



- Board of Directors
Legal and Claims Committee

9/13/2011 Board Meeting

Revised 7-4

Subject

Approve Amendments to the Metropolitan Water District Administrative Code to conform to current laws and practices and make corrections

Description

This letter proposes amendments to Metropolitan's Administrative Code to reflect changes in Metropolitan's practices, to conform the Code to pertinent laws and regulations, correct minor errors and to provide consistency with Administrative Code sections previously enacted or amended. The proposed amendments are set forth in [Attachment 1](#), with overstrikes reflecting deletions and underlining reflecting additions. [Attachment 2](#) sets forth the sections as they would now appear in the Administrative Code.

The Administrative Code is proposed to be amended as follows:

1. Chapter 7 of Division II of the Administrative Code describes periodic staff reports to the Board and committees. This chapter is revised to eliminate inconsistent reporting requirements, conform these sections with the reports that are presented to the Board and committees in practice, include references to reports required in other portions of the Code and update committees. Changes include:
 - a. Sections 2702, 2703, 2704, 2723 and 2743 are added to reference the annual business plan and annual goals reports of the General Counsel, General Auditor and Ethics Officer required by Sections 2451, 2501, 6436(b), 6451 and 6473 and the quarterly and monthly reports of the Ethics Officer under Sections 6472 and 7140(c), for more consistent tracking of periodic reports. Sections 2721 and 2722 are corrected to conform to reporting requirements in other portions of the code. In addition, in Sections 2416, 2451, and 2501, the timing of annual Department Head reviews by their respective committees is changed from July to August, in accordance with current practice, to make it clear that the annual reviews take place after committee review of their annual business plans and annual goals reports.
 - b. The Treasurer's monthly reports required under Section 2742 are combined in accordance with current practice and the section is amended to correct referenced Government Code sections.
 - c. The General Manager's semiannual report to the Executive Committee on the status of the equal employment opportunity policy and affirmative action program is eliminated as inconsistent with the annual report to the Organization, Personnel and Technology Committee required by Section 6304.
 - d. The annual report on leases in Section 2700 is deleted because this information is presented in quarterly reports required under Section 2720. In addition, an annual report on annexation matters required under the annexation provisions of the Code is referenced in this section.
 - e. Quarterly reports from the General Manager to the Engineering and Operations Committee on service connections and facilities relocation agreements are combined into a quarterly report on the Capital Investment Plan.

- f. Quarterly reports on deeds, grants, easements, leases and other real property matters are to be made to the Real Property and Asset Management Committee instead of the Finance and Insurance Committee, consistent with the respective responsibilities of those committees listed in the Code.
 - g. The General Counsel's report on changes made by staff in the organization of the Code and titles of divisions, chapters, sections and subsections is changed from a monthly report to one required after any such changes are made.
2. Section 4404, regarding member agency purchase orders, is amended to correct an erroneous reference to "Initial Base Firm Demand" in the description of the amount that a member public agency that executed a purchase order is permitted to purchase annually at the Tier 1 Supply Rate for the term of the purchase order. Changing this to "Base Firm Demand" is consistent with the description of the Tier 1 Supply Rate in Section 4401 and with the current member agency purchase orders.
 3. Sections 4901 and 4904 are amended to update the maximum amount of annual water deliveries available under phase-out of the Interim Agricultural Water Program, and to provide that reduction plan updates will occur as determined by Metropolitan instead of on an annual basis.
 4. Section 5107 is amended to reflect the biennial budget preparation process, and sections 2501, 5109 and 8122(g) are amended to change existing references to the annual budget.
 5. Sections 6113, 6121, 6208, 6209, 6304 and 8122(c) are amended to update the titles of the committees referred to in these sections.

Policy

Metropolitan Water District Administrative Code Section 2451(g) regarding consideration by the Legal and Claims Committee of the contents of the Code

California Environmental Quality Act (CEQA)

CEQA determination for Options #1 and #2:

The proposed action is not defined as a project under CEQA because it 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 proposed action is not subject to CEQA pursuant to Sections 15378(b)(2) and 15061(b)(3) of the State CEQA Guidelines.

Board Options

Option #1

Adopt the CEQA determination and approve amendments to the Administrative Code set forth in [Attachment 2](#) to reflect the changes recommended in this letter.

Fiscal Impact: None

Business Analysis: To conform to current law and procedures

Option #2


Adopt the CEQA determination and approve amendments to the Administrative Code set forth in [Attachment 2](#) to reflect the changes recommended in this letter as modified by changes proposed by the Board.

