

- **Board of Directors**
Executive Committee
Legal, Claims and Personnel Committee

August 20, 2001 Board Meeting

9-11

Subject

Amend Metropolitan Water District Administrative Code revisions regarding new committee structure, contract authority and related cleanup items

Description

Revisions to the Metropolitan's Administrative Code are needed to conform with the new committee structure adopted by the Board at its January 2001 meeting, to reflect the merger of Coastal Municipal Water District with the Municipal Water District of Orange County, to conform provisions concerning inspection trips and amend other code sections to be consistent with the current management structure and job titles. Also, in conformance with existing practice, these revisions would clarify the ability of the Chief Executive Officer and General Counsel, subject to ratification by the Board, to initiate litigation or respond to or participate in pending litigation when timely Board approval cannot be obtained. Regarding annexations to Metropolitan, the Administrative Code is to be amended to conform to changes in the Government Code regarding local agency formation commission approval of annexations. Further, due to the reduction of the size of the Board, presentation of resolutions of necessity to condemn must be to the full Board, rather than a committee.

In addition, certain sections of Metropolitan's Administrative Code relating to contracts need to be modified to be consistent with Metropolitan's recently revised Business Outreach Program and with staff recommendations to improve contract efficiencies. Also, the Administrative Code does not provide clear direction for some special contract situations that have arisen in recent years.

In May 2001, the Legal, Claims and Personnel Committee proposed a new Business Outreach policy. Pursuant to this new policy, Metropolitan would be committed to creating an environment which affords all individuals open access to the business opportunities available within its regional service area in a manner that reflects the diversity of its service area. Metropolitan would solicit participation in the performance of its contracts to all individuals and businesses, including but not limited to small businesses, locally owned businesses, women, minorities, and economically disadvantaged business enterprises. The action recommended by this letter would revise Section 8300 of the Administrative Code to incorporate this new policy statement.

The employee-driven Competitive Action Team (CAT) developed numerous recommendations to increase Metropolitan's fiscal efficiencies and savings. One of several business practices the CAT investigated was Metropolitan's purchasing, contracting, and bidding process. The CAT identified changes that could be made in Metropolitan's current process that would improve staff efficiency, shorten processing time, and reduce problems. To implement the CAT recommendations, Metropolitan's Administrative Code must be revised. The action recommended by this letter would raise the threshold for requiring competitive bidding from \$5,000 to \$25,000. The recommended action would also raise the threshold for requiring performance bonds, at the Chief Executive Officer's discretion, from \$25,000 to \$100,000. Both actions will facilitate meeting the goals of the revised Business Outreach Program by increasing the number of procurements available to small businesses and simplifying the contracting process.

The action recommended by this letter also clarifies the procedures for contracting pursuant to the emerging 'master agreement' mechanism. In this process, an umbrella contract is competitively secured by one agency for the benefit of several. The recommended action also clarifies that contracting for routine operating services, such as for treatment plant sludge removal, need not be brought to the Board for approval regardless of the dollar

amount, provided such services have been budgeted. This is currently the procedure for budgeted equipment, materials, and supplies such as for treatment plant chemicals.

The proposed substantive amendments are set forth on [Attachment 1](#), with strikeouts showing deletions and underlining showing additions. Footnotes are provided to explain proposed contracting changes. [Attachment 2](#) shows the new version of the Metropolitan Water District Administrative Code as it would read upon Board approval. All changes in job title alone are not included in these attachments but would be made upon Board approval.

Policy

Committee structure of Metropolitan's Board of Directors, Metropolitan member agencies and delegation of authority to Chief Executive Officer and General Counsel. Administrative Code Section 2461(h) requiring the Legal, Claims and Personnel Committee to study, advise and make recommendations with regard to the organization and contents of the Administrative Code. Board Letter 10-3 dated May 15, 2001 relating to proposed modifications to the Business Outreach Program.

CEQA

The proposed revisions to the Administrative Code are not defined as a project under the California Environmental Quality Act (CEQA), because the proposed action involves continuing administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, where it can be seen with certainty that there is no possibility that the proposed action in question may have a significant effect on the environment, the proposed action is not subject to CEQA (Section 15061(b)(3) of the State CEQA Guidelines).

The CEQA determination is: Determine that the revisions to the Administrative Code are not subject to CEQA per Sections 15378(b)(2) and 15061(b)(3) of the State CEQA Guidelines.

Board Options/Fiscal Impacts

Option #1

Adopt the CEQA determination and adopt the proposed revisions to the Metropolitan Water District Administrative Code set forth in [Attachment 1](#).

Fiscal Impact: With regard to the proposed contracting changes, in conjunction with other CAT recommendations pertaining to contracting procedures, a net present value savings of \$300,000 is anticipated.

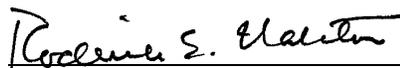
Option #2

Maintain the status quo, and the Metropolitan Water District Administrative Code will not accurately reflect the Board's new committee structure, the merger of Coastal Municipal Water District with the Municipal Water District of Orange County, or the current litigation authority exercised by the Chief Executive Officer and General Counsel. Metropolitan also will not realize the improvement in contract efficiencies indicated in Option #1.

Fiscal Impact: Cost reduction outlined in Option #1 not achieved.

Staff Recommendation

Option #1


 Roderick E. Walston
 General Counsel

7/20/2001
 Date

[Attachment 1 – Proposed Amendments to the Administrative Code](#)

[Attachment 2 – New Version of the Administrative Code upon Board Approval](#)

(Proposed Amendments to the Administrative Code)

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§ 2200. Establishment of Offices.

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

§ 2201. Terms of Office; Limitations.

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

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

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

§ 2202. Selection of Officers.

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

§ 2203. Vacancy in Office.

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

§ 2204. Delegation of Duties to Vice Chair.

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

§ 2205. Duties of the Chair.

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

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

§ 2206. Use of District Automobile by Chair

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

§ 22067. Duties of the Secretary of the Board.

The duties of the Secretary of the Board are to :

(a) Sign all Board Meeting Minutes; and,

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

Article 1

GENERAL

Sec.

2400. Identification of Standing Committees

2401. Officers and Members of Standing Committees

§ 2400. Identification of Standing Committees.

The Standing Committees of the Board of Directors are:

Executive Committee

Engineering, ~~and~~ Operations and Real Property Committee

Audit, Budget and Finance Committee

Legal, ~~and~~ Claims and Personnel Committee

Water Planning, Quality and Resources Committee

Communications, Outreach and Legislation Committee

Article 2

EXECUTIVE COMMITTEE

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- ~~2420. Subcommittee on Organization and Personnel~~
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§ 2416. ~~TimeDay~~ of Regular Meeting.

~~The Executive Committee shall hold two regular meetings. The first meeting shall be held on the Tuesday that is two weeks prior to the Tuesday on which the regular Board meeting is held. The second meeting shall be held on the Tuesday on which regular Board meetings are held beginning at 9:30 a.m. The regular meeting of the Executive Committee shall be held on the fourth Tuesday of the month.~~

§ 2417. Duties and Functions.

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

- (a) Public information for governmental and other entities and officials, and for the citizens of California regarding matters affecting the District's interests;
- (b) Official dealings with the United States Government, the State of California or other states, member public agencies or their subagencies, foreign governments and other entities or persons in matters of public policy or other activities as deemed appropriate;
- (c) Matters relating to the Colorado River Board of California;
- (d) Major policy issues to be considered by the Board, including proposed amendments to the Metropolitan Water District Act;
- (e) Questions raised by the officers and staff in intervals between meetings of the Board and in unexpected situations and emergencies;
- (f) The terms and conditions of employment of all consultants and advisors not within the jurisdiction of other committees.
- (g) Resolution of conflicting committee recommendations pursuant to Section 2314;
- (h) Monitor the progress of, and propose modifications to, the Board's goals in light of then existing and projected future conditions;

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

(~~h~~) The Executive Committee shall retain ultimate responsibility for those duties as are specifically assigned to the subcommittees of the Executive Committee ~~as set forth in Sections 2419, 2420, and 2421.~~

(~~j~~) The Executive Committee shall be responsible for the oversight of the performances and activities of the Chief Executive Officer, General Counsel, and General Auditor-General Manager's performance and activities and an annual review of the Chief Executive Officer's compensation. The Executive Committee shall evaluate the performance of the Chief Executive Officer-General Manager at least annually in advance of the ~~July-June~~ Board meetings. ~~The results of that evaluation shall be provided to the Subcommittee on Organization and Personnel for consideration as part of its annual review of the General Manager's compensation.~~ It shall also review and approve the Chief Executive Officer's-General Manager's comprehensive ~~business-work~~ plan and annual goals and work objectives at the start of each fiscal year in advance of the August Board meetings.

(~~k~~) After review and consideration of the annual assessment of, and recommendations concerning, Department Heads by the committees responsible for oversight of the performance and activities of a Department Head, the Executive Committee shall make recommendations to the Board on the salary and other compensation of Department Heads in advance of the ~~July-June~~ meetings, with any changes to be effective at the start of the payroll period nearest to July 1.

(~~m~~) Such other matters as may be required under Division 2 of this Administrative Code.

(~~n~~) The Executive Committee shall also:

(1) Assign and reassign the directors to the standing committees and designate the Committee Chairs and Vice Chairs, subject to approval by the Board of Directors, and to the limitations on terms of office;

(2) Designate a Board Vice Chair to act in the Board Chair's absence, failure or inability to act if the Chair has not previously made such a designation.

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

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

(5) Conduct hearings on Vendors' Protests:

(i) Hearings requested pursuant to Section 8104(d), and other hearings granted on the Executive Committee's own motion, unless delegated pursuant to Section 8119 shall be held by the committee at its next regular meeting to be held at least 72 hours after filing of the notice of protest. The hearing shall be conducted in accordance with such rules as the Chair of the committee shall announce. The committee shall make a decision on the bidder's or applicant's protest, shall set forth its reasons therefor, and shall cause the Executive Secretary to serve a copy of the decision on the bidder or applicant. The decision of the committee shall be final unless the committee chooses to refer the notice of protest to the Board.

(ii) The Chair of the Executive Committee may redelegate hearings provided for under Section 2417(k)(5)(i) to a minimum of three members of the Executive Committee who shall act in place of the committee in the conduct of the hearing and who shall at the conclusion thereof make their recommendations to the full committee. Such recommendations shall be accompanied by copies of any materials submitted in evidence. Any hearing held and recommendations made pursuant to such delegated authority shall be completed in advance of the time set for the next regular meeting of the full committee following the meeting at which the matter would otherwise have been heard by the committee.

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

§ 2419. Subcommittee on Rules and Ethics.

Within the Executive Committee there shall be a Subcommittee on Rules and Ethics, appointed by, and serving at the pleasure of, the Chair of the Executive Committee. The Subcommittee on Rules and Ethics shall:

(a) Review and approve board and committee agendas without further action by the Executive Committee. Notwithstanding the jurisdiction of standing committees in this Code, the Subcommittee on Rules and Ethics shall have the authority to direct which committee shall consider an item;

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

(c) Study, advise and make recommendations with regard to policies and procedures to be considered by the Board or committees thereof, except for proposed amendments to the Metropolitan Water District Act or this Code affecting the organization and personnel policies of the District, the acquisition, ownership and sale of land by the District, or other policy matters within the jurisdiction of a specific standing committee.

(d) Study, advise and make recommendations to the Executive Committee regarding Metropolitan's ethics program.

~~§ 2420. Subcommittee on Organization and Personnel~~

~~Within the Executive Committee there shall be a Subcommittee on Organization and Personnel consisting of members appointed by, and serving at the pleasure of, the Chair of the Executive Committee. The Subcommittee on Organization and Personnel is to study, advise, and make recommendations with regard to:~~

~~(a) The form of the district's organization and the flow of authority and responsibility.~~

~~(b) Periodic independent reviews and studies of the organization, classification of positions, job duties, salaries, and salary ranges.~~

~~(c) Relations between the District and its employees including all matters affecting wage, hours, pension plans and other employee benefits, and other terms and conditions of employment;~~

~~(d) Areas of special concern to the District and its employees, including, but not limited to equal employment opportunity, affirmative action, and work rules pertaining to the health and safety of employees;~~

~~(e) Policies and rules regarding the employment, discipline and discharge of District officers and employees;~~

~~(f) The selection of the Department Heads, the scope of their duties, and the annual interview and evaluation of the performance of each Department Head. The required assessments of the committees responsible for oversight of the performance and activities of a Department Head, the Executive Committee for the General Manager, Legal and Claims for the General Counsel, and Special Audit Committee for the General Auditor, shall be considered by the subcommittee in its Department Head evaluations. The subcommittee shall make recommendations on salary and other compensation for each Department Head to the Executive Committee in advance of the June meetings, with any changes to be effective at the start of the payroll period nearest to July 1;~~

~~(g) Proposed amendments to the Metropolitan Water District Act and Code affecting the organization and personnel policies of the District.~~

~~M.I. 43587 June 8, 1999; beginning paragraph and paragraph (f) amended by M. I. 43692 August 17, 1999; paragraph (f) amended by M.I. 439968 April 11, 2000.~~

~~§ 2421. Subcommittee on Real Property and Asset Management.~~

~~Within the Executive Committee there shall be a Subcommittee on Real Property and Asset Management consisting of at least eleven members appointed by, and serving at the pleasure of, the Chair of the Executive Committee. The Subcommittee on Real Property and Asset Management is to study, advise and make recommendations with regard to:~~

- ~~————(a) Proposed rules and proposals regarding business development opportunities, including real property transactions;~~
- ~~————(b) Policies for the acquisition of rights of way;~~
- ~~————(c) The purchase, sale, and leasing of land and buildings, including the performance of oversight and coordination of the District's various office and garage space needs;~~
- ~~————(d) The incidental use of land in farming operations and otherwise;~~
- ~~————(e) The operation and maintenance of buildings;~~
- ~~————(f) The selection of appraisers and the determination of the scope of their assignments;~~
- ~~————(g) The fixing of purchase price, and the initiation and conduct of condemnation and other proceedings relating to the purchase or sale of land or interests in property related negotiations, including holding the hearing and making recommendations to the Board of Directors as to whether to adopt a resolution of necessity to acquire property by eminent domain, as set forth in Section 8225;~~
- ~~————(h) The purchase, management and disposition of personal property assets such as equipment and vehicles;~~
- ~~————(i) Proposed amendments to the Metropolitan Water District Act and Code affecting the acquisition, ownership and sale of land by the District;~~
- ~~————(j) Approval and oversight of facilities master plans, including budgeting for capital improvements and long term facilities commitments; and,~~
- ~~————(k) Approval and oversight of information technology strategies, projects and activities, including budgeting and tracking of information technology resources and asset management.~~

Article 3

ENGINEERING, ~~AND~~ OPERATIONS AND REAL PROPERTY COMMITTEE

Sec.

2430. ~~TimeDay~~ of Regular Meetings

2431. Duties and Functions

§ 2430. ~~TimeDay~~ of Regular Meetings.

The regular meetings of the Engineering, ~~and~~ Operations and Real Property Committee shall be held on the Monday preceding regular Board meetings, ~~beginning at 11:00 a.m.~~

§ 2431. Duties and Functions.

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

- (a) Plans, specifications and bids;
- (b) The initiation, scheduling, contracting, and performance of construction programs and work, and the equipment or materials to be used, replaced, disposed of, or salvaged;
- (c) The operation, protection, and maintenance of the plants and facilities required for the production, exchange, sale, storage, treatment, and delivery of water and power and for the storage and treatment of water; and for the distribution of electrical energy to the aqueduct pumping plants;
- (d) The providing of storage and distribution facilities and connections for the delivery of water;
- (e) Such matters as may come to its attention on inspection trips of the aqueduct works which the committee shall make at least once a year;
- (f) Construction claims;
- (g) Engineering aspects of State Water Project facilities;
- (h) The selection of engineering and geologic consultants and the determination of the scope of their assignments;
- (i) Energy matters in general;
- ~~(j) Consider the effect on the district of existing and proposed federal, state, and local water quality and environmental statutes and regulations;~~
- ~~(k) Consider issues related to the quality of water furnished by the District to its member agencies;~~
- ~~(l) Review the effect of water quality issues on the water supply available in the District's service area;~~
- ~~(m) Study, advise, and make recommendations regarding environmental compliance and requirements;~~
- ~~(n) Monitor changes in desalination technology;~~

(j) Water treatment technologies for complying with drinking water regulations;

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

(l) Proposed rules and proposals regarding business development opportunities, including real property and intellectual property transactions;

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

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

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

(p) The operation and maintenance of buildings;

(q) The selection of appraisers and the determination of the scope of their assignments;

(r) The fixing of purchase price, and the initiation and conduct of condemnation and other proceedings relating to the purchase or sale of land or interests in property related negotiations, including holding the hearing and making recommendations to the Board of Directors as to whether to adopt a resolution of necessity to acquire property by eminent domain, as set forth in Section 8225;

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

(t) Approval and oversight of facilities master plans, including budgeting for capital improvements and long-term facilities commitments; and,

(u) Approval and oversight of information technology strategies, projects and activities, including budgeting and tracking of information technology resources and asset management.

Article 4

AUDIT, BUDGET AND FINANCE COMMITTEE

Sec.

2440. TimeDay of Regular Meetings

2441. Duties and Functions

§ 2440. ~~Time~~Day of Regular Meetings.

The regular meetings of the Audit, Budget and Finance Committee shall be held on the Monday preceding regular Board meetings, ~~beginning at 12:30 p.m.~~

§ 2441. Duties and Functions.

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

- (a) Preparation of budgets;
- ~~(b) Policies and procedures related to budget development and cost containment;~~
- ~~(bc)~~ Sale of bonds and borrowing and repayment of money;
- ~~(ed)~~ Disposition and investment of funds;
- ~~(de)~~ Authorization of appropriations;
- ~~(ef)~~ The determination of revenues to be obtained through sales of water, water standby or availability of service charges, and the levying of taxes;
- ~~(fg)~~ The financial impact and requirements of policies concerning annexation;
- ~~(gh)~~ The financial aspects of the District's risk management program;
- ~~(hi)~~ Questions pertaining to insurance coverage and self-insurance;
- ~~(ij)~~ The selection of financial and insurance consultants and the determination of the scope of their assignments;
- ~~(jk)~~ Form and contents of accounts, financial reports, and financial statements;
- ~~(kl)~~ Proposed amendments to the Metropolitan Water District Act affecting the finance and insurance functions of the District;
- ~~(l) Policies and procedures related to budget development and cost containment;~~
- (m) Goals and objectives related to financial planning for Metropolitan, including but not limited to revenues, operating expenses, reserve policies, internally funded construction, debt management, investments and capital financing strategies;
- (n) The selling prices of water and conditions governing sales of water;

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

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

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

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

(s) Review and make recommendations regarding determinations by the ~~General Manager~~Chief Executive Officer with respect to appeals concerning readiness-to-serve charges, new demand charges, and connection maintenance charges, and report its recommendations, as appropriate, to affirm or reverse the ~~General Manager~~Chief Executive Officer's determinations.

(t) Review and make recommendations regarding appeals from determinations by the ~~General Manager~~Chief Executive Officer to deny or qualify an application for exemption from the water standby charge, and report its recommendations, as appropriate, to affirm or reverse the ~~General Manager~~Chief Executive Officer's determinations.

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

(v) The Audit Department's annual business plan and annual budget.

(w) The selection of candidates for consideration by the Executive Committee to serve as the General Auditor and the selection of the Assistant General Auditor, as well as the external auditors or special audit consultants, and the determination of the scope of their assignments.

(x) Requests from other committees of the Board for audits and reviews not included in annual business plan.

(y) The Committee shall be responsible for the oversight of the General Auditor's performance and activities. It shall evaluate the performance of the General Auditor at least annually in advance of the July Board meetings. The results of that evaluation shall be provided to the Executive Committee for consideration as part of its annual review of the General Auditor's compensation. It shall also review and approve the comprehensive business plan and annual goals and work objectives of the General Auditor and the Audit Department at the start of each fiscal year in advance of the August Board meetings.

Article 6

LEGAL, ~~AND~~ CLAIMS AND PERSONNEL COMMITTEE

Sec.

2460. ~~Time~~Day of Regular Meetings

2461. Duties and Functions

2462. [Repealed]

§ 2460. ~~Time~~Day of Regular Meetings.

The regular meetings of the ~~Legal and Claims Committee~~Legal, Claims and Personnel Committee shall be held on the Monday preceding regular Board meetings, ~~beginning at 9:30 a.m.~~

§ 2461. Duties and Functions.

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

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

(i) Legal aspects and legal consequences of executed memorandum of understanding between the Chief Executive Officer-General Manager and an organization representing employees;

(j) The oversight of the General Counsel's performance and activities. It shall evaluate the performance of the General Counsel at least annually in advance of the July Board meetings. The results of that evaluation shall be provided to the Executive Committee Subcommittee on Organization and Personnel for consideration as part of its annual review of the General Counsel's compensation. It shall also review and approve the comprehensive business-work plan and annual goals and work objectives for the General Counsel and the Legal Department at the start of each fiscal year in advance of the August Board meetings.;

(k) The form of the district's organization and the flow of authority and responsibility;

(l) Periodic independent reviews and studies of the organization, classification of positions, job duties, salaries, and salary ranges.;

(m) Relations between the District and its employees including all matters affecting wage, hours, pension plans and other employee benefits, and other terms and conditions of employment;

(n) Areas of special concern to the District and its employees, including, but not limited to equal employment opportunity, affirmative action, and work rules pertaining to the health and safety of employees; and,

(o) Policies and rules regarding the employment, discipline and discharge of District officers and employees;

Article 8

WATER PLANNING, QUALITY AND RESOURCES COMMITTEE

Sec.

2480. TimeDay of Regular Meetings

2481. Duties and Functions

§ 2480. TimeDay of Regular Meetings.

The regular meetings of the Water Planning, Quality and Resources Committee shall be held on the Monday preceding regular Board meetings, beginning at 2:00 p.m.

§ 2481. Duties and Functions.

