



- Board of Directors  
*Legal and Claims Committee*

9/11/2012 Board Meeting

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**7-3**

## **Subject**

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

## **Executive summary**

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Proposed amendments to the Administrative Code would update the Code so that the Code conforms to current practices, laws and regulations. The amendments would also correct minor errors and provide consistency between the different Code sections. The proposed changes include updates to the committee structure, the current organization of the Office of the Board, and revisions to the hourly pay rate schedule for unclassified employees to reflect current hourly pay rates.

## **Details**

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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. Section 1104 is amended to add "Metropolitan" to the definition of terms used to refer to The Metropolitan Water District of Southern California in the Code because this term, along with "District", is used in the Code.
2. Section 2140 and the remaining sections in Article 3 of Division II are amended to reflect the change in duties of the Board Executive Secretary, who now reports to the General Manager, and renumbered.
3. Sections 2416(d), 2700(c) and 6416 on the General Manager's Business Plan are revised to reflect that the General Manager's Business Plan is incorporated into the biennial budget and delete the requirement that the General Manager submit an annual Business Plan to the Executive Committee. These sections, and sections 2702, 2703, 2704, 2451(i) and 5501(b)(2) and (3) on the business plans of the General Counsel, General Auditor and Ethics Officer, are also amended to reflect that these business plans contain the key priorities for the upcoming time period of these Department Heads.
4. Sections 2470 and 2471 are amended, and sections 2490 and 2491 are deleted, to reflect the consolidation of the Legislation Committee with the Communications and Education Committee authorized by the Board of Directors at its September 2011 meeting.
5. Section 2520 is amended to remove a requirement that nominations for the offices of Board Chair and Secretary provide regional representation (insofar as practical). This conflicts with section 2202's statement that selection of the Board Chair, Vice Chairs and Secretary shall be made without regard to the regions which are represented.

6. Section 2715 requiring a semiannual report to the Board from the General Manager on the status of the District's Local Resources and Conservation Programs is deleted to avoid duplication of reporting. These programs are part of the Integrated Resources Program (IRP) and are included in the IRP report to the Board, which is given annually but is not noted in the Administrative Code.
7. Section 4124 on the definition of the "Water Stewardship Rate" is reinstated in its original language to the Code because this definition was erroneously deleted from the Code in March 2003. The Water Stewardship Rate continued from March 2003 through the present in other sections of the Code and in Metropolitan's rate structure.
8. Sections 4300, 4301, 4304, 5100, 5107, 5108(b) and 5109 on the budget process are revised, and section 4305 is added, to be consistent with Metropolitan's current biennial budget process and financial terms and allow more flexible timing.
9. Section 5111, Approval of Vouchers, is deleted to conform to current practice as Metropolitan uses electronic processes for approval of payments, not vouchers.
10. Sections 6118 and 6119 on impasse procedures involving negotiations with Recognized Employee Organizations are amended to conform to recent amendments to the Myers-Milias-Brown Act (Gov. Code § 3500 et seq.)
11. Section 6262 is amended to update the leave benefit for subpoenaed employees from the traditional eight-hour work day, which is no longer the norm for employees, to correspond to the regular work schedule of an employee.
12. Section 6321(c) is amended to remove an unnecessary reporting requirement for per diem reimbursements.
13. Section 6500 on the hourly pay rate schedule for unclassified service employees is updated to reflect the current salary ranges for affected employees. This salary schedule is consistent with the salary schedule provided to the Public Employees Retirement System approved by the Board at its May 2012 meeting.
14. Section 8230(c) on authority to grant real property interests is amended to clarify that, consistent with existing practice, the General Manager has authority to approve grants of interests in real property for terms of five years or less and to approve an extension for five years or less of the term of a grant of an interest in real property.

## **Policy**

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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)**

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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**

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### **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 procedure

**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 the changes proposed by the Board.

**Fiscal Impact:** None

**Business Analysis:** To conform to current law and procedure

**Staff Recommendation**

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Option #1



Marcia Scully  
General Counsel

8/20/2012  
Date



Debra C. Man  
for Jeffrey Kightlinger  
General Manager

8/29/2012  
Date

**Attachment 1 – The Administrative Code of The Metropolitan Water District of Southern California (with changes marked)**

**Attachment 2 – The Administrative Code of The Metropolitan Water District of Southern California (clean version)**

**Division I**

**GENERAL**

**Chapter 1**

**DEFINITIONS**

**§ 1104. District or Metropolitan.**

The Metropolitan Water District of Southern California.