Fiscal Impact: None

Business Analysis: To conform to current law and procedures

Staff Recommendation

Option #1



Marcia Scully
Interim General Counsel

9/6/2011

Date



Jeffrey Lightlinger
General Manager

9/6/2011

Date

Attachment 1 – The Administrative Code of The Metropolitan Water District of Southern California (showing additions and deletions)

Attachment 2 – The Administrative Code of The Metropolitan Water District of Southern California (changed provisions only)

Ref# 112613569

Division II

PROCEDURES PERTAINING TO BOARD, COMMITTEES AND DIRECTORS

Chapter 4

STANDING COMMITTEES

| Article | Sec. |
|--|------|
| 1 General | 2400 |
| 2 Executive Committee | 2410 |
| 3 Engineering and Operations Committee | 2430 |
| 4 Finance and Insurance Committee | 2440 |
| 5 Legal and Claims Committee | 2450 |
| 6 Water Planning and Stewardship Committee | 2460 |
| 7 Communications Committee | 2470 |
| 8 Organization, Personnel and Technology Committee | 2480 |
| 9 Legislation Committee | 2490 |

Article 2

EXECUTIVE COMMITTEE

§ 2416. Duties and Functions.

....

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

(e) After its review and consideration of the annual assessment of, and recommendations concerning Department Heads, including the annual assessment and recommendations of the Legal and Claims Committee concerning the performance of the General Counsel and the Audit and Ethics Special Committee concerning the performance of the General Auditor and Ethics Officer, the Executive Committee shall make recommendations to the Board on the salary and other compensation of Department Heads in advance of the ~~August Board July~~ meetings, with any changes to be effective ~~as of at~~ the start of the payroll period nearest to July 1.

Article 5

LEGAL AND CLAIMS COMMITTEE

§ 2451. Duties and Functions.

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

... (i) The oversight of the General Counsel’s performance and activities. It shall 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 July Board meeting. It shall evaluate the performance of the General Counsel at least annually in advance of the ~~August~~ July Board meeting. 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 July Board meeting.~~

Chapter 5

OTHER COMMITTEES: MISCELLANEOUS COMMITTEE MATTERS

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

Article 1

SPECIAL COMMITTEES

- Sec.
- 2500. General
- 2501. Audit and Ethics Special Committee
- 2502. Real Property and Asset Management Committee

§ 2501. Audit and Ethics Special Committee.

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

(b) Duties and Functions

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

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

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

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

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

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

(2) The Audit and Ethics Special Committee shall be responsible for oversight of the General Auditor's performance and activities; and, for monitoring and overseeing the duties and responsibilities of the Audit Department and the external auditors as those duties and responsibilities relate to the effectiveness of the District's internal control system. It shall review and approve the 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 July Board meeting. It shall evaluate the performance of the General Auditor at least annually in advance of the ~~August~~ July-Board meeting. 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 review and approve the comprehensive 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 July Board meeting.~~

(3) The Audit and Ethics Special Committee shall be responsible for oversight of the performance and activities of the Ethics Officer. It shall also review and approve the comprehensive business plan and annual goals and work objectives for the Ethics Office at the start of each fiscal year in advance of the July Board meeting. It shall evaluate the performance of the Ethics Officer at least annually in advance of the ~~August~~ July-Board meeting. The results of that evaluation shall be provided to the Executive Committee for consideration as part of its annual review of the compensation of the Ethics Officer. ~~It shall also review and approve the comprehensive business plan and annual goals and work objectives for the Ethics Office at the start of each fiscal year in advance of the July Board meeting.~~

Chapter 7

PERIODIC STAFF REPORTS TO BOARD AND COMMITTEES

| Article | | Sec. |
|---------|-----------------------|------|
| 1 | Annual Reports | 2700 |
| 2 | Semi-annual Reports | 2715 |
| 3 | Quarterly Reports | 2720 |
| 4 | Monthly Reports | 2740 |
| 5 | Miscellaneous Reports | 2750 |

Article 1

ANNUAL REPORTS

Sec.

2700. General Manager's Annual Reports

2701. Treasurer's Annual Reports

§ 2700. General Manager's Annual Reports.

The General Manager shall annually make the following reports

(a) To the Board:

(1) On financial matters generally;

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

~~(3) On all leases made during the preceding year under the authority of Section 8222, 8223; 8230 and 8232; and~~

~~(4)~~ On the status of appropriations pursuant to Section 5108(c).

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

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

(c) To the Executive Committee:

(1) On the General Manager's Business Plan and goals and objectives as required by Sections 2416 and 6416.

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

(d) To the Organization, Personnel and Technology Committee on the status of the equal employment opportunity policy and affirmative action program as required by Section 6304.

§ 2701. Treasurer's Reports

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

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

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

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

§ 2702. General Counsel's Report

The General Counsel shall annually report to the Legal and Claims Committee the Legal Department's business plan, annual goals and work objectives as required by Sections 2451 and 6436(b).

§ 2703. General Auditor's Report

The General Auditor shall annually report to the Audit and Ethics Special Committee a comprehensive work plan, with goals and work objectives, for the Audit Department as required by Sections 2501 and 6451.

§ 2704. Ethics Officer's Report

The Ethics Officer shall annually report to the Audit and Ethics Special Committee a comprehensive work plan, with goals and work objectives, for the Ethics Office as required by Sections 2501 and 6473.