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

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

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

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

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

~~(e) Energy matters relating to water supply;~~

(~~f~~) Policies regarding water conservation, reclamation, reuse and underground storage of water and use thereof;

(~~g~~) Proposed amendments to the Metropolitan Water District Act affecting the water quality, or annexation policies of the District;

(~~h~~) Study, advise and make recommendations regarding the protection of the District's water supply from, and mitigation of the impacts of water development on, the /Bay/Delta Estuary;

(~~i~~) Study, advise and make recommendations regarding comprehensive solutions to Bay/Delta Estuary problems which will benefit water supply reliability, water quality and environmental and other beneficial instream uses of the waters of the Bay/Delta Estuary;

(~~j~~) Study, advise and make recommendations regarding the Integrated Resource Planning Process; ~~and,~~

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

(j) Consider the effect on the District of existing and proposed federal, state, and local water quality and environmental statutes and regulations; and,

(k) Study, advise, and make recommendations regarding environmental compliance and requirements.

Article 9

COMMUNICATIONS, OUTREACH AND LEGISLATION COMMITTEE

Sec.

2490. TimeDay of Regular Meetings

2491. Duties and Functions

§ 2490. TimeDay of Regular Meetings.

The regular meetings of the Communications, Outreach and Legislation Committee shall be held on the Tuesday on which regular Board meetings are held, beginning at 8:00 a.m.

§ 2491. Duties and Functions.

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

(a) Review and make recommendations based upon presentations of the General ManagerChief Executive Officer regarding proposals for State and Federal legislation, or amendments thereto, that may affect the District, and coordinate such review with other Committees of the Board;

(b) Review staff and Board members' recommendations for positions on such legislation;

(c) Consider the need for new legislation as identified by members of the Board or the Chief Executive OfficerGeneral Manager;

(d) Coordinate with the Chief Executive OfficerGeneral Manager opportunities for members of the Board to assist in efforts to inform members of the Legislature or the Congress with regard to proposed legislation and other outreach activities;

(e) Review the effectiveness of legislative advocacy efforts by staff and members of the Board;

(f) Review the effectiveness of Metropolitan's publicexternal affairs, government affairs and externalgeneral communications efforts;

(g) Provide direction to the CommunicationsExternal Affairs Group Division to ensure pro-active, timely messages, which reflect Board policies, and Metropolitan programs and activities to the member agencies and the general public;

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

Chapter 5

OTHER COMMITTEES: MISCELLANEOUS COMMITTEE MATTERS

Article		Sec.
1	Special Committees	2500
2	Special Nominating Committee	2520
[3	Repealed	2530]
[4	Repealed	2540]
[5	Repealed	2550]
6	Special Audit Committee	2560
[7	Repealed	2570]
[7.5	Repealed	2575]
[8	Repealed	2580]
[8.5	Repealed	2585]
[9	Repealed	2590]
[10	Repealed	2595]

Article 2

~~SPECIAL~~ NOMINATING COMMITTEE

- Sec.
- 2520. Membership
- 2521. Term of Members
- 2522. Duties and Functions

§ 2520. Membership.

Seven directors selected at large. Four members of the ~~Special~~ Nominating Committee shall be appointed at the February meeting of the Board in odd-numbered years, and three members shall be appointed at the February meeting of the Board in even-numbered years, by the Chairman of the Board with the approval of the Executive Committee and the Board. With the exception of its ex officio members, no member of the Executive Committee shall be eligible to serve as a member of this ~~Special~~ Nominating Committee.

§ 2521. Term of Members.

The term of members of the ~~Special~~ Nominating Committee shall be two years beginning on March 1 immediately following the member's appointment for a regular term. No member of the ~~Special~~ Nominating Committee shall serve more than two consecutive full terms.

§ 2522. Duties and Functions.

(a) The ~~Special~~ Nominating Committee shall nominate members for the offices of Chairman and Secretary of the Board, and nonofficer members of the Executive Committee so as to provide, insofar as practical, adequate regional representation for the benefit of the entire District. More than one member may be nominated for each of the offices.

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

(c) Members of the ~~Special~~ Nominating Committee may be nominated by the committee. If a member is under consideration, he shall be so advised by the committee and shall immediately cease further participation in the committee's deliberations and action on that office.

§ 2611. Colorado River Aqueduct System.

(a) The District will provide at its expense transportation, meals and lodging for inspection trips over the Colorado River Aqueduct System and the District areas served by the aqueduct.

(b) The trip will include a stopover at the ~~Gene Facilities-District Gene Field Headquarters guest lodge~~ for either one night or two successive nights. Transportation is to be provided by a chartered bus or the District's ~~van with driver~~. Lodging is to be provided at the E. Thornton Ibbetson Guest Quarters ~~Gene Field Headquarters guest lodge~~ and meals and incidental expenses for members of the party are to be provided both en route and at ~~Gene Field Headquarters~~ the Gene Facilities.

(c) Lodging at District expense on Colorado River Aqueduct System trips is to be confined to lodging at the E. Thornton Ibbetson Guest Quarters ~~Gene Field Headquarters guest lodge~~ except in the event of lack of accommodations at the ~~guest lodge quarters~~.

§ 2612. State Water Project.

(a) A two-day or a three-day inspection trip over State Water Project facilities is available upon written request indicating the reason for the proposed trip and a participants list in conformance with Section 2614. The ~~Chairman-Executive Committee~~ must approve each trip.

(b) Transportation, meals and lodging for the three-day trips will be provided by the District at its expense. District facilities should be used whenever possible. If hotel or motel accommodations are required, moderately priced, double rooms shall be provided.

(c) When air travel is used, the District will pay the cost of air travel accident insurance in the amount of \$50,000 for each guest and the incidental expenses of the guests.

§ 2613. One-Day Inspection Trips.

The District will provide at its expense a chartered bus or ~~the District's van with driver~~ District transportation for inspection of District and State Water Project facilities. In addition, the District will provide at its expense normal meals that occur during the inspection trip and will pay the incidental expenses of the guests.

§ 2614. General Provisions.

(a) The purpose of these inspection trips is to disseminate District information; provide elected and appointed officials, members of the business and environmental communities, members of the media, and other leading citizens and interested persons from each member public agency with visual inspection of District and related facilities; and acquaint them with issues facing the water industry and the District's operations, programs, and objectives, both present and future. Each director shall be responsible for the individual selection of guests, the choice of inspection trip and the inspection trip dates.

(b) It is each director's obligation to periodically sponsor inspection trips.

(c) In order to give these educational inspection trips the broadest coverage, it shall be the practice to avoid having repeat guests. Generally, inspection trip guests should be selected from within the area of the public agency represented by the sponsoring director. Each director should strive to select guests who occupy positions of leadership in their communities and other interested persons.

(d) Directors who have a limited number of opinion leaders whom they feel would be of benefit to Metropolitan to include on an inspection trip may co-sponsor a trip with another director in a like situation.

(e) Directors shall accompany their guests on inspection trips they sponsor except in cases of illness, emergency or other exceptional circumstances, and shall accompany them throughout all portions of the trip.

- (f) The number of invited guests on any District inspection trip shall not exceed 36.
- (g) District expense for transportation and meals on any inspection trip is to be limited to the normal travel routes to and from District facilities.
- (h) If the director sponsoring the trip so desires, a reasonable amount of time will be set aside during the inspection trip for a discussion of the water problems of the member public agency as they relate to the District. Reasonable distribution of written material concerning the member public agency also will be permitted.
- (i) Itineraries, transportation, lodging and meals for District inspection trips shall be standardized to the extent possible in order to minimize costs. Variations from standard itineraries to accommodate special conditions may be authorized by the ~~Chairman-Executive Committee~~.
- (j) Directors are urged to consider scheduling their Colorado River Aqueduct inspection trips for Thursday, Friday and Saturday or Saturday, Sunday, and Monday rather than Friday, Saturday, and Sunday in order to allow two trips to be conducted over the same weekend and, thus, accommodate more directors' requests for preferred-month dates.
- (k) Trip groups numbering ten or less may be required to share the ~~guest quarters Gene Field Headquarters-guest lodge~~ with another group or groups.
- (l) The ~~External Affairs Group Communications Division~~ will not accept reservations for inspection trips prior to April 1 for the following fiscal year.
- (m) Inspection trip dates are assigned on a date/time-request-received basis. Conflicts will be resolved by consultation with affected directors. Continuing disputes shall be resolved by the ~~Chairman-Executive Committee~~.
- (n) In the event a director is unable to schedule a trip because of lack of an open date when he/she submits his/her reservation, he/she shall be accorded priority the next fiscal year.
- (o) Alcoholic beverages will not be provided at District expense.
- (p) Tipping of District employees, is strictly prohibited and any employee accepting a gratuity is subject to dismissal. The ~~CommunicationsOutreach~~ Representative on the trip will handle the tip for the bus driver and any other tips which are appropriate.
- (q) All necessary expenses of any District director or any member of the District staff incurred in connection with any of the above trips will be paid by the District.
- (r) ~~The Executive Committee may permit d~~Directors within the same member public agency ~~may to~~ transfer inspection trips among themselves if the ~~subcommittee determines that the~~ transfer is in the best interests of the District. Acceptance of an inspection trip sponsored by another director shall not affect a director's right to sponsor an inspection trip under the other

provisions of this chapter. Directors of one public agency may not transfer their inspection trips to directors of another public agency.

Article 3

RESPONSIBILITIES OF NEW DIRECTORS

Sec.

2615. Obligations

2616. Inspection Trip Sponsorship Duty

§ 2615. Obligations.

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

(a) New director inspection trips of the Colorado River Aqueduct and Diamond Valley Lake Eastside Reservoir Project facilities shall be scheduled quarterly by the External Affairs Group-Communications Division.

(b) Each new appointee to the Board within the first six months of being seated shall arrange for a member of the External Affairs Group-Communications Division staff to provide a one-day orientation excursion to view various local District facilities.

§ 2616. Inspection Trip Sponsorship Duty.

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

Article 6

SPECIAL AUDIT COMMITTEE

Sec.

~~2560. Membership~~

~~2561. Duties and Functions~~

~~§ 2560. Membership.~~

~~—The Special Audit Committee shall consist of at least eleven members selected at large by the Chairman of the Board after consulting with the Chair of each of the standing committees.~~

~~At least three of the members shall be members of the Budget and Finance Committee and each of the Board's other five standing committees shall be represented by at least one member.~~

~~§ 2561. Duties and Functions.~~

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

~~(1) All reports of the General Auditor and external auditors, including the audited financial statements of the District.~~

~~(2) The Audit Department's Charter, annual work plan and annual budget.~~

~~(3) The selection of candidates for consideration by the Executive Committee to serve as the General Auditor and the selection of the Assistant General Auditor, as well as the external auditors or special audit consultants, and the determination of the scope of their assignments.~~

~~(4) Requests from the other executive officers or from other committees of the Board for audits and reviews not included in annual work plan.~~

~~(5) The Committee shall be responsible for the oversight of the General Auditor's performance and activities. It shall evaluate the performance of the General Auditor at least annually in advance of the June Board meetings. The results of that evaluation shall be provided to the Subcommittee on Organization and Personnel for consideration as part of its annual review of the General Auditor's compensation. It shall also review and approve the comprehensive work plan and annual goals and work objectives of the General Auditor and the Audit Department at the start of each fiscal year in advance of the August Board meetings.~~

~~(b) Except as otherwise provided in this section, the Special Audit Committee shall submit its recommendations and reports to such committees as it deems to have an interest in the subject of the recommendations and to the Executive Committee.~~

§ 2700. Chief Executive Officer's General Manager's Annual Reports.

The Chief Executive Officer ~~General Manager~~ shall annually make the following reports:

(a) To the Board:

- (1) On financial matters generally;
- (2) After consulting with the General Counsel, on the results of his review made pursuant to Section 5204 of District compliance with minimum fund requirements outlined in Sections 5201-5204 and with the articles and covenants contained in resolutions of issuance;
- (3) On all leases made during the preceding year under the authority of Sections 8222 and 8223; and

- (4) On the status of appropriations pursuant to Section 5108(c).
- (b) To the Engineering, ~~and~~ Operations and Real Property Committee on all consulting agreements in effect during the preceding year and the exercise of authority under Section 8103(k). Each such report shall indicate when a consultant is a former employee of the District.
- (c) To the Executive Committee on the Chief Executive Officer's General Manager's Work Business Plan and goals and ~~objeeives~~objectives as required by Section 6415.

§ 2701. Treasurer's Annual Reports.

The Treasurer shall annually make the following reports:

- (a) To the Board, on the investment policy of the District.
- (b) To the Audit, Budget and Finance Committee:
- (1) All payments after loss of a bond interest coupon made pursuant to Section 5104; and
 - (2) All issuances of duplicate bonds made pursuant to Section 5105.

§ 2720. Chief Executive Officer's General Manager's Quarterly Reports.

The Chief Executive Officer General Manager shall quarterly make the following reports:

- (a) To the Engineering, ~~and~~ Operations and Real Property Committee:
- (1) On service connections approved by the Chief Executive Officer General Manager pursuant to Sections 4700-4708 with the estimated cost and approximate location of each;
 - (2) On the execution of any relocation agreements involving an amount in excess of \$100,000 under the authority of Section 8118(a);
 - (3) On the execution of any contract authorized pursuant to Section 8121; ~~and~~
 - (4) On the status of the Local Projects Program, including the execution of any Local Projects Program agreements under the authority of Section 4516-;
- ~~(b) To the Subcommittee on Real Property and Asset Management:~~
- ~~(45)~~ Deeds or grants accepted during the preceding quarter;
 - ~~(26)~~ Easements, or similar rights, granted during the preceding quarter under the authority of Section 8220, and shall also include in such report any relocation or protection agreement made in connection therewith;
 - ~~(37)~~ All leases made during the preceding quarter under the authority of Sections 8222 and 8223;

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

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

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

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

(dc) To the ~~Subcommittee on Organization and Personnel~~ Legal, Claims and Personnel Committee on the employment of any consultant, the extension of any consulting agreement, and on the exercise of authority under Section 8103(k) and 8117 during the preceding calendar quarter. The report covering the last calendar quarter of the year may be combined with and included in the annual report. Each such report shall indicate when a consultant is a former employee of the District.

(ed) To the Water Planning, Quality and Resources Committee on the status of the Local Projects Program, including the execution of any Local Projects Program agreements under the authority of Section 4516.

(fe) To Audit, Budget and Finance Committee a summary of financial performance including Comparative Statements of Operations and Comparative Balance Sheets and variances thereof from estimates.

§ 2741. General Counsel's Monthly Reports.

The General Counsel shall monthly make the following reports:

(a) To the Board, a determination as to eligibility of securities invested in by the Treasurer in the preceding month.

(b) To the Legal, ~~and~~ Claims and Personnel Committee, any changes made by staff in the organization of the Code and in the titles of divisions, chapters, sections and subsections.

§ 2750. Escheat to District of Unclaimed Funds.

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

§ 2751. Report of Exercise of Authority.

The ~~Chief Executive Officer General Manager~~ shall report to the next following meeting of the Audit, Budget and Finance Committee ~~of the Board~~ any exercise of authority pursuant to Sections 5300-5303.

§ 2752. Rejection of Bids.

The ~~Chief Executive Officer General Manager~~ shall, whenever the lowest bid that is rejected is \$125,000 or more, report the action to the Engineering, ~~and~~ Operations and Real Property Committee.

§ 3100. Request for Annexation.

(a) Board approval process.

The Board will act to approve annexations in a two step process, unless a member public agency or proposed member public agency (member public agency) requests a one step Board approval process subject to the ~~Chief Executive Officer's General Manager's~~ or ~~Water Planning and Resources Executive~~ Committee's approval. In either case, all annexation requests must comply with all requirements of Section 3100(b), (c) and (d).

(1) Two step Board approval process.

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

(2) Optional one step Board approval process.

If a one step Board approval process is selected, a notice of intent, legal description and map (Section 3100(b) 1) must be received and approved by the District prior to filing a submittal request with the Local Agency Formation Commission (LAFCO). Within 30 days of receipt, the District will review, and approve or comment upon these materials. Once LAFCO approval and all other requirements pursuant to Section 3100(b) and (c) have been obtained, the member public agency shall submit said documentation to the District for Board consideration.

(b) ~~Informal~~Conditional approval submittal requirements.

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

The request shall include:

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

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

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

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

(5) A description of:

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

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

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

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

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

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

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

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

(c) ~~Formal~~Final approval submittal requirements.

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

- (1) Any changes to the annexation documentation submitted previously;
 - (2) Certified copy of member public agency resolution requesting approval of the annexation; and
 - ~~(3) Certified copy of LAFCO resolution approving the annexation to the member public agency; and~~
 - ~~(4)~~ Documents complying with the California Environmental Quality Act (CEQA).
- (d) Annexation completion requirements.

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

- (1) Certified copy of member public agency resolution(s) accepting District ~~formal~~final terms and conditions and ordering a reorganization; and
 - (2) Payment of the annexation charge pursuant to Section 3106(a) or provision of appropriate and fully executed documentation pursuant to Section 3106(b)-; and
 - (3) Certified copy of LAFCO resolution approving the annexation to the member public agency.
- (e) Reattachment requests.

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

§ 3101. Submittal of Request.

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

§ 3102. Board Consideration of Request for Annexation.

The Board, and any standing committee of the Board reviewing a request for annexation, will consider such request at their next regular meeting taking place no earlier than ~~45~~75 days after receipt by the District of the request for annexation and all information required to be submitted by the one or two step Board approval process.

§ 3103. Board Approval of Request for Annexation.

- (a) Two step Board approval process

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

(1) By establishing preliminary terms and conditions for the ~~informal~~conditional approval of the annexation upon filing of the submittals required by Section 3100(b).

(2) By considering ~~formal~~final approval of the annexation subject to terms and conditions then to be established after receipt of the submittals required by Section 3100(c)

- (b) Optional one step Board approval process

If requested by the member public agency, the Board will consider approval of the annexing area subject to terms and conditions then to be established after receipt of all submittals required pursuant to Sections 3100(b) and (c).

§ 4304. Apportionment of Revenues and Setting of Water Rates and Charges to Raise Firm Revenue.

(a) Not later than at its December meeting the ~~Chief Executive Officer General Manager~~ shall present to the ~~Budget and Finance Committee~~Audit, Budget and Finance Committee of the Board determinations of the total revenues and of the revenues to be derived from water sales and firm revenue sources, if any, required during the fiscal year beginning the following July 1 as determined by the ~~General Manager~~Chief Executive Officer in accordance with current Board policies.

(b) Not later than at its December meeting the ~~Budget and Finance Committee~~Audit, Budget and Finance Committee shall consider the ~~Chief Executive Officer's General Manager's~~ determinations made pursuant to Section 4304(a).

(c) Not later than at its January meeting the ~~Chief Executive Officer General Manager~~ shall present to the ~~Budget and Finance Committee~~Audit, Budget and Finance Committee recommendations of rates for the various classes of water to become effective the following ~~July~~January 1, which rates shall be the ~~Chief Executive Officer's General Manager's~~ determination, made in accordance with current Board policies, of the rates necessary to produce substantially the revenues to be derived from water sales during the fiscal year beginning the following July 1 which the ~~Budget and Finance Committee~~Audit, Budget and Finance Committee has determined to be necessary.

(d) The ~~Chief Executive Officer General Manager~~ shall also present to the ~~budget and Finance Committee~~Audit, Budget and Finance Committee at its January meeting recommendations regarding the imposition of a water standby charge or an availability charge to become effective the following July 1, which charge shall be the ~~Chief Executive Officer's General Manager's~~ determination, made in accordance with current Board policies, of the charge necessary to produce substantially the revenues to be derived from firm revenue sources, if any, exclusive of taxes, during the fiscal year beginning the following July 1 which the ~~Budget and Finance Committee~~Audit, Budget and Finance Committee has determined to be necessary.

(e) Not later than its January meeting the ~~Budget and Finance Committee~~Audit, Budget and Finance Committee shall set a time or times for, and shall thereafter hold, one or more meetings of the ~~Budget and Finance Committee~~Audit, Budget and Finance Committee to be held prior to its regular March meeting at which interested parties may present their views regarding the proposed water rates to said committee.

(f) The ~~Budget and Finance Committee~~Audit, Budget and Finance Committee shall also make at its January meeting a preliminary determination of the type of firm revenue, if any, to be raised for the following fiscal year and recommend to the Board a form of resolution of intention to impose either a water standby charge or an availability of service charge sufficient to raise such firm revenue, exclusive of taxes, to become effective the following ~~July~~January 1, to implement such determination. The committee shall also recommend to the Board that it (1) authorize and direct the ~~Chief Executive Officer General Manager~~ to satisfy all notice requirements for implementation of such charge and (2) set dates, times and locations for, and thereafter hold, prior to the regular April meeting, one or more adjourned meetings of the Board, for public hearings and consideration of the imposition of the charge, at which interested parties may present their views regarding the proposed charge. In the alternative, the notice of the dates, times and locations of the public hearings may be stated in the resolution of intention.

(g) At its regular March meeting the ~~Budget and Finance Committee~~Audit, Budget and Finance Committee shall make its determination regarding the water rates to become effective the following ~~July~~January 1 and shall recommend said rates to the Board at the Board's regular March meeting.

(h) At its March meeting, the Board shall establish water rates for deliveries beginning the following ~~July~~January 1.

(i) Not later than its regular May meeting, the ~~Budget and Finance Committee~~Audit, Budget and Finance Committee shall make its final determination regarding the firm revenue charge, if any, to become effective the following ~~July~~January 1, and shall recommend such charge, if any, to the Board at its regular May meeting.

(j) Not later than its May meeting, the Board shall consider and take action upon the recommendations, if any, of the ~~Budget and Finance Committee~~Audit, Budget and Finance Committee regarding a firm revenue source, exclusive of taxes, to be effective the following ~~July~~January 1.

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

§ 4402. Readiness-to-Serve Charge.

(a) The readiness-to-serve charge shall be set by the Board from time to time to recover the principal and interest payments on non-tax supported debt service that has been or will be issued to fund capital improvements necessary to meet the continuing reliability and water quality needs associated with current demand. The readiness-to-serve charge will be allocated among the member public agencies in proportion to the rolling average of Metropolitan water sales in acre feet to each member public agency.