**Division II**

**PROCEDURES PERTAINING TO BOARD, COMMITTEES  
AND DIRECTORS**

**Chapter 1**

**BOARD OF DIRECTORS**

**Article 3**

**MISCELLANEOUS BOARD RULES**

Sec.

~~2140. Duties of the Board Executive Officer~~

2140~~1~~. Duties of the Board Executive Secretary

2141~~2~~. Communications to Board

2142~~3~~. Monthly Staff Reports

2143~~4~~. Bid Tabulations

2144~~5~~. Appearances before Board and Committees

2145~~6~~. Use of Board and Committee Facilities

2146~~7~~. Availability for Public Inspection of Certain Board and Committee Material

2147~~8~~. Time Limits Upon Presentations

~~§ 2140. Duties of the Chief Administrative Officer.~~

~~Under the direction of the General Manager, the duties of the Chief Administrative Officer are to:~~

~~(a) Provide administrative and ministerial services for the Board and directors; and,~~

~~(b) Act as the liaison between the Board and management.~~

#### **§21401. Duties of the Board Executive Secretary.**

The duties of the Board Executive Secretary are to:

(a) Provide administrative and ministerial services for the Board and directors under the direction of the ~~Chief Administrative Officer~~ General Manager;

(b) Act as the liaison between the Board and management under the direction of the ~~Chief Administrative Officer~~ General Manager;

(c) Accept service of process on behalf of the District; and,

(d) Report to the ~~Chief Administrative Officer~~ General Manager.

#### **§21412.- Communications to Board.**

(a) A communication from a Department Head to the Board may be withdrawn by the Department Head at any time prior to its approval by a committee. After approval by a committee, a communication may be withdrawn by the Department Head only with the concurrence of the chair of any committee which has approved the recommendation contained in the communication.

(b) The Board Executive Secretary shall send copies of all items for the Board and other important communications received to the General Manager and the General Counsel unless they already have such copies.

#### **§ 21423. Monthly Staff Reports.**

The monthly departmental reports of the General Manager and General Counsel shall be mailed in advance of the Board meeting to each director by the department organizing the report but they are not to be distributed at such meeting. These reports are to be orally summarized at the Board meeting mentioning only significant changes from previous reports.

#### **§ 21434. Bid Tabulations.**

Each director is to be furnished with a tabulation of all bids received for each proposed award of contract presented to the Board for approval. Therefore, the reading of that portion of the General Manager's letter listing the bids shall be dispensed with.

**§ 21445. Appearances before Board and Committees.**

(a) Persons desiring to appear before the Board at a regular meeting shall so signify when asked by the Chair to do so at the time the agenda item required by Section 2109(c) is called. They shall state the purpose of their appearance. If the purpose relates to an item to be considered by a committee, the Chair of the Board shall refer them to the appropriate committee, unless the Chair determines that referral is not appropriate or the person expresses a desire to address the Board directly. The person may address the Board on matters within the Board's subject matter jurisdiction subject to reasonable time limits on the issue and individual speakers as established by the Chair.

(b) Upon referral of an appearance to a committee by the Board, the Committee Chair shall place the matter on the committee's agenda if the request for an appearance is made to a committee in the first instance, the Committee Chair shall place the matter on the committee's agenda unless the committee determines that the matter should be referred to the Board for placement on the Board's agenda or to a different committee.

**§ 21456. Use of Board and Committee Facilities.**

All requests for use of the Board and committee rooms shall be submitted to the ~~Chief Administrative Officer~~General Manager, and the use of such rooms by outside agencies and groups shall be limited to appropriate purposes pursuant to the terms and conditions, including payment, established by the ~~Chief Administrative Officer~~General Manager.