Article 2

SEMI-ANNUAL REPORTS

Sec.

2715. General Manager's Semi-Annual Reports

§ 2715. General Manager's Semi-Annual Reports.

~~(a) The General Manager shall semi-annually report to the Executive Committee on the implementation of Sections 6300-6305 and on the status of the Affirmative Action Program.~~

(b) The General Manager shall report semi-annually to the Board on the status of the District's Local Resources and Conservation Programs.

Article 3

QUARTERLY REPORTS

Sec.

2720. General Manager's Quarterly Reports

2721. General Counsel's Quarterly Reports

2722. General Auditor's Quarterly Reports

§ 2720. General Manager's Quarterly Reports.

The General Manager shall quarterly make the following reports:

(a) To the Engineering and Operations Committee:

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

~~(2) The status of all information technology projects throughout the organization;~~

~~(3) The execution of any relocation agreements involving an amount in excess of \$100,000 under the authority of Section 8122(c).~~

(4) The employment of any professional and technical consultant, the extension of any professional and technical consulting agreement, and on the exercise of authority under Section 8121(c) and 8122(h) 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.

(b) To the Finance and Insurance Committee:

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

(2) The execution of any contract authorized pursuant to Section 8122(g);

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

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

(42) 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;

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

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

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

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

(e) To the Organization, Personnel and Technology Committee, the status of all information technology projects throughout the organization.

§ 2721. General Counsel's Quarterly Reports.

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

§ 2722. General Auditor's Quarterly Reports.

The General Auditor shall report to the Audit and Ethics Special Executive Committee the exercise of any power delegated to ~~him~~ the General Auditor by Section 64532.

§ 2723. Ethics Officer's Quarterly Reports.

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

Article 4
MONTHLY REPORTS

Sec.

2740. General Manager's Monthly Reports

2741. General Counsel's Monthly Reports

2742. Treasurer's Monthly Reports

§2740. General Manager's Monthly Reports.

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

§ 2741. General Counsel's Monthly Reports.

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

~~(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 Committee, any changes made by staff in the organization of the Code and in the titles of divisions, chapters, sections and subsections.~~

§ 2742. Treasurer's Monthly Reports.

The Treasurer shall monthly ~~make the following~~ reports:

~~(a) To the Board and General Manager a report on,~~ transactions made pursuant to the delegation made by Section 53607 of the Government Code and Section 5101(a). The report shall show and showing the type of investment, institution, date of maturity, amount of deposit, current market value for all securities with a maturity of more than 12 months, and rate of interest. The report shall specify in detail any investments in repurchase or reverse repurchase agreements made pursuant to subdivision (ij) of Section 53601 of the Government Code. and subdivision (i) of Section 53635 of the Government Code. The report shall also state whether investments comply with Section 5101 of the Administrative Code and the statement of investment policy. its relationship to the statement of investment policy. A subsidiary ledger of investments may be used in the report in accordance with accepted accounting practices.

~~(b) To the Board and to the General Manager, a report showing the type of investment, institution, date of maturity, amount of deposit, current market value for all securities with a maturity of more than 12 months, and rate of interest. The report shall specify in detail investments in repurchase or reverse repurchase agreements made pursuant to subdivision (i) of Section 53601 and subdivision (i) of Section 53635 of the Government Code. The report shall~~

~~also state its relationship to the statement of investment policy. A subsidiary ledger of investments may be used in the report in accordance with accepted accounting practices.~~

§ 2743. Ethics Officer's Monthly Reports.

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

Article 5

MISCELLANEOUS REPORTS

Sec.

2750. Escheat to District of Unclaimed Funds

2751. Report of Exercise of Authority

2752. Emergency Contracting

2753. Changes in Organization of the Code

§ 2750. Escheat to District of Unclaimed Funds.

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

§ 2751. Report of Exercise of Authority.

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

§ 2752. Emergency Contracting.

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

§ 2753. Changes in Organization of the Code.

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

Division IV

WATER SERVICE POLICIES

Chapter 4

CLASSIFICATION AND RATES

§ 4404. Purchase Orders.

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

(b) The term of the initial Purchase Orders shall be from January 1, 2003 through and including December 31, 2012. All Purchase Orders in effect shall be on substantially the same terms and for the same term. Any amendments to Purchase Orders shall be subject to approval by the Board.

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

(d) A member public agency that executed a Purchase Order shall be permitted annually to purchase up to 90% of its ~~Initial~~-Base ~~Firm~~~~firm~~ Demand at the Tier 1 Supply Rate for the term of the Purchase Order.

(e) When a member public agency has purchased at least its Purchase Order Commitment the minimum purchase requirement of the Purchase Order will be fulfilled.

(f) If, upon expiration of the term of the Purchase Order, a member agency has purchased an amount of water less than its Purchase Order Commitment, the member public agency shall pay Metropolitan an amount equal to the difference between its Purchase Order Commitment and its actual purchases during the term of the Purchase Order, times the Tier 1 Supply Rate in effect in the last year of the Purchase Order term.

