records under his responsibility and control are periodically disposed of in accordance with the provisions of the Metropolitan Water District Records Retention Schedule.

§ 10106. Media Type

Each Department Head shall determine the records media type (paper, microform, electronic, etc.) for retention purposes for official District records under his department's responsibility and control. Any written records which are converted to an alternative storage media, in accordance with the requirements in California Government Code section 60203, may be subject to destruction. Each official record shall be stored in only one media type, unless designated vital or historical. Records designated vital shall be retained in their original form and historical records shall be retained in paper form.

Division X

RECORDS

Chapter		Sec.
1	Retention and Distribution <u>Disposition</u> of Records	10100
2	Inspection of Records	10200

Chapter 1

RETENTION AND ~~DISTRIBUTION~~ DISPOSITION OF RECORDS

Sec.	
10100.	Permanent Retention and Disposition of Original Documents Records
[10101.	Destruction of Original Documents Where Microfilming Is Required Repealed]
[10102.	Destruction of Original Documents Where Prior Microfilming Is Not Required Repealed]
[10103.	Destruction of Original Documents After Specified Waiting Period, Where Prior Microfilming Is Not Required Repealed]
10104.	Custodian of Records
[10105.	Destruction of Recordings of Telephone and Radio Communications Repealed]
<u>10106.</u>	<u>Media Type</u>

§ 10100. ~~Permanent Retention and Disposition~~ of Original Documents Records.

The following records shall be retained permanently in their original form:

- (a) Resolutions, ordinances and orders of the Board;
- (b) Minutes of meetings of the Board;
- (c) Records that are determined by an executive officer of the District to be of very significant and lasting historical, administrative, engineering, legal, fiscal or research value;
- (d) Records required by law to be filed and preserved as advised by the General Counsel.

The General Manager, acting in concert with the other department heads, shall have a Metropolitan Water District Records Retention Schedule prepared which shall govern the retention and disposition periods for all official District records. This Schedule shall be reviewed at least annually and updated periodically as required or deemed necessary by executive management. Preliminary drafts (including notes, working papers, memoranda and other documents) accumulated in preparation of an official District record shall be destroyed when the record is prepared in final form, adopted or otherwise formalized, unless the preliminary draft or related documents have significant and lasting historical, administrative, engineering, legal, audit or fiscal research value.

~~§ 10101. — Destruction of Original Documents Where Microfilming Is Required~~

~~The following records may be destroyed at any time provided they are first microfilmed in accordance with the requirements of Government Code Section 60203:~~

- ~~(a) Records received pursuant to state statute as advised by the General Counsel;~~
- ~~(b) Financial records summarizing the financial status of the District;~~
- ~~(c) Records affecting title to land or liens thereon;~~
- ~~(d) Oaths of office and related materials depicting the authenticity of the appointment of any of the directors or executive officers of the District;~~
- ~~(e) All canceled checks for payment;~~
- ~~(f) Any records not otherwise provided for in this chapter.~~

~~§ 10102. — Destruction of Original Documents Where Prior Microfilming Is Not Required.~~

~~The following records may be authorized for destruction at any time without prior microfilming:~~

- ~~(a) Canceled coupon sheets removed from registered bonds may be authorized for destruction by the General Manager;~~
- ~~(b) Rough drafts, notes and working papers accumulated in preparation of a communication, study or other document unless of a formal nature contributing significantly to preparation of a document representing the work of any department of the District;~~

~~(e) Cards, listings, nonpermanent indices, other papers used for controlling work and transitory files including letters of transmittal, suspense letters and tracer letters;~~

~~(d) Duplicate records, after the officer or employee authorizing destruction of a record is certain that the original record or at least one copy thereof is available within the District;~~

~~(e) Any records, other than those included in Sections 10100, 10101 or 10103, whose content is substantially found in another record.~~

**~~§ 10103.—Destruction of Original Documents After Specified Waiting Period,
Where Prior Microfilming Is Not Required.~~**

~~The following records may be authorized for destruction without prior microfilming, after initial retention in their original form for the minimum time period specified hereinafter:~~

~~(a) Six months — Matured, paid and canceled District coupons and bonds, the retention period beginning on the date of payment;~~

~~(b) One year — Shorthand notebooks, stenotype records, recording tapes and keys to tapes of Board or Board committee meetings informational videotapes prepared for the Board or Board committees;~~

~~(c) Two years:~~

~~(i) Treasurer's daily summary;~~

~~(ii) Interest and redemption vouchers supporting Treasurer's checks issued for the payment of interest and redemption of District bonds and coupons;~~

~~(iii) Unaccepted bids or proposals for construction.~~

~~(d) Five years:~~

~~(i) Paid vouchers with attached documents;~~

~~(ii) Reports of collections and reports of disbursements from special deposits;~~

~~(iii) Records created for a specific event or action, the retention period beginning on the date the event or action was completed and to be extended if there is pending or anticipated litigation involving the records;~~

~~(iv) Any records not otherwise provided for in this Chapter.~~

(e) Ten years:

~~Construction contracts and documents related to design or performance of such contracts.~~

§ 10104. Custodian of Records.

~~Each Department Head shall be the custodian of records which are permanently filed in that particular department and for official District records under his department's responsibility and control. The Department Head may provide shall ensure that classes of records authorized by this Code to be under his responsibility and control are periodically disposed of destroyed shall be destroyed only on prior approval given in accordance with regulations issued by the Department Head. the provisions of the Metropolitan Water District Records Retention Schedule.~~

~~§ 10105. Destruction of Recordings of Telephone and Radio Communications.~~

~~The General Manager after consulting with the General Counsel may destroy recordings of telephone and radio communications made more than 100 days prior to the date of destruction. In the event that such recordings are evidence in any claim filed or any pending litigation, such recordings shall be preserved until pending litigation is resolved.~~

§ 10106. Media Type

Each Department Head shall determine the records media type (paper, microform, electronic, etc.) for retention purposes for official District records under his department's responsibility and control. Any written records which are converted to an alternative storage media, in accordance with the requirements in California Government Code section 60203, may be subject to destruction. Each official record shall be stored in only one media type, unless designated vital or historical. Records designated vital shall be retained in their original form and historical records shall be retained in paper form.