**§ 21467. Availability for Public Inspection of Certain Board and Committee Material.**

The Board Executive Secretary shall make available, for inspection by the public prior to commencement of and during a Board or Board committee meeting, copies of the meeting agenda and of any written or videotaped materials that are not exempt from public disclosure under Sections 10200 - 10205 and that have been distributed in advance to the Board or committee members for discussion or consideration at the meeting. If non-exempt written or videotaped materials are distributed to the members during their discussion at the meeting, copies thereof shall be made available for public inspection at the same time or as soon thereafter as practicable. Upon request, the District shall provide facilities for public viewing of videotaped materials distributed to Board members.

**§ 21487. Time limits upon presentations.**

Members of the public addressing the Board or a committee shall be limited to three minutes at each meeting. Organizations shall be limited to a total of five minutes if more than one representative wishes to speak. Each director may speak for no more than three minutes on each matter before the Board or committee. The Chair of the Board or committee, or the Board or committee by majority vote, may allow additional time.

## 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 <a href="#">and Legislation</a> Committee	2470
8	Organization, Personnel and Technology Committee	2480
<del>9</del>	<del>Legislation Committee</del>	<del>2490</del>

## 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 in conjunction with the biennial budget. It shall also review and approve and the annual business plan containing the General Manager's key priorities for the coming year 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.

## 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 containing the key priorities for the coming year of 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.

## Article 7

### COMMUNICATIONS AND LEGISLATION COMMITTEE

#### § 2470. Day of Regular Meeting.

The regular meetings of the Communications and Legislation Committee shall be on the Tuesday of regular board meetings.

#### §2471. Duties and Functions.

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

(a) Proposals of the General Manager, other committees, and board members concerning State and Federal legislation, or amendments thereto, that may affect the District;

(b) Recommendations for new legislation identified by members of the Board or the General Manager;

(c) Opportunities for members of the Board to assist in outreach activities, including efforts to inform members of the Legislature or the Congress of the District's position with regard to proposed legislation;

(d) The effectiveness of legislative advocacy efforts by staff and members of the Board;

(ea) The development and implementation of Directors' inspection trips, including the expectations and goals for these trips;

(fb) The development and implementation of school education programs, including the expectations and goals for these programs;

(ge) The effectiveness of Metropolitan’s external affairs programs and general communications efforts directed at member agencies and the general public; and

(hd) The selection of public information consultants and the scope of their assignments.

Article 8

**ORGANIZATION, PERSONNEL AND TECHNOLOGY COMMITTEE**

**§2480. Day of Regular Meeting.**

The regular meetings of the Organization, ~~and Personnel~~ and Technology Committee shall be held on the Monday preceding regular board meetings.

**§2481. Duties and Functions.**

The Organization, ~~and Personnel~~ and Technology Committee shall study, advise and make recommendations with regard to:

....

**Article 9**

**LEGISLATION COMMITTEE**

~~Sec.~~

~~2490.—Day of Regular Meeting~~

~~2491.—Duties and Functions~~

**§ 2490. Day of Regular Meeting.**

~~————The regular meetings of the Legislation Committee shall be on the Tuesday of regular board meetings.~~

**§2491. Duties and Functions.**

~~————The Legislation Committee shall study, advise and make recommendations to the Board with regard to:~~

~~————(a) Proposals of the General Manager, other committees, and board members concerning State and Federal legislation, or amendments thereto, that may affect the District;~~

~~(b) Recommendations for new legislation identified by members of the Board or the General Manager;~~

~~(c) Opportunities for members of the Board to assist in outreach activities, including efforts to inform members of the Legislature or the Congress of the District's position with regard to proposed legislation; and~~

~~(d) The effectiveness of legislative advocacy efforts by staff and members of the Board;~~

**Chapter 5**

**OTHER COMMITTEES: MISCELLANEOUS COMMITTEE MATTERS**

**§ 2501. Audit and Ethics Special Committee.**

...

(b)

...

(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 containing the key priorities for the coming year ~~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 containing the key priorities for the coming year ~~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.

**Article 2**

**BOARD AND COMMITTEE NOMINATION PROCEDURES**

Sec.

2520. In General

2521. Number of Nominations

**§ 2520. In General.**

The Executive Committee shall:

(a) Nominate members for the offices of Chairman and Secretary of the Board ~~so as to provide, insofar as practical, adequate regional representation for the benefit of the entire District.~~ Members of the Executive 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.