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

Chapter 9

INTERIM AGRICULTURAL WATER PROGRAM SERVICE REGULATIONS

§ 4901. Maximum Amount of Annual Water Deliveries.

The maximum amount of Program water available for delivery to each member public agency during a calendar year, as of January 1, ~~2011~~2009, is as follows:

| Member Public Agency | Maximum Annual Amount of Interim Agricultural Water Program Discount Water Member Agency May Purchase (acre-feet) |
|----------------------|---|
| Eastern MWD | 1,287.41,273.1 |
| San Diego CWA | 51,218.947,095.3 |
| Western MWD | 27,082.026,168.2 |
| | |
| Total | 79,595.374,536.6 |

These amounts will be revised annually to reflect phase-out of the Program.

§ 4904. Member Public Agency Plan to Meet Mandatory Reductions to the Program.

Each member public agency participating in the Program shall submit a written Reduction Plan to Metropolitan showing how it will meet the mandatory reductions to Program water during a reduction period. The Reduction Plan shall describe the member public agency's drought management strategy and how it plans to reduce Program water use and/or use local resources to supply agricultural demands. The Reduction Plans shall be updated at the request of Metropolitan. Reduction Plan updates shall occur in accordance with a schedule determined by Metropolitan. ~~on an annual basis and shall be submitted to Metropolitan by the end of each calendar year.~~

Division V

FINANCIAL MATTERS

Chapter 1

ADMINISTRATIVE MATTERS

Sec.

5100. General Manager

5101. Investment of Surplus Funds

5102. Facsimile Signature re Banks; Authorization for Electronic Funds Transfers

5103. Treasury

- 5104. Payment After Loss of Bond Interest Coupon
- 5105. Lost or Destroyed Bonds
- 5106. Accounting System
- 5107. ~~Biennial Annual~~ Budget Process
- 5108. Appropriations
- 5109. Capital Funding from Current Revenues
- 5110. Asset Lease Versus Purchase
- 5111. Approval of Vouchers
- 5112. State Water Contract Payments
- 5113. Escheat to District of Unclaimed Funds
- 5114. Reporting Requirements of the Treasurer
- 5115. Capital Project Approval

§ 5107. ~~Biennial Annual~~ Budget Process.

(a) There shall be prepared each year, under the direction of the General Manager, a proposed ~~annual biennial consolidated~~ budget covering District operations for the following two fiscal years. The proposed biennial budget which shall be submitted to the Board no later than the date of the regular Board meeting in June immediately preceding the first fiscal year of the biennium to which the budget applies. The proposed biennial budget shall indicate by fund all anticipated expenditures and required reserves and the source of moneys to be used to meet such expenditures and provide such reserves. The proposed ~~annual consolidated biennial~~ budget will include a ~~three five-year budget outlook~~ financial forecast. A Board Workshop on the proposed ~~annual consolidated biennial~~ budget will be conducted prior to submission of the proposed biennial budget for Board approval. the June Finance and Insurance Committee meeting. The Finance and Insurance Committee shall review the proposed biennial budget in its entirety, together with the recommendations from the Board workshop, and report its recommendations to the Board.

(b) After considering the proposed biennial budget and making any revisions thereto that it may deem advisable, the Board shall adopt the first year of the biennial budget before the beginning of the fiscal year to which the budget applies and will provisionally approve the second year of the biennial budget. The amounts provided in the adopted budget of the first year of the biennial period 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. Not later than the following June, the provisionally-approved budget shall be revised to reflect updated receipts and expenditures and any changed conditions and revised forecasts and submitted to the Board as the proposed budget for the first year of a new biennial consolidated budget.

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

(d) The total operational and maintenance budget shall be measured against the regional rate of inflation as measured by five-year rolling average change in the Consumer Price Index (CPI) for the Los Angeles-Riverside-range County area, not seasonally adjusted, for all items as reported by the U. S. Bureau of Labor Statistics. The budget will include explanations of increases greater than the CPI due to unique conditions, growth or expansion of services.

§ 5109. Capital Funding from Current Revenues.

To preserve debt capacity for evolving or unexpected financial needs Metropolitan shall fund replacements and refurbishments, capital projects costing less than \$1 million, or capital projects with useful lives less than the typical bond terms, and reimbursable capital projects from annual revenues. The Board's objective shall be to fund annually on a pay-as-you-go basis these elements of the capital investment plan to maintain stable water rates and charges, strong financial ratios, debt capacity and appropriate reserve levels. The amount of annual expenditures paid from current revenues shall be determined by the Board as part of the ~~biennial~~ annual budget process and shall include the costs of:

- (a) Capital facilities or projects totaling \$1,000,000 or less.
- (b) Capital assets with estimated payback periods or useful lives shorter than the calculated average life of alternative long-term bond financing.
- (c) Capital improvement program studies.
- (d) Replacements and refurbishment of Metropolitan facilities or portions thereof, as determined by the Board to meet the above objective.
- (e) Reimbursable capital projects.