(b) In no event shall any member public agency's readiness-to-serve charge be based on less than the following minimum sales (in acre feet) for each member public agency:

<u>Member Public Agency</u>	<u>Minimum Readiness- To-Serve Sales (AF)</u>
City of Anaheim	8,386.9
City of Beverly Hills	6,393.2
City of Burbank	9,790.4
Calleguas MWD	43,534.3
Central Basin MWD	32,130.0
Chino Basin MWD <u>Inland Empire Utilities Agency</u>	15,200.9
Coastal MWD	19,457.5
City of Compton	2,512.9
Eastern MWD	24,810.5
Foothill MWD	3,920.4
City of Fullerton	3,834.4
City of Glendale	13,228.0
Las Virgenes MWD	8,796.2
City of Long Beach	18,902.9
City of Los Angeles	113,942.2
MWD of Orange County	79,695.8 <u>99,153.3</u>
City of Pasadena	5,083.2
San Diego CWA	203,910.3
City of San Fernando	105.4
City of San Marino	663.5
City of Santa Ana	6,072.6
City of Santa Monica	2,508.6
Three Valleys MWD	28,908.1
City of Torrance	10,155.7
Upper San Gabriel Valley MWD	4,462.6
West Basin MWD	74,669.7

Western MWD of Riverside Co.	<u>27,033.7</u>
TOTAL	768,109.6

(c) Deliveries of Metropolitan water which are in excess of a member public agency’s new demand charge base will not be used in calculating such member public agency’s readiness-to-serve charge.

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

(e) The ~~Chief Executive Officer General Manager~~ shall establish and make available to member public agencies procedures for administration of the readiness-to-serve charge, including filing and consideration of applications for reconsideration of their respective readiness-to-serve charge. The ~~Chief Executive Officer General Manager~~ shall review any applications for reconsideration submitted in a timely manner. The ~~Chief Executive Officer General Manager~~ shall also establish reasonable procedures for the filing of appeals from his determination.

§ 4403. New Demand Charge.

(a) The new demand charge shall be set by the Board from time to time to recover the capital costs associated with meeting new demands on Metropolitan’s system.

(b) Each member public agency’s new demand charge base (in acre feet) is established as follows:

<u>Member Public Agency</u>	<u>Base Amount (AF)</u>
City of Anaheim	24,944
City of Beverly Hills	13,614
City of Burbank	20,446
Calleguas MWD	99,025
Central Basin MWD	120,257
Chino Basin MWD <u>Inland Empire Utilities Agency</u>	76,265
Coastal MWD	42,243
City of Compton	5,206
Eastern MWD	55,603
Foothill MWD	9,610
City of Fullerton	12,253
City of Glendale	26,456
Las Virgenes MWD	18,525
City of Long Beach	42,539
City of Los Angeles	358,128
MWD of Orange County	<u>242,576</u> <u>284,819</u>
City of Pasadena	22,638

San Diego CWA	559,220
City of San Fernando	903
City of San Marino	1,327
City of Santa Ana	15,840
City of Santa Monica	8,889
Three Valleys MWD	69,664
City of Torrance	20,311
Upper San Gabriel Valley MWD	71,899
West Basin MWD	167,634
Western MWD of Riverside Co.	<u>78,260</u>
TOTAL	2,184,095

(c) Beginning with fiscal year 1995-96, a new demand charge will be incurred upon Metropolitan's determination that a member public agency's historic average deliveries of water have exceeded such member public agency's new demand charge base. Upon payment of any new demand charge by a member public agency, that member public agency's new demand charge base will be increased by an amount equal to the quantity of water on which the new demand charge was paid.

(d) Deliveries of Metropolitan water which are in excess of a member public agency's new demand charge base, as shown in Section 4403(b), will not be used in calculating such member public agency's readiness-to-serve charge.

(e) The new demand charge may be remitted over a period of up to 15 years, including an interest charge, and is subject to the provisions of Sections 4507 and 4508. The interest charge will be based on Metropolitan's weighted average cost of debt at the time the new demand charge is determined, as shown in the most recent Annual Financial Report.

(f) The ~~Chief Executive Officer General Manager~~ shall establish and make available to member public agencies procedures for administration of the new demand charge, including filing and consideration of applications for reconsideration of their respective new demand charge. The ~~Chief Executive Officer General Manager~~ shall review any applications for reconsideration submitted in a timely manner. The ~~Chief Executive Officer General Manager~~ shall also establish reasonable procedures for the filing of appeals from his determination.

§ 4507. Billing and Payment for Water Deliveries.

(l) **Review Process.** With respect to water sold and delivered at the rates prescribed for water sold in Interim Agricultural Water Program Service, or other water programs (excluding Seasonal Storage Service which shall follow the provisions outlined in its Handbook) the District will complete its review within twelve months from date of receipt of the original supporting documentation.

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

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

(3) If the member agency and Metropolitan staff cannot reconcile the differences, Metropolitan’s Water System Operations’ Group Manager has the responsibility to consult with the member agency and make a final ruling subject to the ~~Chief Executive Officer’s General Manager’s~~ oversight. If the ruling is unsatisfactory to the agency, it can be appealed to Metropolitan’s ~~Water Planning and Resources Committee~~ Water Planning, Quality and Resources Committee.

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

§ 4708. ~~Chief Executive Officer’s General Manager’s~~ Report on Service Connections.

The ~~Chief Executive Officer General Manager~~ shall report quarterly to the ~~Engineering and Operations Committee~~ Engineering, Operations and Real Property Committee of the Board new service connections approved by him pursuant to this Chapter with the estimated cost and approximate location of each.

§ 4901. Maximum Amount of Annual Water Deliveries.

The maximum amount of water delivered annually under the Program available to each member public Agency under the Program is as follows:

Member Public Agency	Maximum Annual Amount of Interim Agricultural Water Program Discount Water Member Public Agency May Purchase (acre-feet)
Anaheim	115
Calleguas MWD	7,164
Chino Basin MWD <u>Inland Empire Utilities Agency</u>	122
Coastal MWD	232
Eastern MWD	6,761
Fullerton	60
Las Virgenes MWD	207
MWD of Orange County	<u>7,4257,657</u>

San Diego CWA	100,459
Three Valleys MWD	106
Torrance	22
West Basin MWD	170
Western MWD	<u>32,347</u>
Total	155,190

§ 5104. Payment After Loss of Bond Interest Coupon.

(a) The Treasurer of the District is authorized to effectuate payment, without action of the Board, of a claim arising from the loss of a bond interest coupon that has been detached from a District bond or from the destruction of a bond interest coupon at any time after the date of its maturity, and the Treasurer has received:

(1) An affidavit or affidavits establishing the ownership of the coupon and reciting therein the circumstances under which it was lost or destroyed; and

(2) An indemnity bond in a penal sum which is at least the amount of the claim, said sum being specifically stated in said bond, said bond to be approved by the General Counsel and then filed with the Treasurer. The indemnity bond must include a rider substantially in the form hereinafter set forth:

(i) Rider.

This Rider is attached to and is a part of the Bond of Indemnity executed by the (enter name of insurance company) respecting the loss of coupons due _____ coupons at \$ _____ per coupon - total \$ _____, detached from \$ _____ Bonds of THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, numbered _____ to _____, _____ %, maturing _____, at \$ _____ each bond in bearer form.

It is understood and agreed that in the event the balance in the coupon account respecting the above-described issue of bonds, maintained by the Treasurer of said District, should hereafter not be sufficient as a result of the payment of coupon(s) to provide for outstanding unpaid coupons, (enter name of insurance company) will reimburse The Metropolitan Water District of Southern California, up to the face amount of the coupon(s) paid under this indemnity contingent upon presentation by said District of (a) evidence that said District has paid the afore-described coupon(s) or (b) a certificate from the Treasurer of said District that there is a deficiency in said coupon account balance.

It is understood that within the first year after the due date of the afore-described coupon(s) that (enter name of insurance company) may request that the Treasurer of said District search the District's records to ascertain if in fact the afore-described coupon(s) have been paid, but any such request shall only be honored by said Treasurer upon payment by (enter name of insurance company) of any fee required by said Treasurer to cover costs of such search.

Executed this day of , 19 .

(enter name of insurance company)

(b) The Treasurer shall report annually to the ~~Budget and Finance Committee~~Audit, Budget and Finance Committee of the Board all payments made pursuant to this Section 5104.

§ 5105. Lost or Destroyed Bonds.

(a) The Treasurer of the District is authorized to issue a new District bond or bonds similar to the original to replace it if the Treasurer has received:

(1) Proof satisfactory to the Treasurer that the bond has been lost or destroyed;
and

(2) Security approved by the Treasurer and the General Counsel from the owner indemnifying the District against any loss incurred on account of the bond, such security to be equal to the principal amount of the bond and plus the aggregate amount of any attached interest coupons; and

(3) The costs for issuance of the new bond.

(b) The Treasurer shall report annually to the ~~Budget and Finance Committee~~Audit, Budget and Finance Committee of the Board all issuances of duplicate bonds made pursuant to this Section 5105.

§ 5107. Annual Budget.

(a) There shall be prepared, under the direction of the ~~Chief Executive Officer-General Manager~~, a proposed annual consolidated budget which shall be submitted to the Board no later than the date of the regular Board meeting in June immediately preceding the fiscal year to which the budget applies. The proposed budget shall indicate by fund all anticipated expenditures and required reserves and the source of moneys to be used to meet such expenditures and provide such reserves. The proposed annual consolidated budget will include a three-year budget outlook. A Board Workshop on the proposed annual consolidated budget will be conducted prior to the June ~~Budget and Finance Committee~~Audit, Budget and Finance Committee meeting. The ~~Budget and Finance Committee~~Audit, Budget and Finance Committee shall review the proposed budget in its entirety, together with the recommendations from the Board workshop, and report its recommendations to the Board.

(b) After considering the proposed budget and making any revisions thereto that it may deem advisable, the Board shall adopt the budget before the beginning of the fiscal year to which the budget applies. The amounts provided in the budget for total expenditures for operation and

maintenance, including minimum and variable operation and maintenance charges under water or power contracts with the State, for capital charges under such contracts, and for debt service, shall be deemed to be appropriated from the funds indicated in the budget.

(c) The adoption of the budget shall have no effect upon appropriations for capital projects and continuing expenditures not susceptible to immediate direct allocation, as described in Section 5108 hereof, and shall not establish any limitations on expenditures for such purposes.

§ 5305. Report of Exercise of Authority.

The ~~Chief Executive Officer General Manager~~ shall report to the next following meeting of the ~~Budget and Finance Committee~~ Audit, Budget and Finance Committee of the Board any exercise of authority pursuant to this Chapter.

§ 6106. Appropriate Units.

(a) Determination of Appropriate Unit. - The Employee Relations Officer, immediately following receipt of a petition for recognition, shall post notice of a meeting in major locations throughout the District. No less than 10 calendar days advance notice shall be given of the meeting date and time. The notice shall include the name of the petitioning organization and a description of the proposed unit. All interested employee organizations will be invited to present their positions on the appropriateness of the proposed unit. The procedures for such meetings shall be as determined by the ~~Chief Executive Officer General Manager~~. In making the determination that the unit is appropriate, not appropriate or that another unit is more appropriate, the Employee Relations Officer shall consider the following criteria:

(1) Whether there is a community of interest among the employees. Such community shall be determined from, among other factors, the extent to which the employees have common classifications, job families, skills, training, working conditions, job duties, educational requirements, and whether the employees are part of an integrated work process or contribute to a continuous work flow.

(2) The history of employee representation in the proposed unit, among other employees of the District, and in similar employment in other agencies and firms.

(3) The effect of the proposed unit on the efficient operation of the District and sound employee relations.

(4) The right of professional employees to be represented separately from nonprofessional employees.

(b) Adverse Determination. - In the event the Employee Relations Officer determines that a proposed unit does not qualify as an appropriate unit, the authorized representatives of the employee organization seeking to be recognized as the organization representing the proposed

unit may appeal to the ~~Organization and Personnel Committee of the Board~~Legal, Claims and Personnel Committee, ~~which may meet as a committee or establish a subcommittee~~ to make final determination of appropriateness of the unit.

(c) Limitations.

(1) No proposed unit shall qualify as an appropriate unit solely on the basis of the extent to which employees in the proposed unit have organized.

(2) Management and confidential employees may be excluded by the Employee Relations Officer from a unit including non-management and non-confidential employees.

(3) No job classification and no employee shall be included in more than one appropriate unit.

(4) Supervisory employees may be excluded by the Employee Relations Officer from a unit including nonsupervisory employees when the supervisory employee has charge of a remote facility or is himself subject to limited supervision.

(d) New Classifications. - When the District establishes a new job classification, the Employee Relations Officer shall determine whether the new classification is managerial, confidential, supervisory, or nonsupervisory and to which, if any, appropriate unit the classification is to be assigned.

§ 6111. Resolution of Impasses.

(a) When an impasse occurs between the Employee Relations Officer and a recognized employee organization, either party may initiate the impasse procedure by filing with the other party or parties affected, a written request for an impasse meeting together with a statement of its position on all disputed issues. After the date of filing of the written request for such a meeting, the Employee Relations Officer shall schedule an impasse meeting with the Chief Executive Officer~~General Manager~~, and send written notice to all affected parties.

(b) The purposes of an impasse meeting are:

(1) To permit a review of the position of all parties in a final effort to reach agreement on the disputed issue, and

(2) If agreement is not reached, to mutually select an impasse procedure described in Section 6111(c) hereof by which the dispute shall be resolved; in the absence of agreement between the parties on an impasse procedure, the matter shall be referred to the ~~Organization and Personnel Subcommittee of the Board of Directors~~Legal, Claims and Personnel Committee which shall select an impasse procedure.

(c) The available impasse procedures are:

(1) Mediation as defined in Section 6101(h). The parties shall mutually select one mediator. In the event the parties are unable to agree on a mediator, the mediator shall be selected and furnished by the California State Mediation and Conciliation Service. All mediation proceedings shall be private. The mediator may make no public recommendations nor take any public position concerning the impasse. Fees and expenses of the mediator, if any, shall be payable one-half by the District and one-half by the recognized employee organization or organizations affected. Issues in which, in the opinion of the mediator or any party to the mediation, mediation has failed, shall be presented in writing to the ~~Organization and Personnel Committee of the Board of Directors~~Legal, Claims and Personnel Committee at its next regularly scheduled meeting following date of said written notice. Mediation may be considered to have failed by any party only after that party has given reasonable time and effort to the mediation proceeding. Upon presentation of said issue to the ~~Organization and Personnel Subcommittee~~Legal, Claims and Personnel Committee, said committee shall proceed as in Section 6111(c)(2).

(2) Determination by the ~~Organization and Personnel Subcommittee of the Board of Directors~~Legal, Claims and Personnel Committee, following a meeting at which all parties to the dispute shall have been represented, shall have heard testimony by other parties, and been given opportunity to rebut such testimony.

§ 6113. Unfair Employer Practices.

(a) It shall be an unfair employer practice for the District through its supervisory or management employees:

(1) To interfere with, restrain or coerce employees in the exercise of rights recognized or granted in this Article 1.

(2) To dominate or interfere with the formation of any employee organization or to encourage formation of or contribute financial support to it. As provided in other sections of this Article 1, however, it shall not be unfair employer practice for the District to provide meeting places, make dues deductions or permit time off without loss of pay for employee relations purposes.

(3) To refuse to meet and confer in good faith with properly designated representatives of recognized employee organizations on wages, hours and other terms and conditions of employment.

(4) To discriminate against employees or employee organizations for filing petitions, notices of grievance or participating in meetings under provisions of this Article 1.

(5) To give preferential treatment to any recognized employee organization over another.

(b) When District management has engaged in a practice prohibited by this section, and said practice has not been corrected by the ~~Chief Executive Officer-General Manager~~, the chief officer of the organization may notify the Chairman of the ~~Organization and Personnel Subcommittee of the Board of Directors~~Legal, Claims and Personnel Committee and request corrective action by that committee.

§ 6114. Unfair Employee Practices.

(a) It shall be an unfair employee practice for any employee organization:

(1) To interfere with, restrain or coerce employees or the District in the exercise of rights recognized or granted in this Article 1.

(2) To refuse to meet and confer in good faith with the Employee Relations Officer on wages, hours and terms and conditions of employment.

(3) To refuse or deny equal representation to all members of the appropriate unit, regardless of their membership in the employee organization.

(b) Any employee organization failing to comply with these provisions may be decertified on a temporary or permanent basis by the ~~Chief Executive Officer-General Manager~~, subject to subsequent appeal to the ~~Organization and Personnel Subcommittee of the Board~~Legal, Claims and Personnel Committee, said committee having final authority in such matters.

§ 6116. Authority.

(a) ~~Organization and Personnel Subcommittee of the Executive Committee~~Legal, Claims and Personnel Committee. - The ~~Organization and Personnel Subcommittee~~Legal, Claims and Personnel Committee is hereby empowered to carry out all functions assigned to said subcommittee by any provision of this Article 1 and the Chairman of said subcommittee is empowered to carry out any function assigned to him by this Article 1. In carrying out its functions, the ~~Organization and Personnel Subcommittee~~Legal, Claims and Personnel Committee may enact such rules of procedure as it deems appropriate.

§ 6118. Interpretation and Administration.

The ~~Chief Executive Officer General Manager~~ shall have authority to interpret and administer provisions of this Article 1, subject to appeal to the ~~Organization and Personnel Subcommittee of the Executive Committee of the Board of Directors~~Legal, Claims and Personnel Committee.

§ 6208. Pay Rate Administration.

(a) Pay rate schedules, as approved by the Board, shall include pay rate grades and pay rate ranges consisting of minimum and maximum rates of pay for each position. Except by action of the Board, or as provided in Section 6208(d), the hourly pay rate paid each employee shall be at least the minimum but not in excess of the maximum hourly pay rate prescribed for the applicable position. Notwithstanding any other provision of this section, the salaries of the department heads shall be fixed as a flat rate.

(b) Pay rates for Department Heads shall be individually fixed by the Board. Pay rates for all employees shall be fixed by their respective Department Heads within the ranges fixed by the Board for such positions in accordance with practices, policies and procedures promulgated by the ~~Chief Executive Officer-General Manager~~. The ~~Organization and Personnel Subcommittee~~ Legal, Claims and Personnel Committee shall annually make a recommendation to the Board concerning any changes in the salaries and other compensation of the Department Heads, such changes to be acted upon by the Board no later than at its June meeting to be effective at the start of the payroll period beginning nearest to July 1.

(c) Job descriptions in terms of duties and responsibilities shall be prepared by the ~~Manager Director~~ of Human Resources for each position. Job descriptions for positions requiring appointment or approval of appointment by the Board shall be submitted to the Board for approval. Job descriptions for positions peculiar to the legal or auditing departments shall be subject to approval of the General Counsel or General Auditor, as appropriate. It shall be the duty of the ~~Manager Director~~ of Human Resources to insure that all employees are properly classified.

(d) The ~~Chief Executive Officer General Manager~~ is authorized to provide for payment at a "Y" rate to any employee whose position is reclassified to a position in a lower pay rate or the pay rate of whose position is reduced and the ~~Chief Executive Officer General Manager~~ may maintain the employee at a "Y" rate until such time as the ~~Chief Executive Officer-General Manager~~ deems the "Y" rate to be no longer justified. As used herein, "Y" rate means a pay rate higher than the highest rate applicable to the employee's position.

(e) New employees, upon entering District service, will be placed by the ~~Manager Director~~ of Human Resources at a salary grade and step within the salary range appropriate for the position available and the applicant's qualifications. Employees who are promoted to a position in a higher range shall be paid at least the minimum of such range but not more than four steps over their prior rate or the fifth step of the higher pay rate range, whichever is higher, but not in excess of the maximum rate specified for the position to which promoted. New employees are eligible for a merit increase after completion of a six-month probationary period. The eligibility date for subsequent merit reviews shall be 12 months from the most recent merit increase, promotion or demotion, whichever is later. Employees at the top step of the pay range will not be eligible for any merit increase. Merit increases will be awarded as provided for by Section 6211.

(f) Pay rates for temporary employees in District service are the rates paid to regular employees in the same classifications.

(g) Subject to Section 6211, the performance of regular employees other than Department Heads, will be annually reviewed by their Department Heads to determine eligibility for merit increases under evaluation procedures, guidelines and rules developed by the Chief Executive Officer ~~General Manager~~. Changes in pay rate ranges approved by the Board have no effect upon these limitations.

(h) Pay Rate Survey.

(1) As needed, the Chief Executive Officer ~~General Manager~~ has the authority to cause a survey to be made of rates of pay and benefits of employees of other organizations specified by the Board, and may thereafter recommend to the Board revisions in the pay rate structure and benefits for employees. The survey need not include positions for which pay rates are established pursuant to a memorandum of understanding approved by the Board which is in effect for the entire calendar year. Action, if any, on the pay rate survey may be taken at the same meeting the survey information is presented or at a subsequent meeting. The General Counsel and General Auditor may also recommend to the ~~Organization and Personnel Subcommittee~~ Legal, Claims and Personnel Committee revisions regarding positions peculiar to their own departments when such positions are not represented by employee organizations.

(2) The list of agencies to be used in the District's pay rate survey may include the following:

- City of Glendale
- Southern California Water Company
- Southern California Edison Company
- City of Pasadena
- Mobil Oil Company
- City of Los Angeles
- State Department of Water Resources
- County of Orange
- City of Los Angeles Department of
Water & Power
- Southern California Gas Company
- County of Los Angeles

(i) For temporary construction personnel employed under authority of Section 6207(c), the Chief Executive Officer ~~General Manager~~ is authorized to fix the hourly rates of pay at least equal to, but not more than 20 percent higher than, those so determined by the Board to be prevailing in the county in which such personnel primarily will be engaged.

§ 6209. Discharge.

(a) Unclassified employees, other than executive officers and their principal assistants, may be removed by their respective Department Heads, but may appeal such removal to the ~~Organization and Personnel Subcommittee of the Board~~ Legal, Claims and Personnel Committee. The decision of the Committee will be final unless the Committee chooses to refer the appeal to the Board.

(b) Probationary employees serve at the pleasure of the Department Head. Classified employees may be discharged, for cause, immediately by their respective Department Heads. When immediate discharge is not deemed appropriate, written notice shall be given at least 14 calendar days in advance of discharge for probationary employees and at least 30 calendar days in advance of discharge for other classified employees.

(c) Regular non-probationary classified employees who are discharged are afforded the due process rights provided under Section 6218 of this Code or as provided in the applicable memorandum of understanding.

§ 6304. Chief Executive Officer's General Manager's Report on Affirmative Action Policy and Program.

Semi-annually, the ~~Chief Executive Officer General Manager~~ shall report to the ~~Organization and Personnel Subcommittee~~ Legal, Claims and Personnel Committee on the implementation of this Article and on the status of the Affirmative Action Program.

§ 6332. Audit.