(b) Establish procedures for the fair and impartial election of members to the offices of Chair 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 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.

**Chapter 7**

**PERIODIC STAFF REPORTS TO BOARD AND COMMITTEES**

Article	Sec.
1 Annual Reports	2700
<del>2 Semi-annual Reports</del>	<del>2715</del>
<u>23</u> Quarterly Reports	2720
<u>34</u> Monthly Reports	2740
<u>45</u> Miscellaneous Reports	2750

**Article 1**

**ANNUAL REPORTS**

**§ 2700. General Manager’s Annual Reports.**

The General Manager shall annually make the following reports

...

(c) To the Executive Committee:

(1) On the ~~General Manager's business plan containing the General Manager's key priorities for the coming year 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.

#### **§ 2702. General Counsel's Report**

The General Counsel shall annually report to the Legal and Claims Committee the Legal Department's business plan containing the General Counsel's key priorities for the coming year; ~~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~~ business plan containing the General Auditor's key priorities for the coming year; ~~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~~ business plan containing the Ethics Officer's key priorities for the coming year; ~~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.~~

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

~~Article 23~~

~~QUARTERLY REPORTS~~

...

~~Article 34~~ MONTHLY REPORTS

~~MONTHLY REPORTS~~

...

~~Article 45~~

~~MISCELLANEOUS REPORTS~~

~~Division IV~~

~~WATER SERVICE POLICIES~~

~~Chapter 1~~

~~DEFINITIONS~~

Sec.

- 4100. General
- 4101. Colorado
- 4102. State
- 4103. Treated Water
- 4104. Untreated Water
- 4105. Domestic and Municipal Purposes
- 4106. Interim Agricultural Water Program Purposes
- 4107. Groundwater Replenishment by Spreading
- 4108. Groundwater Replenishment by Injection
- 4109. In-Lieu Groundwater Replenishment
- 4110. Direct Reservoir Replenishment
- 4111. In - Lieu Reservoir Replenishment
- [4112. Repealed]
- [4113. Repealed]
- 4114. Replenishment Service
- [4115. Repealed]
- [4116. Repealed]
- 4117. Cooperative Storage Program
- 4118. Cooperative Storage Program Sale
- 4119. Wheeling Service
- 4120. Purchase Order; Purchase Order Commitment

- 4121. Supply Rates
- 4122. Base Firm Demand; Initial Base Firm Demand
- 4123. System Access Rate

4124. Water Stewardship Rate

~~[4124. Repealed]~~

§ 4124. Water Stewardship Rate.

“Water Stewardship Rate” shall mean a dollar per acre-foot water rate imposed by the District to recover a portion of the costs of the District’s financial commitment to conservation, water recycling, groundwater recovery and other water management programs approved by the Board.

### Chapter 3

#### WATER SALES REVENUE

Sec.

- 4300. General
- 4301. Cost of service and Revenue Requirement
- [4302. Repealed]
- [4303. Repealed]
- 4304. Apportionment of Revenues and Setting of Water Rates  
~~—and Charges to Raise Firm Revenues~~
- 4305. Setting of Charges to Raise Fixed Revenue

**§ 4300. General.**

The ~~total annual~~ amount of revenue to be raised through the sale of water at rates and charges established pursuant to Sections 4400 and 4401 shall be determined in accordance with the provisions of this chapter.

**§ 4301. Cost of Service and Revenue Requirement.**

(a) The District shall fix rates for water such that anticipated water sales, revenues, together with anticipated revenues from any water standby or availability of service charge (such as the readiness-to-serve charge or capacity charge) or assessment, ad valorem tax revenues, and other revenues pay the expenses of the District, provide for repairs and maintenance, provide for payment of the purchase price or other charges for property or services or other rights acquired by the District, and provide for the payment of the interest and principal of the District’s outstanding bonded debt. Subject to the foregoing, such rates and charges shall reflect the costs of the ~~d~~District’s major service functions, including water supply, conveyance, power, storage, distribution and treatment; to the greatest degree practicable.

(b) Notwithstanding the provisions in subsection (a) above, ~~and~~ amounts raised by ad valorem property taxation shall not exceed the limitations established by section 124.5 of the Act and, subject to those limitations, shall be not less than the approximate equivalent of the amounts levied for fiscal year 1990-91.