The costs relating to provisions (a) through (c) above shall be paid from operating revenues, including revenues derived from water standby or availability service charges or benefit assessments, and proceeds from disposals of surplus property made available for expenditure by the Board.

Division VI

PERSONNEL MATTERS

§ 6113. Appeals.

(a) An employee organization aggrieved by an appropriate unit determination of the Employee Relations Officer; or an employee organization aggrieved by a determination of the Employee Relations Officer that a Recognition Petition (Section 6105), Challenging Petition (Section 6107), Decertification Petition (Section 6109), Unit Modification Petition (Section 6111) --- or employees aggrieved by a determination of the Employee Relations Officer that a Decertification Petition (Section 6109) --- has not been filed in compliance with the applicable

provisions of this Article, may, within ten (10) days of notice of the Employee Relations Officer's final decision request to submit the matter to mediation by the State Mediation and Conciliation Service, or may, in lieu thereof or thereafter, appeal such determination to the ~~Organization and Personnel~~Organization, Personnel and Technology Committee for final decision within fifteen (15) days of notice of the Employee Relations Officer's determination or the termination of mediation proceedings, whichever is later.

(b) Appeals to the ~~Organization and Personnel~~Organization, Personnel and Technology Committee shall be filed in writing with the Board's Executive Secretary, and a copy thereof served on the Employee Relations Officer. The ~~Organization and Personnel~~Organization, Personnel and Technology Committee shall commence to consider the matter within thirty (30) days of the filing of the appeal. The ~~Organization and Personnel~~Organization, Personnel and Technology Committee may, in its discretion, refer the dispute to a third party hearing process. Any decision of the ~~Organization and Personnel~~Organization, Personnel and Technology Committee on the use of such procedures, and/or any decision of the ~~Organization and Personnel~~Organization, Personnel and Technology Committee determining the substance of the dispute shall be final and binding.

§ 6121. Interpretation and Administration.

The General Manager shall have authority to interpret and administer provisions of this Article 1, subject to appeal to the ~~Organization and Personnel~~Organization, Personnel and Technology Committee.

§ 6208. Pay Rate Administration.

• • •
(h) Pay Rate Survey.

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

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

- County of Los Angeles
- East Bay Municipal Utility District
- Los Angeles Metropolitan Transportation Authority
- Los Angeles County Sanitation District
- Los Angeles Department of Water & Power
- Orange County Water District

San Diego County Water Authority
 San Francisco Public Utilities Commission
 State Department of Water Resources

The nine comparator agencies were selected by comparing the following factors: Industry (type of utility), total number of units managed, population served, total number of employees, total assets, net operating income, gross revenue, and total service area (square miles).

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

§ 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~~Organization, Personnel and Technology Committee. The decision of the Committee will be final unless the Committee chooses to refer the appeal to the Board.

...

§ 6304. General Manager's Report on Equal Employment Opportunity Policy and Affirmative Action Program.

Annually, the General Manager shall report to the ~~Organization and Personnel~~Organization, Personnel and Technology Committee on the status of the equal employment opportunity policy and affirmative action program.

Division VIII

CONTRACTS/DISTRICT PROPERTY

§ 8122. General Manager's Contracting Authority in Specified Circumstances.

...

(c) Relocation Agreements

...

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

(g) Contracts for Equipment, Materials, Supplies, and Routine Services.

(1) The General Manager may execute contracts for the purchase or lease of operating equipment, regardless of dollar value, which is specifically identified in the budget provided that the amount of any contract does not exceed 110 percent of the

amount identified in the budget for that operating equipment and that sufficient funds are available within the adopted ~~annual~~ budget.

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

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

Division II

PROCEDURES PERTAINING TO BOARD, COMMITTEES AND DIRECTORS

Chapter 4

STANDING COMMITTEES

| Article | Sec. |
|--|------|
| 1 General | 2400 |
| 2 Executive Committee | 2410 |
| 3 Engineering and Operations Committee | 2430 |
| 4 Finance and Insurance Committee | 2440 |
| 5 Legal and Claims Committee | 2450 |
| 6 Water Planning and Stewardship Committee | 2460 |
| 7 Communications Committee | 2470 |
| 8 Organization, Personnel and Technology Committee | 2480 |
| 9 Legislation Committee | 2490 |

Article 2

EXECUTIVE COMMITTEE

§ 2416. Duties and Functions.

....

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

(e) After its review and consideration of the annual assessment of, and recommendations concerning Department Heads, including the annual assessment and recommendations of the Legal and Claims Committee concerning the performance of the General Counsel and the Audit and Ethics Special Committee concerning the performance of the General Auditor and Ethics Officer, the Executive Committee shall make recommendations to the Board on the salary and other compensation of Department Heads in advance of the August Board meeting, with any changes to be effective as of the start of the payroll period nearest to July 1.