(a) All expense reports submitted by directors, department heads other than the General Auditor, and all other employees are subject to audit by the General Auditor's office after they have been processed. The General Auditor's expense reports shall be subject to audit by the Chief Financial Officer.

(b) The General Auditor, or the Chief Financial Officer with regard to any such claim of the General Auditor, shall refer unusual or questionable claims of directors or Department Heads to the Chair of the ~~Special Audit Committee~~ Audit, Budget and Finance Committee for review and discussion with the claimant if necessary, except that the General Auditor shall refer any such claim made by the Chair of the ~~Special Audit Committee~~ Audit, Budget and Finance Committee to the Chair of the Board of Directors for review and discussion with the claimant if necessary. If questions regarding the claim cannot be resolved with the claimant, the claim shall be referred to the ~~Special Audit Committee~~ Audit, Budget and Finance Committee and the claimant notified. The ~~Special Audit Committee~~ Audit, Budget and Finance Committee, after conference with the claimant, may reduce or disallow any claim and the claimant shall reimburse the District.

(c) Questionable claims of assistant department heads or division managers shall be referred by the General Auditor to the ~~Chief Executive Officer General Manager~~ for resolution.

Questionable claims of other employees shall be referred to the appropriate level of management or supervision for resolution. The ~~Chief Executive Officer-General Manager~~, or his designee, in consultation with the General Counsel's office, shall have the authority to make final determinations on audit issues involving the expense reports of all employees below the level of department head.

§ 6416. Annual Report to Executive Committee

The ~~Chief Executive Officer General Manager~~ shall annually, in advance of the ~~July June~~ Board meetings, submit to the Executive Committee a comprehensive ~~business work~~-plan for the District and the ~~Chief Executive Officer's General Manager's~~ goals and work objectives for the coming year for review and approval. The ~~business work~~-plan and goals and work objectives shall be submitted in conjunction with similar reports by the General Counsel to the ~~Legal and Claims Committee~~Legal, Claims and Personnel Committee and the General Auditor to the ~~Special Audit Committee~~Audit, Budget and Finance Committee.

Article 3

GENERAL COUNSEL

Sec.

- 6430. Powers and Duties
- 6431. Authority to Obtain Expert Assistance
- 6432. Authority to Obtain Court Fees and Deposits
- 6433. Authority to Litigate, Compromise and Settle Claims By and Against the District
- 6434. Writing off Uncollectible Claims
- 6435. Applicability of Section 1094.6 of the Code of Civil Procedure
- 6436. Quarterly Report to ~~Legal and Claims Committee~~Legal, Claims and Personnel Committee
- 6437. Assistant General Counsel and Deputies General Counsel

§ 6433. Authority to Litigate, Compromise and Settle Claims By and Against the District.

(a) Settlement of Claims or Suits Generally. - The ~~Chief Executive Officer-General Manager~~, with the approval of the General Counsel, is authorized to allow, compromise or settle any claim or suit, by or against the District, not provided for elsewhere in this Code if the amount to be paid does not exceed \$125,000. The ~~Chief Executive Officer General Manager~~ or the General Counsel may perform any functions placed on the Board by Part 3 of Division 3.6 of Title 1 of the Government Code. The ~~Chief Executive Officer-General Manager~~, with the approval of the General Counsel, may delegate the authority to settle claims involving payment of an amount not exceeding \$1,000 to an independent contractor.

(b) Settlement of Labor Claims or Suits. - The ~~Chief Executive Officer-General Manager~~, with the approval of the General Counsel, is authorized to compromise and settle any claim brought against the District under Division 4 of the Labor Code and any suit arising out of proceedings against the District under Division 4, provided the amount to be paid pursuant to any such compromise and settlement shall not exceed the sum of \$125,000.

(c) Authority to Contest Matters by or Before Administrative Agencies. - The ~~Chief Executive Officer General Manager~~ is authorized to initiate a contest of any claim, order, finding or decision made, charge, citation, or penalty assessed or proposed by an administrative agency against the District. The General Counsel is authorized, upon request of the ~~Chief Executive Officer-General Manager~~, to represent the District in such contest and, if he deems it appropriate, to seek review by a court of law; and is further authorized to do all things he deems necessary or proper in the conduct of any such contest or action including, without limitation, to conduct ancillary proceedings, to compromise and settle, to dismiss, or to appeal a decision or judgment rendered in any such contest or action.

(d) Prosecution of Claims. - The ~~Chief Executive Officer General Manager~~ is authorized to do all things he deems necessary or proper to obtain payment of a claim of the District. For that purpose he may himself, with the approval of the General Counsel, institute an action within the jurisdictional limits of the small claims court and may request the General Counsel, who is hereby authorized to do so, to institute an action in the municipal court, superior court or federal district court to recover damages in any amount arising out of injury to person or property and to institute other actions in which the amount sought to be recovered does not exceed \$125,000. In the case of small claims court actions, the ~~Chief Executive Officer-General Manager~~, with the approval of the General Counsel, may, in connection with any such action, compromise, settle or dismiss such action, conduct ancillary proceedings, or appeal a judgment rendered in such action. In other actions brought under authority of this Section, the General Counsel, with the approval of the ~~Chief Executive Officer-General Manager~~, may compromise, settle or dismiss such action, conduct ancillary proceedings, or appeal a judgment rendered in such action, provided that the amount to be paid by the District as a result of any compromise or settlement shall not exceed \$125,000.

(e) Litigation - Leases - Encroachments. - The General Counsel is authorized, upon request of the ~~Chief Executive Officer-General Manager~~, to bring an action to enforce the terms of District written and oral leases or to remove unauthorized encroachments upon District property and he is authorized to do all things he deems necessary or proper in the conduct of any such action including, without limitation, to conduct ancillary proceedings, to settle or dismiss the action, or to appeal a judgment.

(f) Representation of Employees. - The General Counsel is authorized to represent an employee or former employee of the District who requests a defense by the District in any civil or criminal action or proceeding brought against such employee arising out of an act or omission in the scope of his employment. He may refuse to represent such employee in any civil action for any reason stated in Section 995.2 or Section 995.4 of the Government Code.

(g) Litigation actions subject to Board Ratification – Subject to subsequent ratification by the Board, the General Counsel, with the approval of the Chief Executive Officer, is authorized to initiate litigation or respond to or participate in litigation otherwise requiring Board approval, if circumstances require action by Metropolitan before such Board approval can be obtained. Board ratification of such actions shall be requested at the next regularly scheduled Board meeting. If ratification of any such action is denied, the General Counsel shall take all steps necessary to comply Board’s directions regarding the litigation.

§ 6436. Annual and Quarterly Reports to ~~Legal and Claims Committee~~Legal, Claims and Personnel Committee.

(a) The ~~Chief Executive Officer General Manager~~ and General Counsel shall report quarterly to the ~~Legal and Claims Committee~~Legal, Claims and Personnel Committee the exercise of any power delegated to them by Sections 6433 and 6434. The General Counsel shall report quarterly to the ~~Organization and Personnel Subcommittee~~Legal, Claims and Personnel Committee the exercise of any power delegated to him by Section 6431.

(b) The General Counsel shall annually, in advance of the July Board meetings, submit to the ~~Legal and Claims Committee~~Legal, Claims and Personnel Committee a comprehensive Legal Department ~~business work~~-plan and the Legal Department’s annual goals and work objectives for review and approval. The ~~business work~~-plan and goals and work objectives shall be submitted in conjunction with similar reports by the ~~Chief Executive Officer General Manager~~ and General Auditor to the Executive Committee and the ~~Special Audit Committee~~Audit, Budget and Finance Committee.

§ 6450. Powers and Duties.

(a) The District’s independent internal auditing function is governed by provisions of the California Government Code and by policies established by the Board of Directors. The scope of internal auditing activities is subject to Board review and approval, but shall not otherwise be restricted. The ~~Special Audit Committee~~Audit, Budget and Finance Committee is responsible for the oversight of the internal auditing function and for reviewing reports issued by both the internal and external auditors. Internal auditors, with stringent regard for safekeeping and confidentiality, shall have access to all District activities, records, property, and employees as may be necessary to carry out their assigned responsibilities.

(b) The General Auditor manages the District’s Audit Department and is responsible to perform, among other things, the following duties as he deems necessary and proper:

(1) Examining and evaluating the adequacy and effectiveness of the organization’s systems of internal control, including those pertaining to the deterrence, detection, and investigation of fraudulent or illegal acts.

(2) Reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information.

(3) Reviewing the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations that could have a significant impact on operations and reports, and determining whether the organization is in compliance.

(4) Reviewing the means of safeguarding assets and, as appropriate, verifying the existence of such assets.

(5) Appraising the economy and efficiency with which resources are employed and the quality of performance in carrying out assigned responsibilities.

(6) Reviewing operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.

(7) Coordinating internal auditing activities with the work of the independent external auditors and assisting the external auditors as required.

(c) In addition to the duties outlined at paragraph 6450(b), the General Auditor is responsible for formulating departmental policies and procedures; directing and evaluating the performance of work done by employees within the department, administering the internal records of the department; and administering the District's contract for external audit services. The General Auditor shall annually in advance of the ~~July June~~ Board meetings, submit to the ~~Special Audit Committee~~ Audit, Budget and Finance Committee a comprehensive Audit ~~work plan~~ business plan and the Audit Department's annual goals and work objectives for review and approval. The ~~business work~~ plan and goals and work objectives shall be submitted in conjunction with similar reports by the ~~Chief Executive Officer~~ General Manager and General Counsel to the Executive Committee and the ~~Legal and Claims Committee~~ Legal, Claims and Personnel Committee.

(d) The General Auditor shall report the findings, opinions, and recommendations which result from the performance of the duties outlined in paragraphs 6450(b) and (c) to the ~~Chief Executive Officer~~ General Manager and General Counsel for their information and appropriate actions. The form and content of such reports shall be determined by the General Auditor based on the results obtained and other circumstances. Whenever an audit report contains recommendations for corrective actions or changes in current practices, the ~~Chief Executive Officer~~ General Manager, the General Counsel, or their designees shall respond to the General Auditor in an appropriate manner and within a reasonable time, indicating their views on the recommendations and proposed actions to be taken, if any. The General Auditor shall then submit a summary or detailed report on major assignments conducted, or significant issues noted, to the ~~Special Audit Committee~~ Audit, Budget and Finance Committee.

(e) Except for the General Auditor's monthly Audit Department activity reports addressed to the entire Board, and as outlined in paragraph 6450(d), the General Auditor's

reports on internal audit assignments shall be addressed to the ~~Special Audit Committee~~Audit, Budget and Finance Committee. The General Auditor shall have the discretion to determine the form and content of such audit reports, subject to guidance or direction by the ~~Special Audit Committee~~Audit, Budget and Finance Committee. With the exception of those reports which the General Auditor deems to be urgent or confidential in nature, copies of all audit reports addressed to the ~~Special Audit Committee~~Audit, Budget and Finance Committee shall be submitted to the ~~Chief Executive Officer General Manager~~ and General Counsel for review and comment prior to their submittal to the ~~Special Audit Committee~~Audit, Budget and Finance Committee.

(f) The General Auditor shall transmit all reports issued by the District's external auditors to the ~~Special Audit Committee~~Audit, Budget and Finance Committee and any other committees of the Board as may be applicable. Such transmittal letters should include any comments on the external auditor's reports that the General Auditor deems necessary.

(g) The General Auditor may receive requests from time to time from the other executive officers or committees of the Board to perform audit assignments which are not included in the approved annual Audit ~~Business Work~~ Plan. Similarly, the General Auditor may identify a need to include new priority assignments in the Audit ~~Business Work~~ Plan during the year. The General Auditor shall have sufficient latitude and discretion to include those new assignments in the annual Audit ~~Business Work~~ Plan as he deems necessary and to make other revisions as are warranted in the circumstances. All revisions to the Audit ~~Business Work~~ Plan will be communicated periodically to the ~~Special Audit Committee~~Audit, Budget and Finance Committee for its information and concurrence. The reporting process for assignments requested by either executive management or by committees of the Board shall generally follow the process outlined in paragraphs 6450(d) or (e) previously. However, any reports on audits requested by a committee of the Board shall be jointly addressed to such committee and the ~~Special Audit Committee~~Audit, Budget and Finance Committee. Copies of these reports will first be provided to management for review and comment consistent with the provisions of paragraph 6450(e).

§ 6452. Authority to Obtain Professional Services.

The General Auditor is authorized to employ the services of independent auditors or other professional or technical consultants to advise or assist him in performing his assigned duties as may be required or as he deems necessary provided that the amount to be expended in fees, costs, and expenses under any one contract in any one year shall not exceed \$40,000. The General Auditor shall inform the ~~Special Audit Committee~~Audit, Budget and Finance Committee whenever he exercises the authority granted under this section and he shall further report quarterly to the ~~Organization and Personnel Subcommittee~~Legal, Claims and Personnel Committee concerning any agreements entered into under this section.

Division VIII**CONTRACTS/DISTRICT PROPERTY**

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Chapter 1**CONTRACTS**

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§ 8103. Competitive Bids.

All contracts estimated to cost ~~\$5,000~~ \$25,000¹ or more shall be made upon competitive bidding, except:

¹ Consistent with CAT recommendation to raise formal bid limit to \$25,000.

(a) Contracts for miscellaneous services, such as telephone, telegraph, light, power and water, where rates or prices are fixed by legislation or by federal, state, county or municipal regulations.

(b) Contracts deemed to be ~~of urgent necessity for an emergency under the procedures set forth in Section 8115 and in accordance with Public Contract Code section 21567.~~

(c) Contracts executed in lieu of bringing an action in eminent domain, to reimburse an owner for the owner's costs of relocating or protecting facilities affected by District construction projects.

(d) If the articles wanted are patented, copyrighted or otherwise unique and not on sale by dealers generally, but only at a fixed and uniform price by their owner or the owner's agents or assigns. When such an article is to be purchased, the Department Head preparing the specifications shall certify that the particular article will best serve the purpose of the District, and reasons for such conclusion shall be set forth.

(e) If competitive bidding could not produce an advantage, or it is impracticable to obtain what is required subject to the competitive bidding provisions because of the unique, exploratory, or experimental nature of the work. Prior to award of contract, the Department Head proposing such contract shall certify that the contract is exempt from competitive bidding and shall set forth in the certificate reasons for that determination.

(f) If, within six months previous to the date of execution of a proposed contract, advertising or posting for identical articles, or articles of the same general character, has failed to secure responsive proposals and, in the opinion of the ~~Chief Executive Officer-General Manager~~, further advertising or posting will not alter this result.

(g) If the purchase is of used equipment which, in the opinion of the ~~Chief Executive Officer-General Manager~~, is satisfactory for the work of the District.

(h) If the contract is with any governmental agency.

(i) Contracts for insurance or for services of a professional, artistic, scientific, or technical character.

(j) Change orders.

(k) The ~~Chief Executive Officer General Manager~~ may enter into contracts for the handling of District airline ticketing, lodging, automobile rental reservations, and miscellaneous travel-related services. ~~The General Manager shall report any exercise of this authority as part of the report required by Administrative Code Section 8117.²~~

² Cleanup revision: Sentence stricken as it refers to previous § 8117 (b) which was repealed in 1991.

(l) Contracts to buy or sell non-firm power on an hour-to-hour basis and other contracts of durations up to one year to furnish power or transmission capability to the District or dispose of power or transmission capability available to the District.

(m) Transactions pursuant to contracts secured by other public corporations which, in the opinion of the General Counsel, substantially comply with the competitive bidding requirements of this Chapter.³

§ 8105. Bonds.

(a) Every contract involving in excess of \$25,000 for the construction of works or structures for the District shall be accompanied by ~~a separate performance and~~ payment bonds executed by a corporate surety authorized to do business in California, approved by the Chief Executive Officer-General Manager. ~~The performance bond shall be in an amount fixed by the General Manager and shall guarantee the faithful performance of the contract by the contractor.~~ The payment bond shall contain the provisions required by Title 15 of Part 4 of Division 3 of the Civil Code.

(b) Every contract involving in excess of \$100,000 for the construction of works or structures for the District or for the purchase of equipment, materials or supplies specially made or fabricated to District plans and specifications ~~and involving an amount in excess of \$25,000~~ must be accompanied by a performance bond in an amount fixed by the Chief Executive Officer General Manager and executed by a corporate surety authorized to do business in California, approved by the Chief Executive Officer-General Manager, or by a cash guarantee deposit in like amount. The Chief Executive Officer may require performance bonds for contracts of \$100,000 or less.⁴

(c) Bidder's Bond. - Whenever a performance bond is required under Section 8105, the Chief Executive Officer General Manager may require bids with respect to such work or purchase to be accompanied by either a certified or cashier's check, or bidder's bond executed by a corporate surety authorized to engage in such business in California, made payable to the District. Such check or bond shall be in an amount not less than specified in the notice inviting bids or, if no amount be so specified, then in an amount not less than 10 percent of the aggregate amount of the bid, and shall guarantee that the successful bidder will enter into a contract with the District on the terms stated in his proposal within the time specified in the contract documents.

³ Addition to clearly allow contracting mechanisms that rely on competitive bidding performed by other public agencies.

⁴ Staff recommendation to increase threshold where performance bonds are mandatory from \$25,000 to \$100,000.

§ 8107. ~~Affirmative Action~~Non-Discrimination Practices in District ~~Construction~~ Contracts.

The ~~General Manager~~Chief Executive Officer is authorized to adopt ~~ana program to promote~~ equal employment opportunities and ~~affirmative action program~~non-discrimination practices applicable to all district~~construction~~ contracts involving an estimated cost exceeding \$25,000.

Section 451.6 – M.I. 30757 – March 11, 1975; renumbered Section 451.22 by M. I. 32690 - April 10, 1979; renumbered Section 451.21 – June 3, 1985. Section 451.21 repealed and Section 8107 adopted by M. I. 36464 – January 13, 1987, effective April 1, 1987.

§ 8110. Posting and Advertising.

(a) General. - No notice inviting bids for any contract required to be let upon competitive bidding shall be posted or advertised unless there is first prepared a complete set of contract documents detailing the terms of the agreement and the work to be performed, which set shall be available to any interested party.

(b) Contracts Estimated to Cost \$25,000 or More.⁵ - Whenever a contract required to be let upon competitive bidding is estimated to cost \$25,000 or more, a notice inviting bids shall be posted in a public place within the District and shall be published not less than once in a newspaper or periodical designated by the ~~Chief Executive Officer~~General Manager at least five days, exclusive of Saturday, Sunday and holidays, before the time for opening bids; provided, however, that the foregoing requirement shall not apply when bids will be considered only from bidders determined to be prequalified or whose technical proposal is determined to be responsive to the District's specifications, as determined under the procedure set forth in Section 8104.

(c) Contracts Estimated to Cost Less Than \$25,000

~~(1) Whenever a contract required to be let upon competitive bidding is estimated to cost \$10,000 or more and less than \$25,000, a notice inviting bids shall be posted in a public place within the District at least three days, exclusive of Saturday, Sunday, and holidays, before the time of opening bids; provided, however that the foregoing requirement shall not apply when bids will be considered only from bidders determined to be prequalified or whose technical proposal is determined to be responsive to the District's specifications, as determined under the procedure set forth in Section 8104.~~

~~(2) Whenever a contract required to be let upon competitive bidding is estimated to cost \$1,000 or more and less than \$10,000, competitive bids shall be obtained from three or more firms in the manner the General Manager determines to be appropriate.~~

⁵ CAT recommended raising advertising threshold to \$50K. However, per Public Contract Code/MWD Act, advertising ('publication') is required for construction contracts \$25K and up.

~~(3)~~ When the estimated cost of a contract is less than ~~\$1,000~~\$25,000, the Chief Executive Officer General Manager may prescribe the procedure for contracting, which may include competitive bidding.⁶

(d) Other Notices. - A notice inviting prequalification information or a notice inviting technical proposals shall be posted and advertised in the manner required for the notice inviting bids for the proposed contract for which prospective bidders or prospective lower-tier contractors will be required to be prequalified or for which a technical proposal is requested; provided, however, that a notice inviting technical proposals need not be posted or advertised where bidding is restricted to bidders determined to be prequalified under the procedure set forth in Section 8104. Posting and advertising shall take place sufficiently in advance of the date of posting and advertising of the notice inviting bids to permit the Chief Executive Officer General Manager to fully evaluate the information submitted in response thereto and to make a determination.

§ 8112. Rejection of Bids.

The Chief Executive Officer General Manager may reject all bids received, regardless of amount, but shall, whenever the lowest bid that is rejected is \$250,000 or more, report such action to the Engineering and Operations Committee Engineering, Operations and Real Property Committee of the Board.

§ 8115. Negotiated Contracts.

All contracts not required to be let by competitive bidding shall be entered into as follows:

(a) Contracts Over \$250,000. - Except as provided in Section 8115(b), if the amount payable or expected to be paid by the District⁷ under the terms of the contract is \$250,000 or more, the contract shall be executed only upon prior approval of the Board, provided that the Board may designate an officer of the District to negotiate and execute classes of contracts without prior approval of the Board. The Chief Executive Officer is authorized to negotiate and execute contracts in which the District receives funds of any amount, provided Board approval is not otherwise required.⁸

⁶ Per CAT recommendation to raise formal bid limit to \$25K. To this end and to streamline bid requirements, it is recommended the previous § 8110(c)(1) which requires formal posting but no advertising for contracts between \$10K and \$25K be eliminated and replaced with § 8110(c)(3) which provides for CEO discretion in prescribing competitive bidding and the manner.

⁷ Clarification that contracts pursued jointly with other agencies need Board approval only if the District's share of obligations exceeds \$250K.

⁸ Clarification that Board approval is not required for contracts where the District is receiving funds, such as grant research money.

(b) ~~Urgent Necessity~~Emergency Contracts.⁹

The ~~Chief Executive Officer General Manager~~ is delegated the authority to waive competitive bid requirements and execute contracts over the amount of \$25,000 for the construction of works or structures, for the purchase of equipment, materials or supplies, or performance of labor or services and take any directly related and immediate action required by that emergency when such construction, purchase of equipment, materials or supplies is determined by the ~~Chief Executive Officer General Manager~~ to be ~~of urgent necessity~~for an emergency, subject to the following requirements:

- (1) ~~Chief Executive Officer General Manager~~ shall report to the Board not later than 7 days after the emergency action or at its next regularly scheduled meeting if that meeting will occur not later than 14 days after the action, the details of the emergency and reasons justifying the actions taken.
- (2) At each regularly scheduled meeting following the emergency action, the Board shall determine by four-fifths vote whether there is a need to continue the action or terminate action at the earliest possible date that conditions warrant so that the remainder of the emergency action may be completed through competitive bid procedures.
- (3) Such contracts shall not be binding on the District in an amount exceeding \$250,000 unless the ~~Chief Executive Officer General Manager~~ obtains ratification of such contract by a four-fifths vote of the Board.