Article 5

LEGAL AND CLAIMS COMMITTEE

§ 2451. Duties and Functions.

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

... (i) The oversight of the General Counsel’s performance and activities. It shall 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 July Board meeting. It shall evaluate the performance of the General Counsel at least annually in advance of the August Board meeting. 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.

Chapter 5

OTHER COMMITTEES: MISCELLANEOUS COMMITTEE MATTERS

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

Article 1

SPECIAL COMMITTEES

- Sec.
- 2500. General
- 2501. Audit and Ethics Special Committee
- 2502. Real Property and Asset Management Committee

§ 2501. Audit and Ethics Special Committee.

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

(b) Duties and Functions

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

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

- (ii) The Audit Department's annual business plan and biennial budget;
- (iii) The Ethics Department's annual business plan and biennial budget;
- (iv) Requests from other committees of the Board for audits and reviews not included in the Audit Department's annual business plan;
- (v) The policies and procedures of Metropolitan's ethics program.

(2) The Audit and Ethics Special Committee shall be responsible for oversight of the General Auditor's performance and activities; and, for monitoring and overseeing the duties and responsibilities of the Audit Department and the external auditors as those duties and responsibilities relate to the effectiveness of the District's internal control system. It shall review and approve the 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 July Board meeting. It shall evaluate the performance of the General Auditor at least annually in advance of the August Board meeting. 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.

(3) The Audit and Ethics Special Committee shall be responsible for oversight of the performance and activities of the Ethics Officer. It shall also review and approve the comprehensive business plan and annual goals and work objectives for the Ethics Office at the start of each fiscal year in advance of the July Board meeting. It shall evaluate the performance of the Ethics Officer at least annually in advance of the August Board meeting. The results of that evaluation shall be provided to the Executive Committee for consideration as part of its annual review of the compensation of the Ethics Officer.

Chapter 7

PERIODIC STAFF REPORTS TO BOARD AND COMMITTEES

| Article | | Sec. |
|---------|-----------------------|------|
| 1 | Annual Reports | 2700 |
| 2 | Semi-annual Reports | 2715 |
| 3 | Quarterly Reports | 2720 |
| 4 | Monthly Reports | 2740 |
| 5 | Miscellaneous Reports | 2750 |

Article 1

ANNUAL REPORTS

Sec.

2700. General Manager's Annual Reports

2701. Treasurer's Annual Reports

§ 2700. General Manager's Annual Reports.

The General Manager shall annually make the following reports

(a) To the Board:

(1) On financial matters generally;

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

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

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

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

(c) To the Executive Committee:

(1) On the General Manager's Business Plan and goals and objectives as required by Sections 2416 and 6416.

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

(d) To the Organization, Personnel and Technology Committee on the status of the equal employment opportunity policy and affirmative action program as required by Section 6304.

§ 2701. Treasurer's Reports

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

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

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

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

§ 2702. General Counsel's Report

The General Counsel shall annually report to the Legal and Claims Committee the Legal Department's business plan, annual goals and work objectives as required by Sections 2451 and 6436(b).

§ 2703. General Auditor's Report

The General Auditor shall annually report to the Audit and Ethics Special Committee a comprehensive work plan, with goals and work objectives, for the Audit Department as required by Sections 2501 and 6451.

§ 2704. Ethics Officer's Report

The Ethics Officer shall annually report to the Audit and Ethics Special Committee a comprehensive work plan, with goals and work objectives, for the Ethics Office as required by Sections 2501 and 6473.

Article 2

SEMI-ANNUAL REPORTS

Sec.

2715. General Manager's Semi-Annual Reports

§ 2715. General Manager's Semi-Annual Report.

The General Manager shall report semi-annually to the Board on the status of the District's Local Resources and Conservation Programs.

Article 3

QUARTERLY REPORTS

Sec.

2720. General Manager's Quarterly Reports

2721. General Counsel's Quarterly Reports

2722. General Auditor's Quarterly Reports

§ 2720. General Manager's Quarterly Reports.

The General Manager shall quarterly make the following reports:

(a) To the Engineering and Operations Committee:

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

(2) The employment of any professional and technical consultant, the extension of any professional and technical consulting agreement, and on the exercise of authority under Section 8121(c) and 8122(h) 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.

(b) To the Finance and Insurance Committee:

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

(2) The execution of any contract authorized pursuant to Section 8122(g).

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

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

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

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

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

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

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

(e) To the Organization, Personnel and Technology Committee, the status of all information technology projects throughout the organization.

§ 2721. General Counsel's Quarterly Reports.

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

§ 2722. General Auditor's Quarterly Reports.

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

§ 2723. Ethics Officer's Quarterly Reports.

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

Article 4 MONTHLY REPORTS

Sec.

2740. General Manager's Monthly Reports

2741. General Counsel's Monthly Reports

2742. Treasurer's Monthly Reports

§2740. General Manager's Monthly Reports.