(c) Contracts Under \$250,000. - If the amount payable or expected to be paid by the District¹⁰ under the terms of a contract is less than \$250,000 the contract may be executed by the ~~Chief Executive Officer General Manager~~ unless otherwise directed by the Board.

(d) Change Orders. - Except for capital construction contracts, if the amount payable under a change order is less than \$250,000, the ~~Chief Executive Officer General Manager~~ is authorized to execute the change order even if the change order will bring the total amount payable under the contract to \$250,000 or more. Notwithstanding the foregoing, the ~~Chief Executive Officer General Manager~~ shall not, without prior Board approval, issue change orders totaling more than \$250,000 to a contract involving an original total amount payable under \$250,000, or a change order that would cause the amount payable under a contract for professional and consulting services to exceed the limit established by Section 8117. Change orders for capital construction projects may be executed by the ~~Chief Executive Officer General Manager~~ without prior Board approval for an amount of \$250,000 per contract or an aggregate amount not to exceed 5 percent of the initial amount of the contract.

⁹ With the formal bid limit raised to \$25k, "urgent necessity" is one and the same with the statutory requirements for emergency contracting.

¹⁰ Clarification that contracts pursued jointly with other agencies that exceed \$250K do not need Board approval if the District's share of obligations is less than \$250K.

§ 8118. Contracts in Excess of \$250,000 Not Requiring Prior Board Approval.

(a) Relocation Agreements

(1) The ~~Chief Executive Officer General Manager~~ is authorized to execute any agreement involving an amount not exceeding \$500,000 under which the District is to pay the cost of relocation or protection, or both, of facilities owned by others whenever the ~~Chief Executive Officer General Manager~~ deems that such action is necessary to the construction of District facilities.

(2) The ~~Chief Executive Officer General Manager~~ is authorized to issue all appropriate orders necessary to implement any such agreement, and, in the ~~Chief Executive Officer's General Manager's~~ discretion, to advance funds therefor.

(3) The ~~Chief Executive Officer General Manager~~ is authorized to execute and to perform any agreement involving an amount not exceeding \$500,000 for the relocation or protection, or both, of District-owned facilities to accommodate the improvement of facilities owned by others and to determine whether a deposit shall be made prior to the commencement of work, and if so, in what amount.

(4) The ~~Chief Executive Officer General Manager~~ shall report quarterly to the ~~Engineering and Operations Committee~~ Engineering, Operations and Real Property Committee the ~~General Manager~~ ~~Chief Executive Officer's~~ execution under the authority of this Section of any agreements involving an amount in excess of \$100,000.

(5) All such agreements shall be subject to the approval of the General Counsel.

(b) Contracts for Utility Services. - The ~~General Manager~~ ~~Chief Executive Officer~~ is authorized to negotiate and execute contracts for utility services, other than electrical energy for the pumping of Colorado River water, to facilities owned or operated by the District without limitation as to amount.

(c) Power and Transmission Contracts.

(1) General Authorization. - The ~~General Manager~~ ~~Chief Executive Officer~~ is authorized to negotiate and execute contracts of durations up to one year to furnish power or transmission capability to the District or dispose of power or transmission capability available to the District.

(2) Hourly Non-Firm Power Contracts. - Notwithstanding the provisions of Section 8118(c)(1), the ~~General Manager~~ ~~Chief Executive Officer~~ is authorized to negotiate and execute contracts to buy or sell non-firm power on an hour-to-hour basis, provided that any such contract shall be terminable by the District on not more than thirty days' notice to the other party.

(3) Reporting. - The ~~General Manager~~Chief Executive Officer shall report at the next regular meeting of the Board the execution of any contract authorized by this Section 8118(c) and any transaction made under such contract.

§ 8121. Contracts for Equipment, Materials, ~~and~~ Supplies, and Routine Services.

(a) The ~~General Manager~~Chief Executive Officer may execute contracts for the purchase or lease of operating equipment, regardless of dollar value, which is specifically identified in the budget provided that the amount of any contract does not exceed 110 percent of the amount identified in the budget for that operating equipment and that sufficient funds are available within the annual budget.

(b) The ~~General Manager~~Chief Executive Officer may execute contracts for the purchase of materials, supplies, ~~and~~ other consumable items such as fuels, water treatment chemicals, materials for construction projects and other bulk items, and for routine services such as waste disposal and maintenance services, which are generally identified in the budget, regardless of dollar value, provided that sufficient funds are available within the annual budget for such materials, supplies and ~~other items~~routine services¹¹.

(c) All contracts under this section shall be awarded after competitive bidding unless otherwise exempted by this Code.

§ 8225. Adoption of Resolutions of Necessity.

~~(a) The General ManagerChief Executive Officer shall give the notice and the Subcommittee on Real Property and Asset ManagementBoard of Directors shall hold the hearing required of the Board by Code of Civil Procedure Section 1245.235(c). The hearing shall be attended by not less than a quorum of the subcommitteeBoard. Subsequent to the hearing, the subcommittee shall provide the Board and any person who filed a written request within the time specified in the notice and appeared before the subcommittee with a written summary of the hearing and a written recommendation as to whether to adopt the resolution of necessity. Any such person shall also be given an opportunity to appear and be heard before the Board on the matters referred to in Section 1240.030.~~

~~————(b) In determining whether to adopt a resolution of necessity to acquire real property, the Board shall consider the recommendation of the General Manager, the written summary of hearing and written recommendation presented to it by the Subcommittee on Real Property and Asset Management and the presentation to the Board by any person made pursuant to Section 8225(a).~~

¹¹ Budgeted expenditures for some routine services are now approaching or exceeding \$250,000. This clarifies that such expenditures (sludge removal, haz mat cleanup, janitorial services, etc.) where budgeted should not need Board approval.

§ 8240. Preliminary Requirements.

The ~~General Manager~~Chief Executive Officer shall establish a procedure for the continuous review of real property owned by the District for the purpose of determining which of such property is surplus to the District's needs. When the ~~General Manager~~Chief Executive Officer determines that property is surplus, the ~~General Manager~~Chief Executive Officer shall notify the ~~Engineering and Operations Committee~~Engineering, Operations and Real Property Committee and the ~~Subcommittee on Real Property and Asset Management~~ of that determination, unless the estimated value of the property is less than \$75,000.

(a) If the ~~Engineering and Operations Committee~~Engineering, Operations and Real Property Committee does not overrule such determination and the estimated value of the property is \$75,000 or more, the ~~General Manager~~Chief Executive Officer shall:

(1) Notify the ~~Subcommittee on Real Property and Asset Management~~Engineering, Operations and Real Property Committee of the estimated value of the property and recommend the appropriate marketing procedure authorized by this Article ~~34~~;

(2) Cause the property to be appraised by one or more independent appraisers.

(b) If the estimated value of the property is less than \$75,000, the ~~General Manager~~Chief Executive Officer shall cause the property to be appraised by a member of the staff of the ~~General Manager~~Chief Executive Officer or an independent appraiser, and disposed of as authorized by Article ~~3-4~~

(c) The ~~General Manager~~Chief Executive Officer shall comply with the California Environmental Quality Act and the legal requirements pertaining to the disposition of property in cities or counties which have a general plan. If upon such compliance, any official body objects to the proposed sale, the Board of Directors shall first expressly uphold or reject the objections. There being no objections, or the objections having been rejected, and the appraisal or appraisals having been completed, the ~~General Manager~~Chief Executive Officer may then sell or lease the surplus property under the provisions of this Article ~~34~~.

§ 8243. Disposal of Unnecessary Improvements.

(a) The ~~General Manager~~Chief Executive Officer is authorized to dispose of, in the manner the ~~General Manager~~Chief Executive Officer deems to be in the best interest of the District, any improvements that must be removed to make land acquired for District operations suitable for District use.

(b) The ~~General Manager~~Chief Executive Officer shall report quarterly to the ~~Subcommittee on Real Property and Asset Management~~Engineering, Operations and Real Property Committee the details of any transactions during the preceding quarter in which an

improvement was disposed of in such a manner as to make the improvement available for subsequent use by a party other than the District.

§ 8245. Open Listing.

If the ~~General Manager~~Chief Executive Officer elects to sell the property by using the services of licensed real estate brokers, the ~~General Manager~~Chief Executive Officer shall do so by offering it for sale by advertising in a newspaper or newspapers that the property is being offered for sale with courtesy to brokers, and by notifying real estate boards in the area in which the property is located that the property is being offered for sale with courtesy to licensed brokers. The initial offer for sale shall be for no less than the highest appraised valuation of the property. The ~~General Manager~~Chief Executive Officer is authorized to sell the property for the highest price obtainable; provided, however, that such price shall be no lower than the lowest appraisal without the approval of the ~~Subcommittee on Real Property and Asset Management~~Engineering, Operations and Real Property Committee and no lower than 90 percent of the lowest appraisal without the approval of the Board. The ~~General Manager~~Chief Executive Officer is authorized to pay to the broker who procures the accepted offer, a commission not to exceed the prevailing rate in the area in which the property is located.

§ 8246. Exclusive Listing.

The ~~General Manager~~Chief Executive Officer may with the approval of the ~~Subcommittee on Real Property and Asset Management~~Engineering, Operations and Real Property Committee give an exclusive listing to an individual licensed broker; provided, however, that the property shall not be sold for less than the lowest appraisal without the approval of the ~~Subcommittee on Real Property and Asset Management~~Engineering, Operations and Real Property Committee and for no less than 90 percent of the lowest appraisal without the approval of the Board. In such case, the ~~General Manager~~Chief Executive Officer is authorized to pay a commission, upon consummation of the sale, not to exceed the prevailing rate in the area in which the property is located.

§ 8255. Reservation of Oil, Gas and Mineral Rights.

The right to extract all oil, gas hydrocarbons or other minerals without the right of surface entry for the development thereof, shall be reserved in the sale of any real property under the provisions of this Article 34 provided, however, that there shall be no such extraction within 500 feet of the surface.

§ 8257. Quarterly Reports.

The ~~General Manager~~Chief Executive Officer shall report to the ~~Subcommittee on Real Property and Asset Management~~Engineering, Operations and Real Property Committee quarterly on the property sold pursuant herewith.

Chapter 3

~~MINORITY AND WOMEN OWNED BUSINESS ENTERPRISES~~BUSINESS OUTREACH

Sec.

8300. Statement of Policy

8301. ~~General Manager~~Chief Executive Officer's Responsibility to Implement ~~Minority and Women Owned Business Enterprise~~Business Outreach Policy

§ 8300. Statement of Policy.

~~It is the declared policy of the Metropolitan Water District of Southern California to implement a program that will aid, counsel and assist, insofar as is legally permissible, the participation of minority and women owned business enterprises in contracts for Metropolitan properties, facilities and services. (a) The Metropolitan Water District of Southern California is committed to create an environment which affords all individuals open access to the business opportunities available within the regional service area in a manner that reflects the diversity of its service area.~~

~~(b) Therefore, it is the policy of the District to solicit participation in the performance of all construction, professional services, procurement contracts, supplies, and equipment procured by the District by all individuals and businesses, including but not limited to small businesses, locally owned businesses, women, minorities, and economically disadvantaged business enterprises.~~

§ 8301. ~~General Manager~~Chief Executive Officer's Responsibility to Implement ~~Minority and Women Owned Business Enterprise~~Outreach Policy.

The ~~General Manager~~Chief Executive Officer shall establish, direct and monitor a detailed program implementing the ~~Minority and Women Owned Business Enterprise~~Outreach Policy herein expressed and shall take appropriate steps to cause all personnel within the organization to abide by and affirmatively support said policy.

**THE METROPOLITAN WATER DISTRICT
ADMINISTRATIVE CODE**

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§ 2200. Establishment of Offices.

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

§ 2201. Terms of Office; Limitations.

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

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

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

§ 2202. Selection of Officers.

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

§ 2203. Vacancy in Office.

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

§ 2204. Delegation of Duties to Vice Chair.

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

§ 2205. Duties of the Chair.

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

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

§ 2206. Use of District Automobile by Chair

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

§ 2207. Duties of the Secretary of the Board.

The duties of the Secretary of the Board are to :

(a) Sign all Board Meeting Minutes; and,

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

Article 1

GENERAL

Sec.

2400. Identification of Standing Committees

2401. Officers and Members of Standing Committees

§ 2400. Identification of Standing Committees.

The Standing Committees of the Board of Directors are:

Executive Committee

Engineering, Operations and Real Property Committee

Audit, Budget and Finance Committee

Legal, Claims and Personnel Committee

Water Planning, Quality and Resources Committee

Communications, Outreach and Legislation Committee

Article 2

EXECUTIVE COMMITTEE

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§ 2416. Day of Regular Meeting.

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

§ 2417. Duties and Functions.

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

(a) Public information for governmental and other entities and officials, and for the citizens of California regarding matters affecting the District's interests;

(b) Official dealings with the United States Government, the State of California or other states, member public agencies or their subagencies, foreign governments and other entities or persons in matters of public policy or other activities as deemed appropriate;

(c) Matters relating to the Colorado River Board of California;

(d) Major policy issues to be considered by the Board, including proposed amendments to the Metropolitan Water District Act;

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

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

(g) Resolution of conflicting committee recommendations pursuant to Section 2314;

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

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

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

(k) The Executive Committee shall be responsible for the oversight of the performances and activities of the Chief Executive Officer, General Counsel, and General Auditor and an annual review of the Chief Executive Officer's compensation. The Executive Committee shall evaluate the performance of the Chief Executive Officer at least annually in advance of the July Board meetings. It shall also review and approve the Chief Executive Officer's comprehensive business plan and annual goals and work objectives at the start of each fiscal year in advance of the August Board meetings.

(l) After review and consideration of the annual assessment of, and recommendations concerning, Department Heads by the committees responsible for oversight of the performance and activities of a Department Head, the Executive Committee shall make recommendations to the Board on the salary and other compensation of Department Heads in advance of the July meetings, with any changes to be effective at the start of the payroll period nearest to July 1.

(m) Such other matters as may be required under Division 2 of this Administrative Code.

(n) The Executive Committee shall also:

(1) Assign and reassign the directors to the standing committees and designate the Committee Chairs and Vice Chairs, subject to approval by the Board of Directors, and to the limitations on terms of office;

(2) Designate a Board Vice Chair to act in the Board Chair's absence, failure or inability to act if the Chair has not previously made such a designation.

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

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

(5) Conduct hearings on Vendors' Protests:

(i) Hearings requested pursuant to Section 8104(d), and other hearings granted on the Executive Committee's own motion, unless delegated pursuant to Section 8119 shall be held by the committee at its next regular meeting to be held at least 72 hours after filing of the notice of protest. The hearing shall be conducted in accordance with such rules as the Chair of the committee shall announce. The committee shall make a decision on the bidder's or applicant's protest, shall set forth its reasons therefor, and shall cause the Executive Secretary to serve a copy of the decision on the bidder or applicant. The decision of the committee shall be final unless the committee chooses to refer the notice of protest to the Board.

(ii) The Chair of the Executive Committee may redelegate hearings provided for under Section 2417(k)(5)(i) to a minimum of three members of the

Executive Committee who shall act in place of the committee in the conduct of the hearing and who shall at the conclusion thereof make their recommendations to the full committee. Such recommendations shall be accompanied by copies of any materials submitted in evidence. Any hearing held and recommendations made pursuant to such delegated authority shall be completed in advance of the time set for the next regular meeting of the full committee following the meeting at which the matter would otherwise have been heard by the committee.

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

§ 2419. Subcommittee on Rules and Ethics.

Within the Executive Committee there shall be a Subcommittee on Rules and Ethics, appointed by, and serving at the pleasure of, the Chair of the Executive Committee. The Subcommittee on Rules and Ethics shall:

(a) Review and approve board and committee agendas without further action by the Executive Committee. Notwithstanding the jurisdiction of standing committees in this Code, the Subcommittee on Rules and Ethics shall have the authority to direct which committee shall consider an item;

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

(c) Study, advise and make recommendations with regard to policies and procedures to be considered by the Board or committees thereof, except for proposed amendments to the Metropolitan Water District Act or this Code affecting the organization and personnel policies of the District, the acquisition, ownership and sale of land by the District, or other policy matters within the jurisdiction of a specific standing committee.

(d) Study, advise and make recommendations to the Executive Committee regarding Metropolitan's ethics program.

Article 3

ENGINEERING, OPERATIONS AND REAL PROPERTY COMMITTEE

Sec.

2430. Day of Regular Meeting

2431. Duties and Functions

§ 2430. Day of Regular Meeting.

The regular meeting of the Engineering, Operations and Real Property Committee shall be held on the Monday preceding regular Board meetings.

§ 2431. Duties and Functions.

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

- (a) Plans, specifications and bids;
- (b) The initiation, scheduling, contracting, and performance of construction programs and work, and the equipment or materials to be used, replaced, disposed of, or salvaged;
- (c) The operation, protection, and maintenance of the plants and facilities required for the production, exchange, sale, storage, treatment, and delivery of water and power and for the storage and treatment of water; and for the distribution of electrical energy to the aqueduct pumping plants;
- (d) The providing of storage and distribution facilities and connections for the delivery of water;
- (e) Such matters as may come to its attention on inspection trips of the aqueduct works which the committee shall make at least once a year;
- (f) Construction claims;
- (g) Engineering aspects of State Water Project facilities;
- (h) The selection of engineering and geologic consultants and the determination of the scope of their assignments;
- (i) Energy matters in general;
- (j) Water treatment technologies for complying with drinking water regulations;
- (k) Proposed amendments to the Metropolitan Water District Act and Code affecting the engineering and operations functions of the District and affecting the acquisition, ownership and sale of land by the District;
- (l) Proposed rules and proposals regarding business development opportunities, including real property and intellectual property transactions;
- (m) Policies for the acquisition of rights-of-way;

(n) The purchase, sale, and leasing of land and buildings, including the performance of oversight and coordination of the District’s various office and garage space needs;

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

(p) The operation and maintenance of buildings;

(q) The selection of appraisers and the determination of the scope of their assignments;

(r) The fixing of purchase price, and the initiation and conduct of condemnation and other proceedings relating to the purchase or sale of land or interests in property related negotiations, including holding the hearing and making recommendations to the Board of Directors as to whether to adopt a resolution of necessity to acquire property by eminent domain, as set forth in Section 8225;

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

(t) Approval and oversight of facilities master plans, including budgeting for capital improvements and long-term facilities commitments; and,

(u) Approval and oversight of information technology strategies, projects and activities, including budgeting and tracking of information technology resources and asset management.

Article 4

AUDIT, BUDGET AND FINANCE COMMITTEE

Sec.

2440. Day of Regular Meeting

2441. Duties and Functions

§ 2440. Day of Regular Meeting.

The regular meeting of the Audit, Budget and Finance Committee shall be held on the Monday preceding regular Board meetings.

§ 2441. Duties and Functions.

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

- (a) Preparation of budgets;
- (b) Policies and procedures related to budget development and cost containment;
- (c) Sale of bonds and borrowing and repayment of money;
- (d) Disposition and investment of funds;
- (e) Authorization of appropriations;
- (f) The determination of revenues to be obtained through sales of water, water standby or availability of service charges, and the levying of taxes;
- (g) The financial impact and requirements of policies concerning annexation;
- (h) The financial aspects of the District's risk management program;
- (i) Questions pertaining to insurance coverage and self-insurance;
- (j) The selection of financial and insurance consultants and the determination of the scope of their assignments;
- (k) Form and contents of accounts, financial reports, and financial statements;
- (l) Proposed amendments to the Metropolitan Water District Act affecting the finance and insurance functions of the District;
- (m) Goals and objectives related to financial planning for Metropolitan, including but not limited to revenues, operating expenses, reserve policies, internally funded construction, debt management, investments and capital financing strategies;
- (n) The selling prices of water and conditions governing sales of water;
- (o) Costs and accounting procedures relating to the District's and other state water service contracts;
- (p) Policies regarding the sale of water for various uses;
- (q) Policies regarding allocation of water standby or availability of service revenue requirements among member public agencies;
- (r) Water standby or availability of service charges within the District;
- (s) Review and make recommendations regarding determinations by the Chief Executive Officer with respect to appeals concerning readiness-to-serve charges, new demand charges, and

connection maintenance charges, and report its recommendations, as appropriate, to affirm or reverse the Chief Executive Officer's determinations.

(t) Review and make recommendations regarding appeals from determinations by the Chief Executive Officer to deny or qualify an application for exemption from the water standby charge, and report its recommendations, as appropriate, to affirm or reverse the Chief Executive Officer's determinations.

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

(v) The Audit Department's annual business plan and annual budget.

(w) The selection of candidates for consideration by the Executive Committee to serve as the General Auditor and the selection of the Assistant General Auditor, as well as the external auditors or special audit consultants, and the determination of the scope of their assignments.

(x) Requests from other committees of the Board for audits and reviews not included in annual business plan.

(y) The Committee shall be responsible for the oversight of the General Auditor's performance and activities. It shall evaluate the performance of the General Auditor at least annually in advance of the July Board meetings. The results of that evaluation shall be provided to the Executive Committee for consideration as part of its annual review of the General Auditor's compensation. It shall also review and approve the comprehensive business plan and annual goals and work objectives of the General Auditor and the Audit Department at the start of each fiscal year in advance of the August Board meetings.

Article 6

LEGAL, CLAIMS AND PERSONNEL COMMITTEE

Sec.

2460. Day of Regular Meeting

2461. Duties and Functions

2462. [Repealed]

§ 2460. Day of Regular Meeting.

The regular meeting of the Legal, Claims and Personnel Committee shall be held on the Monday preceding regular Board meetings.

§ 2461. Duties and Functions.