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

§ 2741. General Counsel's Monthly Reports.

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

§ 2742. Treasurer's Monthly Reports.

The Treasurer shall monthly report:

To the Board and General Manager transactions made pursuant to the delegation made by Section 53607 of the Government Code and Section 5101(a). The report shall show the type of investment, institution, date of maturity, amount of deposit, current market value for all securities with a maturity of more than 12 months, and rate of interest. The report shall specify

in detail any investments in repurchase or reverse repurchase agreements made pursuant to subdivision (j) of Section 53601 of the Government Code. The report shall also state whether investments comply with Section 5101 of the Administrative Code and the statement of investment policy. A subsidiary ledger of investments may be used in the report in accordance with accepted accounting practices.

§ 2743. Ethics Officer's Monthly Reports.

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

Article 5

MISCELLANEOUS REPORTS

Sec.

2750. Escheat to District of Unclaimed Funds

2751. Report of Exercise of Authority

2752. Emergency Contracting

2753. Changes in Organization of the Code

§ 2750. Escheat to District of Unclaimed Funds.

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

§ 2751. Report of Exercise of Authority.

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

§ 2752. Emergency Contracting.

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

§ 2753. Changes in Organization of the Code.

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

Division IV**WATER SERVICE POLICIES****Chapter 4****CLASSIFICATION AND RATES****§ 4404. Purchase Orders.**

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

(b) The term of the initial Purchase Orders shall be from January 1, 2003 through and including December 31, 2012. All Purchase Orders in effect shall be on substantially the same terms and for the same term. Any amendments to Purchase Orders shall be subject to approval by the Board.

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

(d) A member public agency that executed a Purchase Order shall be permitted annually to purchase up to 90% of its Base Firm Demand at the Tier 1 Supply Rate for the term of the Purchase Order.

(e) When a member public agency has purchased at least its Purchase Order Commitment the minimum purchase requirement of the Purchase Order will be fulfilled.

(f) If, upon expiration of the term of the Purchase Order, a member agency has purchased an amount of water less than its Purchase Order Commitment, the member public agency shall pay Metropolitan an amount equal to the difference between its Purchase Order Commitment and its actual purchases during the term of the Purchase Order, times the Tier 1 Supply Rate in effect in the last year of the Purchase Order term.

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

Chapter 9

INTERIM AGRICULTURAL WATER PROGRAM SERVICE REGULATIONS

§ 4901. Maximum Amount of Annual Water Deliveries.

The maximum amount of Program water available for delivery to each member public agency during a calendar year, as of January 1, 2011, is as follows:

| Member Public Agency | Maximum Annual Amount of Interim Agricultural Water Program Discount Water Member Agency May Purchase (acre-feet) |
|----------------------|---|
| Eastern MWD | 1,273.1 |
| San Diego CWA | 47,095.3 |
| Western MWD | 26,168.2 |
| | |
| Total | 74,536.6 |

These amounts will be revised annually to reflect phase-out of the Program.

§ 4904. Member Public Agency Plan to Meet Mandatory Reductions to the Program.

Each member public agency participating in the Program shall submit a written Reduction Plan to Metropolitan showing how it will meet the mandatory reductions to Program water during a reduction period. The Reduction Plan shall describe the member public agency's drought management strategy and how it plans to reduce Program water use and/or use local resources to supply agricultural demands. The Reduction Plans shall be updated at the request of Metropolitan. Reduction Plan updates shall occur in accordance with a schedule determined by Metropolitan.

Division V

FINANCIAL MATTERS

Chapter 1

ADMINISTRATIVE MATTERS

Sec.

5100. General Manager

5101. Investment of Surplus Funds

5102. Facsimile Signature re Banks; Authorization for Electronic Funds Transfers

5103. Treasury

5104. Payment After Loss of Bond Interest Coupon

- 5105. Lost or Destroyed Bonds
- 5106. Accounting System
- 5107. Biennial Budget Process
- 5108. Appropriations
- 5109. Capital Funding from Current Revenues
- 5110. Asset Lease Versus Purchase
- 5111. Approval of Vouchers
- 5112. State Water Contract Payments
- 5113. Escheat to District of Unclaimed Funds
- 5114. Reporting Requirements of the Treasurer
- 5115. Capital Project Approval

§ 5107. Biennial Budget Process.

(a) There shall be prepared each year, under the direction of the General Manager, a proposed biennial budget covering District operations for the following two fiscal years. The proposed biennial budget shall be submitted to the Board no later than the date of the regular Board meeting in June immediately preceding the first fiscal year of the biennium to which the budget applies. The proposed biennial budget shall indicate by fund all anticipated expenditures and required reserves and the source of moneys to be used to meet such expenditures and provide such reserves. The proposed biennial budget will include a five-year financial forecast. A Board Workshop on the proposed biennial budget will be conducted prior to submission of the proposed biennial budget for Board approval. The Finance and Insurance Committee shall review the proposed biennial budget in its entirety, together with the recommendations from the Board workshop, and report its recommendations to the Board.

(b) After considering the proposed biennial budget and making any revisions thereto that it may deem advisable, the Board shall adopt the first year of the biennial budget before the beginning of the fiscal year to which the budget applies and will provisionally approve the second year of the biennial budget. The amounts provided in the adopted budget of the first year of the biennial period 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. Not later than the following June, the provisionally-approved budget shall be revised to reflect updated receipts and expenditures and any changed conditions and revised forecasts and submitted to the Board as the proposed budget for the first year of a new biennial consolidated budget.

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

(d) The total operational and maintenance budget shall be measured against the regional rate of inflation as measured by five-year rolling average change in the Consumer Price Index (CPI) for the Los Angeles-Riverside-range County area, not seasonally adjusted, for all items as

reported by the U. S. Bureau of Labor Statistics. The budget will include explanations of increases greater than the CPI due to unique conditions, growth or expansion of services.

§ 5109. Capital Funding from Current Revenues.

To preserve debt capacity for evolving or unexpected financial needs Metropolitan shall fund replacements and refurbishments, capital projects costing less than \$1 million, or capital projects with useful lives less than the typical bond terms, and reimbursable capital projects from annual revenues. The Board's objective shall be to fund annually on a pay-as-you-go basis these elements of the capital investment plan to maintain stable water rates and charges, strong financial ratios, debt capacity and appropriate reserve levels. The amount of annual expenditures paid from current revenues shall be determined by the Board as part of the biennial budget process and shall include the costs of:

- (a) Capital facilities or projects totaling \$1,000,000 or less.
- (b) Capital assets with estimated payback periods or useful lives shorter than the calculated average life of alternative long-term bond financing.
- (c) Capital improvement program studies.
- (d) Replacements and refurbishment of Metropolitan facilities or portions thereof, as determined by the Board to meet the above objective.
- (e) Reimbursable capital projects.

The costs relating to provisions (a) through (c) above shall be paid from operating revenues, including revenues derived from water standby or availability service charges or benefit assessments, and proceeds from disposals of surplus property made available for expenditure by the Board.

Division VI

PERSONNEL MATTERS

§ 6113. Appeals.

(a) An employee organization aggrieved by an appropriate unit determination of the Employee Relations Officer; or an employee organization aggrieved by a determination of the Employee Relations Officer that a Recognition Petition (Section 6105), Challenging Petition (Section 6107), Decertification Petition (Section 6109), Unit Modification Petition (Section 6111) --- or employees aggrieved by a determination of the Employee Relations Officer that a Decertification Petition (Section 6109) --- has not been filed in compliance with the applicable provisions of this Article, may, within ten (10) days of notice of the Employee Relations Officer's final decision request to submit the matter to mediation by the State Mediation and

Conciliation Service, or may, in lieu thereof or thereafter, appeal such determination to the Organization, Personnel and Technology Committee for final decision within fifteen (15) days of notice of the Employee Relations Officer's determination or the termination of mediation proceedings, whichever is later.

(b) Appeals to the Organization, Personnel and Technology Committee shall be filed in writing with the Board's Executive Secretary, and a copy thereof served on the Employee Relations Officer. The Organization, Personnel and Technology Committee shall commence to consider the matter within thirty (30) days of the filing of the appeal. The Organization, Personnel and Technology Committee may, in its discretion, refer the dispute to a third party hearing process. Any decision of the Organization, Personnel and Technology Committee on the use of such procedures, and/or any decision of the Organization, Personnel and Technology Committee determining the substance of the dispute shall be final and binding.

§ 6121. Interpretation and Administration.

The General Manager shall have authority to interpret and administer provisions of this Article 1, subject to appeal to the Organization, Personnel and Technology Committee.

§ 6208. Pay Rate Administration.

• • •
(h) Pay Rate Survey.

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

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

- County of Los Angeles
- East Bay Municipal Utility District
- Los Angeles Metropolitan Transportation Authority
- Los Angeles County Sanitation District
- Los Angeles Department of Water & Power
- Orange County Water District
- San Diego County Water Authority
- San Francisco Public Utilities Commission
- State Department of Water Resources

The nine comparator agencies were selected by comparing the following factors: Industry (type of utility), total number of units managed, population served, total number of employees, total assets, net operating income, gross revenue, and total service area (square miles).

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

§ 6209. Discharge.

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

...

§ 6304. General Manager's Report on Equal Employment Opportunity Policy and Affirmative Action Program.

Annually, the General Manager shall report to the Organization, Personnel and Technology Committee on the status of the equal employment opportunity policy and affirmative action program.

Division VIII

CONTRACTS/DISTRICT PROPERTY

§ 8122. General Manager's Contracting Authority in Specified Circumstances.

...
(c) Relocation Agreements

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

(g) Contracts for Equipment, Materials, Supplies, and Routine Services.

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

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

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