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

- (a) Litigation and claims brought by or against the District;
- (b) Condemnation matters, when they involve settlements requiring Board approval and inverse condemnation matters;
- (c) Public liability insurance matters, including self-insurance aspects, and matters pertaining to errors and omissions insurance;
- (d) Policy considerations concerning District contracts;
- (e) The selection of candidates for consideration by the Executive Committee to serve as the General Counsel and Assistant General Counsel and the determination of the scope of the assignments of the General Counsel;
- (f) The selection of special counsel and the determination of the scope of their assignments;
- (g) Proposed amendments of the Metropolitan Water District Act and the Public Employees' Retirement Law, legislation dealing with public agencies, and proposed District ordinances;
- (h) The organization and contents of the Code and proposed amendments to the Metropolitan Water District Act and Code affecting the organization and personnel policies of the District;
- (i) Legal aspects and legal consequences of executed memorandum of understanding between the Chief Executive Officer and an organization representing employees;
- (j) The oversight of the General Counsel's performance and activities. It shall evaluate the performance of the General Counsel at least annually in advance of the July Board meetings. The results of that evaluation shall be provided to the Executive Committee for consideration as part of its annual review of the General Counsel's compensation. It shall also review and approve the comprehensive business plan and annual goals and work objectives for the General Counsel and the Legal Department at the start of each fiscal year in advance of the August Board meetings;
- (k) The form of the district's organization and the flow of authority and responsibility;
- (l) Periodic independent reviews and studies of the organization, classification of positions, job duties, salaries, and salary ranges;.

(m) Relations between the District and its employees including all matters affecting wage, hours, pension plans and other employee benefits, and other terms and conditions of employment;

(n) Areas of special concern to the District and its employees, including, but not limited to equal employment opportunity, affirmative action, and work rules pertaining to the health and safety of employees; and,

(o) Policies and rules regarding the employment, discipline and discharge of District officers and employees;

Article 8

WATER PLANNING, QUALITY AND RESOURCES COMMITTEE

Sec.

2480. Day of Regular Meeting

2481. Duties and Functions

§ 2480. Day of Regular Meeting.

The regular meeting of the Water Planning, Quality and Resources Committee shall be held on the Monday preceding regular Board meetings.

§ 2481. Duties and Functions.

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

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

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

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

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

(e) Proposed amendments to the Metropolitan Water District Act affecting the water quality, or annexation policies of the District;

(f) Study, advise and make recommendations regarding the protection of the District's water supply from, and mitigation of the impacts of water development on, the /Bay/Delta Estuary;

(g) Study, advise and make recommendations regarding comprehensive solutions to Bay/Delta Estuary problems which will benefit water supply reliability, water quality and environmental and other beneficial instream uses of the waters of the Bay/Delta Estuary;

(h) Study, advise and make recommendations regarding the Integrated Resource Planning Process;

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

(j) Consider the effect on the District of existing and proposed federal, state, and local water quality and environmental statutes and regulations; and,

(k) Study, advise, and make recommendations regarding environmental compliance and requirements.

Article 9

COMMUNICATIONS, OUTREACH AND LEGISLATION COMMITTEE

Sec.

2490. Day of Regular Meeting

2491. Duties and Functions

§ 2490. Day of Regular Meeting.

The regular meeting of the Communications, Outreach and Legislation Committee shall be held on the Tuesday on which regular Board meetings are held.

§ 2491. Duties and Functions.

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

(a) Review and make recommendations based upon presentations of the Chief Executive Officer regarding proposals for State and Federal legislation, or amendments thereto, that may affect the District, and coordinate such review with other Committees of the Board;

(b) Review staff and Board members' recommendations for positions on such legislation;

(c) Consider the need for new legislation as identified by members of the Board or the Chief Executive Officer;

(d) Coordinate with the Chief Executive Officer opportunities for members of the Board to assist in efforts to inform members of the Legislature or the Congress with regard to proposed legislation and other outreach activities;

(e) Review the effectiveness of legislative advocacy efforts by staff and members of the Board;

(f) Review the effectiveness of Metropolitan's external affairs and general communications efforts;

(g) Provide direction to the External Affairs Group to ensure pro-active, timely messages, which reflect Board policies, and Metropolitan programs and activities to the member agencies and the general public;

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

Chapter 5

OTHER COMMITTEES: MISCELLANEOUS COMMITTEE MATTERS

Article		Sec.
1	Special Committees	2500
2	Nominating Committee	2520
[3	Repealed	2530]
[4	Repealed	2540]
[5	Repealed	2550]
[7	Repealed	2570]
[7.5	Repealed	2575]
[8	Repealed	2580]
[8.5	Repealed	2585]
[9	Repealed	2590]
[10	Repealed	2595]

Article 2**NOMINATING COMMITTEE**

Sec.

2520. Membership

2521. Term of Members

2522. Duties and Functions

§ 2520. Membership.

Seven directors selected at large. Four members of the Nominating Committee shall be appointed at the February meeting of the Board in odd-numbered years, and three members shall be appointed at the February meeting of the Board in even-numbered years, by the Chairman of the Board with the approval of the Executive Committee and the Board. With the exception of its ex officio members, no member of the Executive Committee shall be eligible to serve as a member of this Nominating Committee.

§ 2521. Term of Members.

The term of members of the Nominating Committee shall be two years beginning on March 1 immediately following the member's appointment for a regular term. No member of the Nominating Committee shall serve more than two consecutive full terms.

§ 2522. Duties and Functions.

(a) The Nominating Committee shall nominate members for the offices of Chairman and Secretary of the Board, and nonofficer members of the Executive Committee so as to provide, insofar as practical, adequate regional representation for the benefit of the entire District. More than one member may be nominated for each of the offices.

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

(c) Members of the Nominating Committee may be nominated by the committee. If a member is under consideration, he shall be so advised by the committee and shall immediately cease further participation in the committee's deliberations and action on that office.

§ 2611. Colorado River Aqueduct System.

(a) The District will provide at its expense transportation, meals and lodging for inspection trips over the Colorado River Aqueduct System and the District areas served by the aqueduct.

(b) The trip will include a stopover at the Gene Facilities for either one night or two successive nights. Transportation is to be provided by a chartered bus or the District. Lodging is to be provided at the E. Thornton Ibbetson Guest Quarters and meals and incidental expenses for members of the party are to be provided both en route and at the Gene Facilities.

(c) Lodging at District expense on Colorado River Aqueduct System trips is to be confined to lodging at the E. Thornton Ibbetson Guest Quarters except in the event of lack of accommodations at the guest quarters.

§ 2612. State Water Project.

(a) A two-day or a three-day inspection trip over State Water Project facilities is available upon written request indicating the reason for the proposed trip and a participants list in conformance with Section 2614. The Chairman must approve each trip.

(b) Transportation, meals and lodging for the three-day trips will be provided by the District at its expense. District facilities should be used whenever possible. If hotel or motel accommodations are required, moderately priced, double rooms shall be provided.

(c) When air travel is used, the District will pay the cost of air travel accident insurance in the amount of \$50,000 for each guest and the incidental expenses of the guests.

§ 2613. One-Day Inspection Trips.

The District will provide at its expense a chartered bus or District transportation for inspection of District and State Water Project facilities. In addition, the District will provide at its expense normal meals that occur during the inspection trip and will pay the incidental expenses of the guests.

§ 2614. General Provisions.

(a) The purpose of these inspection trips is to disseminate District information; provide elected and appointed officials, members of the business and environmental communities, members of the media, and other leading citizens and interested persons from each member public agency with visual inspection of District and related facilities; and acquaint them with issues facing the water industry and the District's operations, programs, and objectives, both

present and future. Each director shall be responsible for the individual selection of guests, the choice of inspection trip and the inspection trip dates.

(b) It is each director's obligation to periodically sponsor inspection trips.

(c) In order to give these educational inspection trips the broadest coverage, it shall be the practice to avoid having repeat guests. Generally, inspection trip guests should be selected from within the area of the public agency represented by the sponsoring director. Each director should strive to select guests who occupy positions of leadership in their communities and other interested persons.

(d) Directors who have a limited number of opinion leaders whom they feel would be of benefit to Metropolitan to include on an inspection trip may co-sponsor a trip with another director in a like situation.

(e) Directors shall accompany their guests on inspection trips they sponsor except in cases of illness, emergency or other exceptional circumstances, and shall accompany them throughout all portions of the trip.

(f) The number of invited guests on any District inspection trip shall not exceed 36.

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

(h) If the director sponsoring the trip so desires, a reasonable amount of time will be set aside during the inspection trip for a discussion of the water problems of the member public agency as they relate to the District. Reasonable distribution of written material concerning the member public agency also will be permitted.

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

(j) Directors are urged to consider scheduling their Colorado River Aqueduct inspection trips for Thursday, Friday and Saturday or Saturday, Sunday, and Monday rather than Friday, Saturday, and Sunday in order to allow two trips to be conducted over the same weekend and, thus, accommodate more directors' requests for preferred-month dates.

(k) Trip groups numbering ten or less may be required to share the guest quarters with another group or groups.

(l) The External Affairs Group will not accept reservations for inspection trips prior to April 1 for the following fiscal year.

(m) Inspection trip dates are assigned on a date/time-request-received basis. Conflicts will be resolved by consultation with affected directors. Continuing disputes shall be resolved by the Chairman.

(n) In the event a director is unable to schedule a trip because of lack of an open date when he/she submits his/her reservation, he/she shall be accorded priority the next fiscal year.

(o) Alcoholic beverages will not be provided at District expense.

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

(q) All necessary expenses of any District director or any member of the District staff incurred in connection with any of the above trips will be paid by the District.

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

Article 3

RESPONSIBILITIES OF NEW DIRECTORS

Sec.

2615. Obligations

2616. Inspection Trip Sponsorship Duty

§ 2615. Obligations.

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

(a) New director inspection trips of the Colorado River Aqueduct and Diamond Valley Lake facilities shall be scheduled quarterly by the External Affairs Group.

(b) Each new appointee to the Board within the first six months of being seated shall arrange for a member of the External Affairs Group staff to provide a one-day orientation excursion to view various local District facilities.

§ 2616. Inspection Trip Sponsorship Duty.

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

§ 2700. Chief Executive Officer's Annual Reports.

The Chief Executive Officer shall annually make the following reports:

- (a) To the Board:
 - (1) On financial matters generally;
 - (2) After consulting with the General Counsel, on the results of his review made pursuant to Section 5204 of District compliance with minimum fund requirements outlined in Sections 5201-5204 and with the articles and covenants contained in resolutions of issuance;
 - (3) On all leases made during the preceding year under the authority of Sections 8222 and 8223; and
 - (4) On the status of appropriations pursuant to Section 5108(c).
- (b) To the Engineering, Operations and Real Property Committee on all consulting agreements in effect during the preceding year and the exercise of authority under Section 8103(k). Each such report shall indicate when a consultant is a former employee of the District.
- (c) To the Executive Committee on the Chief Executive Officer's Business Plan and goals and objectives as required by Section 6415.

§ 2701. Treasurer's Annual Reports.

The Treasurer shall annually make the following reports:

- (a) To the Board, on the investment policy of the District.
- (b) To the Audit, Budget and Finance Committee:
 - (1) All payments after loss of a bond interest coupon made pursuant to Section 5104; and
 - (2) All issuances of duplicate bonds made pursuant to Section 5105.

§ 2720. Chief Executive Officer's Quarterly Reports.

The Chief Executive Officer shall quarterly make the following reports:

- (a) To the Engineering, Operations and Real Property Committee:
 - (1) On service connections approved by the Chief Executive Officer pursuant to Sections 4700-4708 with the estimated cost and approximate location of each;

(2) On the execution of any relocation agreements involving an amount in excess of \$100,000 under the authority of Section 8118(a);

(3) On the execution of any contract authorized pursuant to Section 8121; (4) On the status of the Local Projects Program, including the execution of any Local Projects Program agreements under the authority of Section 4516;

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

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

(7) All leases made during the preceding quarter under the authority of Sections 8222 and 8223;

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

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

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

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

(c) To the Legal, Claims and Personnel Committee on the employment of any consultant, the extension of any consulting agreement, and on the exercise of authority under Section 8103(k) and 8117 during the preceding calendar quarter. The report covering the last calendar quarter of the year may be combined with and included in the annual report. Each such report shall indicate when a consultant is a former employee of the District.

(d) To the Water Planning, Quality and Resources Committee on the status of the Local Projects Program, including the execution of any Local Projects Program agreements under the authority of Section 4516.

(e) To Audit, Budget and Finance Committee a summary of financial performance including Comparative Statements of Operations and Comparative Balance Sheets and variances thereof from estimates.

§ 2741. General Counsel's Monthly Reports.

The General Counsel shall monthly make the following reports:

(a) To the Board, a determination as to eligibility of securities invested in by the Treasurer in the preceding month.

(b) To the Legal, Claims and Personnel Committee, any changes made by staff in the organization of the Code and in the titles of divisions, chapters, sections and subsections.

§ 2750. Escheat to District of Unclaimed Funds.

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

§ 2751. Report of Exercise of Authority.

The Chief Executive Officer shall report to the next following meeting of the Audit, Budget and Finance Committee any exercise of authority pursuant to Sections 5300-5303.

§ 2752. Rejection of Bids.

The Chief Executive Officer shall, whenever the lowest bid that is rejected is \$125,000 or more, report the action to the Engineering, Operations and Real Property Committee.

§ 3100. Request for Annexation.

(a) Board approval process.

The Board will act to approve annexations in a two step process, unless a member public agency or proposed member public agency (member public agency) requests a one step Board approval process subject to the Chief Executive Officer's or Executive Committee's approval. In either case, all annexation requests must comply with all requirements of Section 3100(b), (c) and (d).

(1) Two step Board approval process.

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

(2) Optional one step Board approval process.

If a one step Board approval process is selected, a notice of intent, legal description and map (Section 3100(b) 1) must be received and approved by the District prior to filing a

submittal request with the Local Agency Formation Commission (LAFCO). Within 30 days of receipt, the District will review, and approve or comment upon these materials. Once LAFCO approval and all other requirements pursuant to Section 3100(b) and (c) have been obtained, the member public agency shall submit said documentation to the District for Board consideration.

(b) Conditional approval submittal requirements.

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

The request shall include:

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

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

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

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

(5) A description of:

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

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

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

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

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

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

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

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

(c) Final approval submittal requirements.

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

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

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

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

(d) Annexation completion requirements.

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

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

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

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

(e) Reattachment requests.

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

§ 3101. Submittal of Request.

A request for annexation and all information required in connection therewith shall be submitted to the Chief Executive Officer.

§ 3102. Board Consideration of Request for Annexation.

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

§ 3103. Board Approval of Request for Annexation.**(a) Two step Board approval process**

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

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

(b) Optional one step Board approval process

If requested by the member public agency, the Board will consider approval of the annexing area subject to terms and conditions then to be established after receipt of all submittals required pursuant to Sections 3100(b) and (c).

§ 4304. Apportionment of Revenues and Setting of Water Rates and Charges to Raise Firm Revenue.

(a) Not later than at its December meeting the Chief Executive Officer shall present to the Audit, Budget and Finance Committee determinations of the total revenues and of the revenues to be derived from water sales and firm revenue sources, if any, required during the fiscal year beginning the following July 1 as determined by the Chief Executive Officer in accordance with current Board policies.

(b) Not later than at its December meeting the Audit, Budget and Finance Committee shall consider the Chief Executive Officer's determinations made pursuant to Section 4304(a).

(c) Not later than at its January meeting the Chief Executive Officer shall present to the Audit, Budget and Finance Committee recommendations of rates for the various classes of water to become effective the following January 1, which rates shall be the Chief Executive Officer's determination, made in accordance with current Board policies, of the rates necessary to produce substantially the revenues to be derived from water sales during the fiscal year beginning the following July 1 which the Audit, Budget and Finance Committee has determined to be necessary.

(d) The Chief Executive Officer shall also present to the Audit, Budget and Finance Committee at its January meeting recommendations regarding the imposition of a water standby charge or an availability charge to become effective the following July 1, which charge shall be the Chief Executive Officer's determination, made in accordance with current Board policies, of the charge necessary to produce substantially the revenues to be derived from firm revenue sources, if any, exclusive of taxes, during the fiscal year beginning the following July 1 which the Audit, Budget and Finance Committee has determined to be necessary.

(e) Not later than its January meeting the Audit, Budget and Finance Committee shall set a time or times for, and shall thereafter hold, one or more meetings of the Audit, Budget and Finance Committee to be held prior to its regular March meeting at which interested parties may present their views regarding the proposed water rates to said committee.

(f) The Audit, Budget and Finance Committee shall also make at its January meeting a preliminary determination of the type of firm revenue, if any, to be raised for the following fiscal year and recommend to the Board a form of resolution of intention to impose either a water standby charge or an availability of service charge sufficient to raise such firm revenue, exclusive of taxes, to become effective the following January 1, to implement such determination. The committee shall also recommend to the Board that it (1) authorize and direct the Chief Executive Officer to satisfy all notice requirements for implementation of such charge and (2) set dates, times and locations for, and thereafter hold, prior to the regular April meeting, one or more adjourned meetings of the Board, for public hearings and consideration of the imposition of the charge, at which interested parties may present their views regarding the proposed charge. In the alternative, the notice of the dates, times and locations of the public hearings may be stated in the resolution of intention.

(g) At its regular March meeting the Audit, Budget and Finance Committee shall make its determination regarding the water rates to become effective the following January 1 and shall recommend said rates to the Board at the Board's regular March meeting.

(h) At its March meeting, the Board shall establish water rates for deliveries beginning the following January 1.

(i) Not later than its regular May meeting, the Audit, Budget and Finance Committee shall make its final determination regarding the firm revenue charge, if any, to become effective the following January 1, and shall recommend such charge, if any, to the Board at its regular May meeting.

(j) Not later than its May meeting, the Board shall consider and take action upon the recommendations, if any, of the Audit, Budget and Finance Committee regarding a firm revenue source, exclusive of taxes, to be effective the following January 1.

(k) Proposals for changes in water rates to become effective at times other than on January 1 shall require adequate notice to the public and a hearing before such proposals are

acted upon by the Board, unless the Board finds that an immediate change in water rates is urgent.

§ 4402. Readiness-to-Serve Charge.

(a) The readiness-to-serve charge shall be set by the Board from time to time to recover the principal and interest payments on non-tax supported debt service that has been or will be issued to fund capital improvements necessary to meet the continuing reliability and water quality needs associated with current demand. The readiness-to-serve charge will be allocated among the member public agencies in proportion to the rolling average of Metropolitan water sales in acre feet to each member public agency.

(b) In no event shall any member public agency's readiness-to-serve charge be based on less than the following minimum sales (in acre feet) for each member public agency:

<u>Member Public Agency</u>	<u>Minimum Readiness- To-Serve Sales (AF)</u>
City of Anaheim	8,386.9
City of Beverly Hills	6,393.2
City of Burbank	9,790.4
Calleguas MWD	43,534.3
Central Basin MWD	32,130.0
Inland Empire Utilities Agency	15,200.9
City of Compton	2,512.9
Eastern MWD	24,810.5
Foothill MWD	3,920.4
City of Fullerton	3,834.4
City of Glendale	13,228.0
Las Virgenes MWD	8,796.2
City of Long Beach	18,902.9
City of Los Angeles	113,942.2
MWD of Orange County	99,153.3
City of Pasadena	5,083.2
San Diego CWA	203,910.3
City of San Fernando	105.4
City of San Marino	663.5
City of Santa Ana	6,072.6
City of Santa Monica	2,508.6
Three Valleys MWD	28,908.1
City of Torrance	10,155.7
Upper San Gabriel Valley MWD	4,462.6
West Basin MWD	74,669.7
Western MWD of Riverside Co.	<u>27,033.7</u>
TOTAL	768,109.6

(c) Deliveries of Metropolitan water which are in excess of a member public agency's new demand charge base will not be used in calculating such member public agency's readiness-to-serve charge.

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

(e) The Chief Executive Officer shall establish and make available to member public agencies procedures for administration of the readiness-to-serve charge, including filing and consideration of applications for reconsideration of their respective readiness-to-serve charge. The Chief Executive Officer shall review any applications for reconsideration submitted in a timely manner. The Chief Executive Officer shall also establish reasonable procedures for the filing of appeals from his determination.

§ 4403. New Demand Charge.

(a) The new demand charge shall be set by the Board from time to time to recover the capital costs associated with meeting new demands on Metropolitan's system.

(b) Each member public agency's new demand charge base (in acre feet) is established as follows:

<u>Member Public Agency</u>	<u>Base Amount (AF)</u>
City of Anaheim	24,944
City of Beverly Hills	13,614
City of Burbank	20,446
Calleguas MWD	99,025
Central Basin MWD	120,257
Inland Empire Utilities Agency	76,265
City of Compton	5,206
Eastern MWD	55,603
Foothill MWD	9,610
City of Fullerton	12,253
City of Glendale	26,456
Las Virgenes MWD	18,525
City of Long Beach	42,539
City of Los Angeles	358,128
MWD of Orange County	284,819
City of Pasadena	22,638
San Diego CWA	559,220
City of San Fernando	903
City of San Marino	1,327
City of Santa Ana	15,840
City of Santa Monica	8,889

Three Valleys MWD	69,664
City of Torrance	20,311
Upper San Gabriel Valley MWD	71,899
West Basin MWD	167,634
Western MWD of Riverside Co.	<u>78,260</u>
TOTAL	2,184,095

(c) Beginning with fiscal year 1995-96, a new demand charge will be incurred upon Metropolitan's determination that a member public agency's historic average deliveries of water have exceeded such member public agency's new demand charge base. Upon payment of any new demand charge by a member public agency, that member public agency's new demand charge base will be increased by an amount equal to the quantity of water on which the new demand charge was paid.

(d) Deliveries of Metropolitan water which are in excess of a member public agency's new demand charge base, as shown in Section 4403(b), will not be used in calculating such member public agency's readiness-to-serve charge.

(e) The new demand charge may be remitted over a period of up to 15 years, including an interest charge, and is subject to the provisions of Sections 4507 and 4508. The interest charge will be based on Metropolitan's weighted average cost of debt at the time the new demand charge is determined, as shown in the most recent Annual Financial Report.

(f) The Chief Executive Officer shall establish and make available to member public agencies procedures for administration of the new demand charge, including filing and consideration of applications for reconsideration of their respective new demand charge. The Chief Executive Officer shall review any applications for reconsideration submitted in a timely manner. The Chief Executive Officer shall also establish reasonable procedures for the filing of appeals from his determination.

§ 4507. Billing and Payment for Water Deliveries.

(1) **Review Process.** With respect to water sold and delivered at the rates prescribed for water sold in Interim Agricultural Water Program Service, or other water programs (excluding Seasonal Storage Service which shall follow the provisions outlined in its Handbook) the District will complete its review within twelve months from date of receipt of the original supporting documentation.

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

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

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

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

§ 4708. Chief Executive Officer's Report on Service Connections.

The Chief Executive Officer shall report quarterly to the Engineering, Operations and Real Property Committee new service connections approved by him pursuant to this Chapter with the estimated cost and approximate location of each.

§ 4901. Maximum Amount of Annual Water Deliveries.

The maximum amount of water delivered annually under the Program available to each member public Agency under the Program is as follows:

Member Public Agency	Maximum Annual Amount of Interim Agricultural Water Program Discount Water Member Public Agency May Purchase (acre-feet)
Anaheim	115
Calleguas MWD	7,164
Inland Empire Utilities Agency	122
Eastern MWD	6,761
Fullerton	60
Las Virgenes MWD	207
MWD of Orange County	7,657
San Diego CWA	100,459
Three Valleys MWD	106
Torrance	22
West Basin MWD	170
Western MWD	<u>32,347</u>
Total	155,190

§ 5104. Payment After Loss of Bond Interest Coupon.

(a) The Treasurer of the District is authorized to effectuate payment, without action of the Board, of a claim arising from the loss of a bond interest coupon that has been detached from a District bond or from the destruction of a bond interest coupon at any time after the date of its maturity, and the Treasurer has received:

(1) An affidavit or affidavits establishing the ownership of the coupon and reciting therein the circumstances under which it was lost or destroyed; and

(2) An indemnity bond in a penal sum which is at least the amount of the claim, said sum being specifically stated in said bond, said bond to be approved by the General Counsel and then filed with the Treasurer. The indemnity bond must include a rider substantially in the form hereinafter set forth:

(i) Rider.

This Rider is attached to and is a part of the Bond of Indemnity executed by the (enter name of insurance company) respecting the loss of coupons due _____ coupons at \$ _____ per coupon - total \$ _____, detached from \$ _____ Bonds of THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, numbered _____ to _____, %, maturing _____, at \$ _____ each bond in bearer form.

It is understood and agreed that in the event the balance in the coupon account respecting the above-described issue of bonds, maintained by the Treasurer of said District, should hereafter not be sufficient as a result of the payment of coupon(s) to provide for outstanding unpaid coupons, (enter name of insurance company) will reimburse The Metropolitan Water District of Southern California, up to the face amount of the coupon(s) paid under this indemnity contingent upon presentation by said District of (a) evidence that said District has paid the afore-described coupon(s) or (b) a certificate from the Treasurer of said District that there is a deficiency in said coupon account balance.

It is understood that within the first year after the due date of the afore-described coupon(s) that (enter name of insurance company) may request that the Treasurer of said District search the District's records to ascertain if in fact the afore-described coupon(s) have been paid, but any such request shall only be honored by said Treasurer upon payment by (enter name of insurance company) of any fee required by said Treasurer to cover costs of such search.

Executed this _____ day of _____, 19 _____.

(enter name of insurance company)

(b) The Treasurer shall report annually to the Audit, Budget and Finance Committee all payments made pursuant to this Section 5104.

§ 5105. Lost or Destroyed Bonds.

(a) The Treasurer of the District is authorized to issue a new District bond or bonds similar to the original to replace it if the Treasurer has received:

(1) Proof satisfactory to the Treasurer that the bond has been lost or destroyed;
and

(2) Security approved by the Treasurer and the General Counsel from the owner indemnifying the District against any loss incurred on account of the bond, such security to be equal to the principal amount of the bond and plus the aggregate amount of any attached interest coupons; and

(3) The costs for issuance of the new bond.

(b) The Treasurer shall report annually to the Audit, Budget and Finance Committee all issuances of duplicate bonds made pursuant to this Section 5105.

§ 5107. Annual Budget.

(a) There shall be prepared, under the direction of the Chief Executive Officer, a proposed annual consolidated budget which shall be submitted to the Board no later than the date of the regular Board meeting in June immediately preceding the fiscal year to which the budget applies. The proposed budget shall indicate by fund all anticipated expenditures and required reserves and the source of moneys to be used to meet such expenditures and provide such reserves. The proposed annual consolidated budget will include a three-year budget outlook. A Board Workshop on the proposed annual consolidated budget will be conducted prior to the June Audit, Budget and Finance Committee meeting. The Audit, Budget and Finance Committee shall review the proposed budget in its entirety, together with the recommendations from the Board workshop, and report its recommendations to the Board.

(b) After considering the proposed budget and making any revisions thereto that it may deem advisable, the Board shall adopt the budget before the beginning of the fiscal year to which the budget applies. The amounts provided in the budget for total expenditures for operation and maintenance, including minimum and variable operation and maintenance charges under water or power contracts with the State, for capital charges under such contracts, and for debt service, shall be deemed to be appropriated from the funds indicated in the budget.

(c) The adoption of the budget shall have no effect upon appropriations for capital projects and continuing expenditures not susceptible to immediate direct allocation, as described in Section 5108 hereof, and shall not establish any limitations on expenditures for such purposes.

§ 5305. Report of Exercise of Authority.

The Chief Executive Officer shall report to the next following meeting of the Audit, Budget and Finance Committee any exercise of authority pursuant to this Chapter.

§ 6106. Appropriate Units.

(a) Determination of Appropriate Unit. - The Employee Relations Officer, immediately following receipt of a petition for recognition, shall post notice of a meeting in major locations throughout the District. No less than 10 calendar days advance notice shall be given of the meeting date and time. The notice shall include the name of the petitioning organization and a description of the proposed unit. All interested employee organizations will be invited to present their positions on the appropriateness of the proposed unit. The procedures for such meetings shall be as determined by the Chief Executive Officer. In making the determination that the unit is appropriate, not appropriate or that another unit is more appropriate, the Employee Relations Officer shall consider the following criteria:

(1) Whether there is a community of interest among the employees. Such community shall be determined from, among other factors, the extent to which the employees have common classifications, job families, skills, training, working conditions, job duties, educational requirements, and whether the employees are part of an integrated work process or contribute to a continuous work flow.

(2) The history of employee representation in the proposed unit, among other employees of the District, and in similar employment in other agencies and firms.

(3) The effect of the proposed unit on the efficient operation of the District and sound employee relations.

(4) The right of professional employees to be represented separately from nonprofessional employees.

(b) Adverse Determination. - In the event the Employee Relations Officer determines that a proposed unit does not qualify as an appropriate unit, the authorized representatives of the employee organization seeking to be recognized as the organization representing the proposed unit may appeal to the Legal, Claims and Personnel Committee to make final determination of appropriateness of the unit.

(c) Limitations.

(1) No proposed unit shall qualify as an appropriate unit solely on the basis of the extent to which employees in the proposed unit have organized.

(2) Management and confidential employees may be excluded by the Employee Relations Officer from a unit including non-management and non-confidential employees.

(3) No job classification and no employee shall be included in more than one appropriate unit.

(4) Supervisory employees may be excluded by the Employee Relations Officer from a unit including nonsupervisory employees when the supervisory employee has charge of a remote facility or is himself subject to limited supervision.

(d) New Classifications. - When the District establishes a new job classification, the Employee Relations Officer shall determine whether the new classification is managerial, confidential, supervisory, or nonsupervisory and to which, if any, appropriate unit the classification is to be assigned.

§ 6111. Resolution of Impasses.

(a) When an impasse occurs between the Employee Relations Officer and a recognized employee organization, either party may initiate the impasse procedure by filing with the other party or parties affected, a written request for an impasse meeting together with a statement of its position on all disputed issues. After the date of filing of the written request for such a meeting, the Employee Relations Officer shall schedule an impasse meeting with the Chief Executive Officer, and send written notice to all affected parties.

(b) The purposes of an impasse meeting are:

(1) To permit a review of the position of all parties in a final effort to reach agreement on the disputed issue, and

(2) If agreement is not reached, to mutually select an impasse procedure described in Section 6111(c) hereof by which the dispute shall be resolved; in the absence of agreement between the parties on an impasse procedure, the matter shall be referred to the Legal, Claims and Personnel Committee which shall select an impasse procedure.

(c) The available impasse procedures are:

(1) Mediation as defined in Section 6101(h). The parties shall mutually select one mediator. In the event the parties are unable to agree on a mediator, the mediator shall be selected and furnished by the California State Mediation and Conciliation Service. All mediation proceedings shall be private. The mediator may make no public recommendations nor take any public position concerning the impasse. Fees and expenses of the mediator, if any, shall be payable one-half by the District and one-half by the recognized employee organization or organizations affected. Issues in which, in the opinion of the mediator or any party to the mediation, mediation has failed, shall be presented in writing to the Legal, Claims and Personnel Committee at its next regularly scheduled meeting following date of said written notice. Mediation may be considered to have failed by any party only after that party has given

reasonable time and effort to the mediation proceeding. Upon presentation of said issue to the Legal, Claims and Personnel Committee, said committee shall proceed as in Section 6111(c)(2).

(2) Determination by the Legal, Claims and Personnel Committee, following a meeting at which all parties to the dispute shall have been represented, shall have heard testimony by other parties, and been given opportunity to rebut such testimony.

§ 6113. Unfair Employer Practices.

(a) It shall be an unfair employer practice for the District through its supervisory or management employees:

(1) To interfere with, restrain or coerce employees in the exercise of rights recognized or granted in this Article 1.

(2) To dominate or interfere with the formation of any employee organization or to encourage formation of or contribute financial support to it. As provided in other sections of this Article 1, however, it shall not be unfair employer practice for the District to provide meeting places, make dues deductions or permit time off without loss of pay for employee relations purposes.

(3) To refuse to meet and confer in good faith with properly designated representatives of recognized employee organizations on wages, hours and other terms and conditions of employment.

(4) To discriminate against employees or employee organizations for filing petitions, notices of grievance or participating in meetings under provisions of this Article 1.

(5) To give preferential treatment to any recognized employee organization over another.

(b) When District management has engaged in a practice prohibited by this section, and said practice has not been corrected by the Chief Executive Officer, the chief officer of the organization may notify the Chairman of the Legal, Claims and Personnel Committee and request corrective action by that committee.

§ 6114. Unfair Employee Practices.

(a) It shall be an unfair employee practice for any employee organization:

(1) To interfere with, restrain or coerce employees or the District in the exercise of rights recognized or granted in this Article 1.

(2) To refuse to meet and confer in good faith with the Employee Relations Officer on wages, hours and terms and conditions of employment.

(3) To refuse or deny equal representation to all members of the appropriate unit, regardless of their membership in the employee organization.

(b) Any employee organization failing to comply with these provisions may be decertified on a temporary or permanent basis by the Chief Executive Officer, subject to subsequent appeal to the Legal, Claims and Personnel Committee, said committee having final authority in such matters.

§ 6116. Authority.

(a) Legal, Claims and Personnel Committee. - The Legal, Claims and Personnel Committee is hereby empowered to carry out all functions assigned to said committee by any provision of this Article 1 and the Chairman of said committee is empowered to carry out any function assigned to him by this Article 1. In carrying out its functions, the Legal, Claims and Personnel Committee may enact such rules of procedure as it deems appropriate.

§ 6118. Interpretation and Administration.

The Chief Executive Officer shall have authority to interpret and administer provisions of this Article 1, subject to appeal to the Legal, Claims and Personnel Committee.

§ 6208. Pay Rate Administration.

(a) Pay rate schedules, as approved by the Board, shall include pay rate grades and pay rate ranges consisting of minimum and maximum rates of pay for each position. Except by action of the Board, or as provided in Section 6208(d), the hourly pay rate paid each employee shall be at least the minimum but not in excess of the maximum hourly pay rate prescribed for the applicable position. Notwithstanding any other provision of this section, the salaries of the department heads shall be fixed as a flat rate.

(b) Pay rates for Department Heads shall be individually fixed by the Board. Pay rates for all employees shall be fixed by their respective Department Heads within the ranges fixed by the Board for such positions in accordance with practices, policies and procedures promulgated by the Chief Executive Officer. The Legal, Claims and Personnel Committee shall annually make a recommendation to the Board concerning any changes in the salaries and other compensation of the Department Heads, such changes to be acted upon by the Board no later than at its June meeting to be effective at the start of the payroll period beginning nearest to July 1.

(c) Job descriptions in terms of duties and responsibilities shall be prepared by the Manager of Human Resources for each position. Job descriptions for positions requiring appointment or approval of appointment by the Board shall be submitted to the Board for approval. Job descriptions for positions peculiar to the legal or auditing departments shall be subject to approval of the General Counsel or General Auditor, as appropriate. It shall be the duty of the Manager of Human Resources to insure that all employees are properly classified.

(d) The Chief Executive Officer is authorized to provide for payment at a "Y" rate to any employee whose position is reclassified to a position in a lower pay rate or the pay rate of whose position is reduced and the Chief Executive Officer may maintain the employee at a "Y" rate until such time as the Chief Executive Officer deems the "Y" rate to be no longer justified. As used herein, "Y" rate means a pay rate higher than the highest rate applicable to the employee's position.

(e) New employees, upon entering District service, will be placed by the Manager of Human Resources at a salary grade and step within the salary range appropriate for the position available and the applicant's qualifications. Employees who are promoted to a position in a higher range shall be paid at least the minimum of such range but not more than four steps over their prior rate or the fifth step of the higher pay rate range, whichever is higher, but not in excess of the maximum rate specified for the position to which promoted. New employees are eligible for a merit increase after completion of a six-month probationary period. The eligibility date for subsequent merit reviews shall be 12 months from the most recent merit increase, promotion or demotion, whichever is later. Employees at the top step of the pay range will not be eligible for any merit increase. Merit increases will be awarded as provided for by Section 6211.

(f) Pay rates for temporary employees in District service are the rates paid to regular employees in the same classifications.

(g) Subject to Section 6211, the performance of regular employees other than Department Heads, will be annually reviewed by their Department Heads to determine eligibility for merit increases under evaluation procedures, guidelines and rules developed by the Chief Executive Officer. Changes in pay rate ranges approved by the Board have no effect upon these limitations.

(h) Pay Rate Survey.

(1) As needed, the Chief Executive Officer has the authority to cause a survey to be made of rates of pay and benefits of employees of other organizations specified by the Board, and may thereafter recommend to the Board revisions in the pay rate structure and benefits for employees. The survey need not include positions for which pay rates are established pursuant to a memorandum of understanding approved by the Board which is in effect for the entire calendar year. Action, if any, on the pay rate survey may be taken at the same meeting the survey information is presented or at a subsequent meeting. The General Counsel and General Auditor may also recommend to the Legal, Claims and Personnel Committee revisions regarding

positions peculiar to their own departments when such positions are not represented by employee organizations.

(2) The list of agencies to be used in the District's pay rate survey may include the following:

City of Glendale
Southern California Water Company
Southern California Edison Company
City of Pasadena
Mobil Oil Company
City of Los Angeles
State Department of Water Resources
County of Orange
City of Los Angeles Department of
Water & Power
Southern California Gas Company
County of Los Angeles

(i) For temporary construction personnel employed under authority of Section 6207(c), the Chief Executive Officer is authorized to fix the hourly rates of pay at least equal to, but not more than 20 percent higher than, those so determined by the Board to be prevailing in the county in which such personnel primarily will be engaged.

§ 6209. Discharge.

(a) Unclassified employees, other than executive officers and their principal assistants, may be removed by their respective Department Heads, but may appeal such removal to the Legal, Claims and Personnel Committee. The decision of the Committee will be final unless the Committee chooses to refer the appeal to the Board.

(b) Probationary employees serve at the pleasure of the Department Head. Classified employees may be discharged, for cause, immediately by their respective Department Heads. When immediate discharge is not deemed appropriate, written notice shall be given at least 14 calendar days in advance of discharge for probationary employees and at least 30 calendar days in advance of discharge for other classified employees.

(c) Regular non-probationary classified employees who are discharged are afforded the due process rights provided under Section 6218 of this Code or as provided in the applicable memorandum of understanding.

§ 6304. Chief Executive Officer's Report on Affirmative Action Policy and Program.

Semi-annually, the Chief Executive Officer shall report to the Legal, Claims and Personnel Committee on the implementation of this Article and on the status of the Affirmative Action Program.

§ 6332. Audit.

(a) All expense reports submitted by directors, department heads other than the General Auditor, and all other employees are subject to audit by the General Auditor's office after they have been processed. The General Auditor's expense reports shall be subject to audit by the Chief Financial Officer.

(b) The General Auditor, or the Chief Financial Officer with regard to any such claim of the General Auditor, shall refer unusual or questionable claims of directors or Department Heads to the Chair of the Audit, Budget and Finance Committee for review and discussion with the claimant if necessary, except that the General Auditor shall refer any such claim made by the Chair of the Audit, Budget and Finance Committee to the Chair of the Board of Directors for review and discussion with the claimant if necessary. If questions regarding the claim cannot be resolved with the claimant, the claim shall be referred to the Audit, Budget and Finance Committee and the claimant notified. The Audit, Budget and Finance Committee, after conference with the claimant, may reduce or disallow any claim and the claimant shall reimburse the District.

(c) Questionable claims of assistant department heads or division managers shall be referred by the General Auditor to the Chief Executive Officer for resolution. Questionable claims of other employees shall be referred to the appropriate level of management or supervision for resolution. The Chief Executive Officer, or his designee, in consultation with the General Counsel's office, shall have the authority to make final determinations on audit issues involving the expense reports of all employees below the level of department head.

§ 6416. Annual Report to Executive Committee

The Chief Executive Officer shall annually, in advance of the July Board meetings, submit to the Executive Committee a comprehensive business plan for the District and the Chief Executive Officer's goals and work objectives for the coming year for review and approval. The business plan and goals and work objectives shall be submitted in conjunction with similar reports by the General Counsel to the Legal, Claims and Personnel Committee and the General Auditor to the Audit, Budget and Finance Committee.

Article 3**GENERAL COUNSEL**

Sec.

- 6430. Powers and Duties
- 6431. Authority to Obtain Expert Assistance
- 6432. Authority to Obtain Court Fees and Deposits
- 6433. Authority to Litigate, Compromise and Settle Claims By and Against the District
- 6434. Writing off Uncollectible Claims
- 6435. Applicability of Section 1094.6 of the Code of Civil Procedure
- 6436. Quarterly Report to Legal, Claims and Personnel Committee
- 6437. Assistant General Counsel and Deputies General Counsel

§ 6433. Authority to Litigate, Compromise and Settle Claims By and Against the District.

(a) Settlement of Claims or Suits Generally. - The Chief Executive Officer, with the approval of the General Counsel, is authorized to allow, compromise or settle any claim or suit, by or against the District, not provided for elsewhere in this Code if the amount to be paid does not exceed \$125,000. The Chief Executive Officer or the General Counsel may perform any functions placed on the Board by Part 3 of Division 3.6 of Title 1 of the Government Code. The Chief Executive Officer, with the approval of the General Counsel, may delegate the authority to settle claims involving payment of an amount not exceeding \$1,000 to an independent contractor.

(b) Settlement of Labor Claims or Suits. - The Chief Executive Officer, with the approval of the General Counsel, is authorized to compromise and settle any claim brought against the District under Division 4 of the Labor Code and any suit arising out of proceedings against the District under Division 4, provided the amount to be paid pursuant to any such compromise and settlement shall not exceed the sum of \$125,000.

(c) Authority to Contest Matters by or Before Administrative Agencies. - The Chief Executive Officer is authorized to initiate a contest of any claim, order, finding or decision made, charge, citation, or penalty assessed or proposed by an administrative agency against the District. The General Counsel is authorized, upon request of the Chief Executive Officer, to represent the District in such contest and, if he deems it appropriate, to seek review by a court of law; and is further authorized to do all things he deems necessary or proper in the conduct of any such contest or action including, without limitation, to conduct ancillary proceedings, to compromise and settle, to dismiss, or to appeal a decision or judgment rendered in any such contest or action.

(d) Prosecution of Claims. - The Chief Executive Officer is authorized to do all things he deems necessary or proper to obtain payment of a claim of the District. For that purpose he may himself, with the approval of the General Counsel, institute an action within the jurisdictional limits of the small claims court and may request the General Counsel, who is hereby authorized to do so, to institute an action in the municipal court, superior court or federal district court to

recover damages in any amount arising out of injury to person or property and to institute other actions in which the amount sought to be recovered does not exceed \$125,000. In the case of small claims court actions, the Chief Executive Officer, with the approval of the General Counsel, may, in connection with any such action, compromise, settle or dismiss such action, conduct ancillary proceedings, or appeal a judgment rendered in such action. In other actions brought under authority of this Section, the General Counsel, with the approval of the Chief Executive Officer, may compromise, settle or dismiss such action, conduct ancillary proceedings, or appeal a judgment rendered in such action, provided that the amount to be paid by the District as a result of any compromise or settlement shall not exceed \$125,000.

(e) Litigation - Leases - Encroachments. - The General Counsel is authorized, upon request of the Chief Executive Officer, to bring an action to enforce the terms of District written and oral leases or to remove unauthorized encroachments upon District property and he is authorized to do all things he deems necessary or proper in the conduct of any such action including, without limitation, to conduct ancillary proceedings, to settle or dismiss the action, or to appeal a judgment.

(f) Representation of Employees. - The General Counsel is authorized to represent an employee or former employee of the District who requests a defense by the District in any civil or criminal action or proceeding brought against such employee arising out of an act or omission in the scope of his employment. He may refuse to represent such employee in any civil action for any reason stated in Section 995.2 or Section 995.4 of the Government Code.

(g) Litigation actions subject to Board Ratification – Subject to subsequent ratification by the Board, the General Counsel, with the approval of the Chief Executive Officer, is authorized to initiate litigation or respond to or participate in litigation otherwise requiring Board approval, if circumstances require action by Metropolitan before such Board approval can be obtained. Board ratification of such actions shall be requested at the next regularly scheduled Board meeting. If ratification of any such action is denied, the General Counsel shall take all steps necessary to comply Board's directions regarding the litigation.

§ 6436. Annual and Quarterly Reports to Legal, Claims and Personnel Committee.

(a) The Chief Executive Officer and General Counsel shall report quarterly to the Legal, Claims and Personnel Committee the exercise of any power delegated to them by Sections 6433 and 6434. The General Counsel shall report quarterly to the Legal, Claims and Personnel Committee the exercise of any power delegated to him by Section 6431.

(b) The General Counsel shall annually, in advance of the June Board meetings, submit to the Legal, Claims and Personnel Committee a comprehensive Legal Department business plan and the Legal Department's annual goals and work objectives for review and approval. The business plan and goals and work objectives shall be submitted in conjunction with similar reports by the Chief Executive Officer and General Auditor to the Executive Committee and the Audit, Budget and Finance Committee.

§ 6450. Powers and Duties.

(a) The District's independent internal auditing function is governed by provisions of the California Government Code and by policies established by the Board of Directors. The scope of internal auditing activities is subject to Board review and approval, but shall not otherwise be restricted. The Audit, Budget and Finance Committee is responsible for the oversight of the internal auditing function and for reviewing reports issued by both the internal and external auditors. Internal auditors, with stringent regard for safekeeping and confidentiality, shall have access to all District activities, records, property, and employees as may be necessary to carry out their assigned responsibilities.

(b) The General Auditor manages the District's Audit Department and is responsible to perform, among other things, the following duties as he deems necessary and proper:

(1) Examining and evaluating the adequacy and effectiveness of the organization's systems of internal control, including those pertaining to the deterrence, detection, and investigation of fraudulent or illegal acts.

(2) Reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information.

(3) Reviewing the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations that could have a significant impact on operations and reports, and determining whether the organization is in compliance.

(4) Reviewing the means of safeguarding assets and, as appropriate, verifying the existence of such assets.

(5) Appraising the economy and efficiency with which resources are employed and the quality of performance in carrying out assigned responsibilities.

(6) Reviewing operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.

(7) Coordinating internal auditing activities with the work of the independent external auditors and assisting the external auditors as required.

(c) In addition to the duties outlined at paragraph 6450(b), the General Auditor is responsible for formulating departmental policies and procedures; directing and evaluating the performance of work done by employees within the department, administering the internal records of the department; and administering the District's contract for external audit services. The General Auditor shall annually in advance of the July Board meetings, submit to the Audit, Budget and Finance Committee a comprehensive Audit business plan and the Audit Department's annual goals and work objectives for review and approval. The business plan and

goals and work objectives shall be submitted in conjunction with similar reports by the Chief Executive Officer and General Counsel to the Executive Committee and the Legal, Claims and Personnel Committee.

(d) The General Auditor shall report the findings, opinions, and recommendations which result from the performance of the duties outlined in paragraphs 6450(b) and (c) to the Chief Executive Officer and General Counsel for their information and appropriate actions. The form and content of such reports shall be determined by the General Auditor based on the results obtained and other circumstances. Whenever an audit report contains recommendations for corrective actions or changes in current practices, the Chief Executive Officer, the General Counsel, or their designees shall respond to the General Auditor in an appropriate manner and within a reasonable time, indicating their views on the recommendations and proposed actions to be taken, if any. The General Auditor shall then submit a summary or detailed report on major assignments conducted, or significant issues noted, to the Audit, Budget and Finance Committee.

(e) Except for the General Auditor's monthly Audit Department activity reports addressed to the entire Board, and as outlined in paragraph 6450(d), the General Auditor's reports on internal audit assignments shall be addressed to the Audit, Budget and Finance Committee. The General Auditor shall have the discretion to determine the form and content of such audit reports, subject to guidance or direction by the Audit, Budget and Finance Committee. With the exception of those reports which the General Auditor deems to be urgent or confidential in nature, copies of all audit reports addressed to the Audit, Budget and Finance Committee shall be submitted to the Chief Executive Officer and General Counsel for review and comment prior to their submittal to the Audit, Budget and Finance Committee.

(f) The General Auditor shall transmit all reports issued by the District's external auditors to the Audit, Budget and Finance Committee and any other committees of the Board as may be applicable. Such transmittal letters should include any comments on the external auditor's reports that the General Auditor deems necessary.

(g) The General Auditor may receive requests from time to time from the other executive officers or committees of the Board to perform audit assignments which are not included in the approved annual Audit Business Plan. Similarly, the General Auditor may identify a need to include new priority assignments in the Audit Business Plan during the year. The General Auditor shall have sufficient latitude and discretion to include those new assignments in the annual Audit Business Plan as he deems necessary and to make other revisions as are warranted in the circumstances. All revisions to the Audit Business Plan will be communicated periodically to the Audit, Budget and Finance Committee for its information and concurrence. The reporting process for assignments requested by either executive management or by committees of the Board shall generally follow the process outlined in paragraphs 6450(d) or (e) previously. However, any reports on audits requested by a committee of the Board shall be jointly addressed to such committee and the Audit, Budget and Finance Committee. Copies of these reports will first be provided to management for review and comment consistent with the provisions of paragraph 6450(e).

§ 6452. Authority to Obtain Professional Services.

The General Auditor is authorized to employ the services of independent auditors or other professional or technical consultants to advise or assist him in performing his assigned duties as may be required or as he deems necessary provided that the amount to be expended in fees, costs, and expenses under any one contract in any one year shall not exceed \$40,000. The General Auditor shall inform the Audit, Budget and Finance Committee whenever he exercises the authority granted under this section and he shall further report quarterly to the Legal, Claims and Personnel Committee concerning any agreements entered into under this section.

Division VIII**CONTRACTS/DISTRICT PROPERTY**

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Chapter 1**CONTRACTS**

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§ 8103. Competitive Bids.

All contracts estimated to cost \$25,000¹ or more shall be made upon competitive bidding, except:

(a) Contracts for miscellaneous services, such as telephone, telegraph, light, power and water, where rates or prices are fixed by legislation or by federal, state, county or municipal regulations.

(b) Contracts deemed to be for an emergency under the procedures set forth in Section 8115 and in accordance with Public Contract Code section 21567.

(c) Contracts executed in lieu of bringing an action in eminent domain, to reimburse an owner for the owner's costs of relocating or protecting facilities affected by District construction projects.

(d) If the articles wanted are patented, copyrighted or otherwise unique and not on sale by dealers generally, but only at a fixed and uniform price by their owner or the owner's agents or assigns. When such an article is to be purchased, the Department Head preparing the specifications shall certify that the particular article will best serve the purpose of the District, and reasons for such conclusion shall be set forth.

(e) If competitive bidding could not produce an advantage, or it is impracticable to obtain what is required subject to the competitive bidding provisions because of the unique, exploratory, or experimental nature of the work. Prior to award of contract, the Department Head proposing such contract shall certify that the contract is exempt from competitive bidding and shall set forth in the certificate reasons for that determination.

(f) If, within six months previous to the date of execution of a proposed contract, advertising or posting for identical articles, or articles of the same general character, has failed to secure responsive proposals and, in the opinion of the Chief Executive Officer, further advertising or posting will not alter this result.

(g) If the purchase is of used equipment which, in the opinion of the Chief Executive Officer, is satisfactory for the work of the District.

(h) If the contract is with any governmental agency.

(i) Contracts for insurance or for services of a professional, artistic, scientific, or technical character.

¹ Consistent with CAT recommendation to raise formal bid limit to \$25,000.

(j) Change orders.

(k) The Chief Executive Officer may enter into contracts for the handling of District airline ticketing, lodging, automobile rental reservations, and miscellaneous travel-related services.²

(l) Contracts to buy or sell non-firm power on an hour-to-hour basis and other contracts of durations up to one year to furnish power or transmission capability to the District or dispose of power or transmission capability available to the District.

(m) Transactions pursuant to contracts secured by other public corporations which, in the opinion of the General Counsel, substantially comply with the competitive bidding requirements of this Chapter.³

§ 8105. Bonds.

(a) Every contract involving in excess of \$25,000 for the construction of works or structures for the District shall be accompanied by a payment bond executed by a corporate surety authorized to do business in California, approved by the Chief Executive Officer. The payment bond shall contain the provisions required by Title 15 of Part 4 of Division 3 of the Civil Code.

(b) Every contract involving in excess of \$100,000 for the construction of works or structures for the District or for the purchase of equipment, materials or supplies specially made or fabricated to District plans and specifications must be accompanied by a performance bond in an amount fixed by the Chief Executive Officer and executed by a corporate surety authorized to do business in California, approved by the Chief Executive Officer, or by a cash guarantee deposit in like amount. The Chief Executive Officer may require performance bonds for contracts of \$100,000 or less.⁴

(c) Bidder's Bond. - Whenever a performance bond is required under Section 8105, the Chief Executive Officer may require bids with respect to such work or purchase to be accompanied by either a certified or cashier's check, or bidder's bond executed by a corporate surety authorized to engage in such business in California, made payable to the District. Such check or bond shall be in an amount not less than specified in the notice inviting bids or, if no amount be so specified, then in an amount not less than 10 percent of the aggregate amount of the bid, and shall guarantee that the successful bidder will enter into a contract with the District on the terms stated in his proposal within the time specified in the contract documents.

² Cleanup revision: Sentence stricken as it refers to previous § 8117 (b) which was repealed in 1991.

³ Addition to clearly allow contracting mechanisms that rely on competitive bidding performed by other public agencies.

⁴ Staff recommendation to increase threshold where performance bonds are mandatory from \$25,000 to \$100,000.

§ 8107. Non-Discrimination Practices in District Contracts.

The Chief Executive Officer is authorized to adopt a program to promote equal employment opportunities and non-discrimination practices in all district contracts involving an estimated cost exceeding \$25,000.

Section 451.6 – M.I. 30757 – March 11, 1975; renumbered Section 451.22 by M. I. 32690 - April 10, 1979; renumbered Section 451.21 – June 3, 1985. Section 451.21 repealed and Section 8107 adopted by M. I. 36464 – January 13, 1987, effective April 1, 1987.

§ 8110. Posting and Advertising.

(a) General. - No notice inviting bids for any contract required to be let upon competitive bidding shall be posted or advertised unless there is first prepared a complete set of contract documents detailing the terms of the agreement and the work to be performed, which set shall be available to any interested party.

(b) Contracts Estimated to Cost \$25,000 or More.⁵ - Whenever a contract required to be let upon competitive bidding is estimated to cost \$25,000 or more, a notice inviting bids shall be posted in a public place within the District and shall be published not less than once in a newspaper or periodical designated by the Chief Executive Officer at least five days, exclusive of Saturday, Sunday and holidays, before the time for opening bids; provided, however, that the foregoing requirement shall not apply when bids will be considered only from bidders determined to be prequalified or whose technical proposal is determined to be responsive to the District's specifications, as determined under the procedure set forth in Section 8104.

(c) Contracts Estimated to Cost Less Than \$25,000

When the estimated cost of a contract is less than \$25,000, the Chief Executive Officer may prescribe the procedure for contracting, which may include competitive bidding.⁶

(d) Other Notices. - A notice inviting prequalification information or a notice inviting technical proposals shall be posted and advertised in the manner required for the notice inviting bids for the proposed contract for which prospective bidders or prospective lower-tier contractors will be required to be prequalified or for which a technical proposal is requested; provided, however, that a notice inviting technical proposals need not be posted or advertised where bidding is restricted to bidders determined to be prequalified under the procedure set forth in Section 8104. Posting and advertising shall take place sufficiently in advance of the date of posting and advertising of the notice inviting bids to permit the Chief Executive Officer to fully evaluate the information submitted in response thereto and to make a determination.

⁵ CAT recommended raising advertising threshold to \$50K. However, per Public Contract Code/MWD Act, advertising ('publication') is required for construction contracts \$25K and up.

⁶ Per CAT recommendation to raise formal bid limit to \$25K. To this end and to streamline bid requirements, it is recommended the previous § 8110(c)(1) which requires formal posting but no advertising for contracts between \$10K and \$25K be eliminated and replaced with § 8110(c)(3) which provides for CEO discretion in prescribing competitive bidding and the manner.

§ 8112. Rejection of Bids.

The Chief Executive Officer may reject all bids received, regardless of amount, but shall, whenever the lowest bid that is rejected is \$250,000 or more, report such action to the Engineering, Operations and Real Property Committee. .

§ 8115. Negotiated Contracts.

All contracts not required to be let by competitive bidding shall be entered into as follows:

(a) Contracts Over \$250,000. - Except as provided in Section 8115(b), if the amount payable or expected to be paid by the District⁷ under the terms of the contract is \$250,000 or more, the contract shall be executed only upon prior approval of the Board, provided that the Board may designate an officer of the District to negotiate and execute classes of contracts without prior approval of the Board. The Chief Executive Officer is authorized to negotiate and execute contracts in which the District receives funds of any amount, provided Board approval is not otherwise required.⁸

(b) Emergency Contracts.⁹

The Chief Executive Officer is delegated the authority to waive competitive bid requirements and execute contracts over the amount of \$25,000 for the construction of works or structures, for the purchase of equipment, materials or supplies, or performance of labor or services and take any directly related and immediate action required by that emergency when such construction, purchase of equipment, materials or supplies is determined by the Chief Executive Officer to be for an emergency, subject to the following requirements:

(1) Chief Executive Officer shall report to the Board not later than 7 days after the emergency action or at its next regularly scheduled meeting if that meeting will occur not later than 14 days after the action, the details of the emergency and reasons justifying the actions taken.

(2) At each regularly scheduled meeting following the emergency action, the Board shall determine by four-fifths vote whether there is a need to continue the action or terminate action at the earliest possible date that conditions warrant so that the remainder of the emergency action may be completed through competitive bid procedures.

⁷ Clarification that contracts pursued jointly with other agencies need Board approval only if the District's share of obligations exceeds \$250K.

⁸ Clarification that Board approval is not required for contracts where the District is receiving funds, such as grant research money.

⁹ With the formal bid limit raised to \$25k, "urgent necessity" is one and the same with the statutory requirements for emergency contracting.

(3) Such contracts shall not be binding on the District in an amount exceeding \$250,000 unless the Chief Executive Officer obtains ratification of such contract by a four-fifths vote of the Board.

(c) Contracts Under \$250,000. - If the amount payable or expected to be paid by the District¹⁰ under the terms of a contract is less than \$250,000 the contract may be executed by the Chief Executive Officer unless otherwise directed by the Board.

(d) Change Orders. - Except for capital construction contracts, if the amount payable under a change order is less than \$250,000, the Chief Executive Officer is authorized to execute the change order even if the change order will bring the total amount payable under the contract to \$250,000 or more. Notwithstanding the foregoing, the Chief Executive Officer shall not, without prior Board approval, issue change orders totaling more than \$250,000 to a contract involving an original total amount payable under \$250,000, or a change order that would cause the amount payable under a contract for professional and consulting services to exceed the limit established by Section 8117. Change orders for capital construction projects may be executed by the Chief Executive Officer without prior Board approval for an amount of \$250,000 per contract or an aggregate amount not to exceed 5 percent of the initial amount of the contract.

§ 8118. Contracts in Excess of \$250,000 Not Requiring Prior Board Approval.

(a) Relocation Agreements

(1) The Chief Executive Officer is authorized to execute any agreement involving an amount not exceeding \$500,000 under which the District is to pay the cost of relocation or protection, or both, of facilities owned by others whenever the Chief Executive Officer deems that such action is necessary to the construction of District facilities.

(2) The Chief Executive Officer is authorized to issue all appropriate orders necessary to implement any such agreement, and, in the Chief Executive Officer's discretion, to advance funds therefor.

(3) The Chief Executive Officer is authorized to execute and to perform any agreement involving an amount not exceeding \$500,000 for the relocation or protection, or both, of District-owned facilities to accommodate the improvement of facilities owned by others and to determine whether a deposit shall be made prior to the commencement of work, and if so, in what amount.

(4) The Chief Executive Officer shall report quarterly to the Engineering, Operations and Real Property Committee the Chief Executive Officer's execution under the authority of this Section of any agreements involving an amount in excess of \$100,000.

(5) All such agreements shall be subject to the approval of the General Counsel.

¹⁰ Clarification that contracts pursued jointly with other agencies that exceed \$250K do not need Board approval if the District's share of obligations is less than \$250K.

(b) Contracts for Utility Services. - The Chief Executive Officer is authorized to negotiate and execute contracts for utility services, other than electrical energy for the pumping of Colorado River water, to facilities owned or operated by the District without limitation as to amount.

(c) Power and Transmission Contracts.

(1) General Authorization. - The Chief Executive Officer is authorized to negotiate and execute contracts of durations up to one year to furnish power or transmission capability to the District or dispose of power or transmission capability available to the District.

(2) Hourly Non-Firm Power Contracts. - Notwithstanding the provisions of Section 8118(c)(1), the Chief Executive Officer is authorized to negotiate and execute contracts to buy or sell non-firm power on an hour-to-hour basis, provided that any such contract shall be terminable by the District on not more than thirty days' notice to the other party.

(3) Reporting. - The Chief Executive Officer shall report at the next regular meeting of the Board the execution of any contract authorized by this Section 8118(c) and any transaction made under such contract.

§ 8121. Contracts for Equipment, Materials, Supplies, and Routine Services.

(a) The Chief Executive Officer may execute contracts for the purchase or lease of operating equipment, regardless of dollar value, which is specifically identified in the budget provided that the amount of any contract does not exceed 110 percent of the amount identified in the budget for that operating equipment and that sufficient funds are available within the annual budget.

(b) The Chief Executive Officer may execute contracts for the purchase of materials, supplies, other consumable items such as fuels, water treatment chemicals, materials for construction projects and other bulk items, and for routine services such as waste disposal and maintenance services, which are generally identified in the budget, regardless of dollar value, provided that sufficient funds are available within the annual budget for such materials, supplies and routine services¹¹.

(c) All contracts under this section shall be awarded after competitive bidding unless otherwise exempted by this Code.

¹¹ Budgeted expenditures for some routine services are now approaching or exceeding \$250,000. This clarifies that such expenditures (sludge removal, haz mat cleanup, janitorial services, etc.) where budgeted should not need Board approval.

§ 8225. Adoption of Resolutions of Necessity.

The Chief Executive Officer shall give the notice and the Board of Directors shall hold the hearing required of the Board by Code of Civil Procedure Section 1245.235(c). The hearing shall be attended by not less than a quorum of the Board.

§ 8240. Preliminary Requirements.

The Chief Executive Officer shall establish a procedure for the continuous review of real property owned by the District for the purpose of determining which of such property is surplus to the District's needs. When the Chief Executive Officer determines that property is surplus, the Chief Executive Officer shall notify the Engineering, Operations and Real Property Committee of that determination, unless the estimated value of the property is less than \$75,000.

(a) If the Engineering, Operations and Real Property Committee does not overrule such determination and the estimated value of the property is \$75,000 or more, the Chief Executive Officer shall:

(1) Notify the Engineering, Operations and Real Property Committee of the estimated value of the property and recommend the appropriate marketing procedure authorized by this Article 4;

(2) Cause the property to be appraised by one or more independent appraisers.

(b) If the estimated value of the property is less than \$75,000, the Chief Executive Officer shall cause the property to be appraised by a member of the staff of the Chief Executive Officer or an independent appraiser, and disposed of as authorized by Article 4

(c) The Chief Executive Officer shall comply with the California Environmental Quality Act and the legal requirements pertaining to the disposition of property in cities or counties which have a general plan. If upon such compliance, any official body objects to the proposed sale, the Board of Directors shall first expressly uphold or reject the objections. There being no objections, or the objections having been rejected, and the appraisal or appraisals having been completed, the Chief Executive Officer may then sell or lease the surplus property under the provisions of this Article 4.

§ 8243. Disposal of Unnecessary Improvements.

(a) The Chief Executive Officer is authorized to dispose of, in the manner the Chief Executive Officer deems to be in the best interest of the District, any improvements that must be removed to make land acquired for District operations suitable for District use.

(b) The Chief Executive Officer shall report quarterly to the Engineering, Operations and Real Property Committee the details of any transactions during the preceding quarter in which an improvement was disposed of in such a manner as to make the improvement available for subsequent use by a party other than the District.

§ 8245. Open Listing.

If the Chief Executive Officer elects to sell the property by using the services of licensed real estate brokers, the Chief Executive Officer shall do so by offering it for sale by advertising in a newspaper or newspapers that the property is being offered for sale with courtesy to brokers, and by notifying real estate boards in the area in which the property is located that the property is being offered for sale with courtesy to licensed brokers. The initial offer for sale shall be for no less than the highest appraised valuation of the property. The Chief Executive Officer is authorized to sell the property for the highest price obtainable; provided, however, that such price shall be no lower than the lowest appraisal without the approval of the Engineering, Operations and Real Property Committee and no lower than 90 percent of the lowest appraisal without the approval of the Board. The Chief Executive Officer is authorized to pay to the broker who procures the accepted offer, a commission not to exceed the prevailing rate in the area in which the property is located.

§ 8246. Exclusive Listing.

The Chief Executive Officer may with the approval of the Engineering, Operations and Real Property Committee give an exclusive listing to an individual licensed broker; provided, however, that the property shall not be sold for less than the lowest appraisal without the approval of the Engineering, Operations and Real Property Committee and for no less than 90 percent of the lowest appraisal without the approval of the Board. In such case, the Chief Executive Officer is authorized to pay a commission, upon consummation of the sale, not to exceed the prevailing rate in the area in which the property is located.

§ 8255. Reservation of Oil, Gas and Mineral Rights.

The right to extract all oil, gas hydrocarbons or other minerals without the right of surface entry for the development thereof, shall be reserved in the sale of any real property under the provisions of this Article 4 provided, however, that there shall be no such extraction within 500 feet of the surface.

§ 8257. Quarterly Reports.

The Chief Executive Officer shall report to the Engineering, Operations and Real Property Committee quarterly on the property sold pursuant herewith.

Chapter 3

BUSINESS OUTREACH

Sec.

8300. Statement of Policy

8301. Chief Executive Officer's Responsibility to Implement Business Outreach Policy

§ 8300. Statement of Policy.

(a) The Metropolitan Water District of Southern California is committed to create an environment which affords all individuals open access to the business opportunities available within the regional service area in a manner that reflects the diversity of its service area.

(b) Therefore, it is the policy of the District to solicit participation in the performance of all construction, professional services, procurement contracts, supplies, and equipment procured by the District by all individuals and businesses, including but not limited to small businesses, locally owned businesses, women, minorities, and economically disadvantaged business enterprises.

§ 8301. Chief Executive Officer's Responsibility to Implement Business Outreach Policy.

The Chief Executive Officer shall establish, direct and monitor a detailed program implementing the Business Outreach Policy herein expressed and shall take appropriate steps to cause all personnel within the organization to abide by and affirmatively support said policy.

**THE METROPOLITAN WATER DISTRICT
ADMINISTRATIVE CODE**

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