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

(a) Not later than at its ~~January~~ February meeting the General Manager shall present to the Finance and Insurance Committee of the Board:

(1) Determinations of the revenue requirements ~~and~~ cost of service analysis supporting the rates and charges required during the ~~fiscal year~~ biennial period beginning the following July 1, as determined by the General Manager in accordance with current Board policies, and,

(2) Recommendations of rates, including, but not limited to, the System Access Rate, Water Stewardship Rate, System Power Rate, Treatment Surcharge, and the Supply Rates, for the various classes of water service to become effective ~~the following each~~ of the biennial period. These recommended rates shall be the 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~~ biennial period beginning the following July 1.

(b) ~~Not later than at its February meeting,~~ the General Manager shall also present to the Finance and Insurance Committee ~~at its January meeting recommendations~~ recommendations regarding the continuation of a water standby charge or the imposition of an availability of service charge (such as the readiness-to-serve charge and capacity charge), which ~~charge~~ shall be the General Manager's determination, made in accordance with current Board policies, of the charge necessary to produce substantially the revenues to be derived from ~~fixed firm~~ revenue sources, if any, exclusive of taxes, during the ~~fiscal year~~ biennial period beginning the following July 1 which the Finance and Insurance Committee has determined to be necessary.

(c) Not later than its ~~January~~ February meeting the Finance and Insurance Committee shall set a time or times for, and shall thereafter hold, one or more meetings of the Finance and Insurance Committee, to be held prior to its regular April meeting, at which interested parties may present their views regarding the proposed water rates and availability of service charges to said committee. The Finance and Insurance Committee shall direct the General Manager to cause the publication of a notice of such public hearing to be published in newspapers of general circulation within the District's service area. Such notice shall be published not less than 10 days prior to the public hearing.

(d) Not later than ~~At~~ its regular April meeting the Finance and Insurance Committee shall make its determination regarding the revenue requirement to be paid from water rates and the water rates to become effective ~~the following~~each January 1 of the biennial period and shall recommend said water rates to the Board no later than at the Board's regular April meeting.

(e) Not later than~~At~~ its April meeting, the Board shall establish water rates for deliveries beginning ~~the following~~each January 1 of the biennial period.

~~(f) Not later than its regular May meeting, the Finance and Insurance Committee shall make its final determination regarding the water standby charge or other firm revenue charge, if any, for the fiscal year beginning the following July 1, and shall recommend such charge, if any, to the Board at its regular May meeting.~~

~~—(g) Not later than its May meeting, the Board shall consider and take action upon the recommendations, if any, of the Finance and Insurance Committee regarding a firm revenue source, exclusive of taxes, for the fiscal year beginning the following July 1.~~

(~~h~~) 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.

#### § 4305. Setting of Charges to Raise Fixed~~rm~~ Revenue.

(a) Not later than its regular May meeting ~~of~~ each year, the Finance and Insurance Committee shall make its final determination regarding the water standby charge or other fixed ~~firm~~ revenue charge, if any, for the fiscal year beginning the following July 1, and shall recommend such charge, if any, to the Board at its regular May meeting.

(b) Not later than such May meeting, the Board shall consider and take action upon the recommendations, if any, of the Finance and Insurance Committee regarding a fixed ~~firm~~ revenue source, exclusive of taxes, to become effective the following January 1 or for the fiscal year beginning the following July 1, as determined by the Board for each fixed~~rm~~ revenue source.

...

### 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~~ [5111. Repealed]
- 5112. State Water Contract Payments
- 5113. Escheat to District of Unclaimed Funds
- 5114. Reporting Requirements of the Treasurer
- 5115. Capital Project Approval

#### **§ 5100. General Manager.**

(a) The General Manager shall make an annual report to the Board regarding financial matters and shall provide monthly a summary of ~~receipts~~revenues and ~~expenditures~~expenses and variances thereof from estimates.

(b) The General Manager is authorized to publish an annual financial report and other more frequent reports as may be required to obtain and preserve District credit and as a means of keeping the financial community and investors in District securities regularly informed of the District's operations.

#### **§ 5107. Biennial Budget Process.**

(a) There shall be prepared each even-numbered 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~~expenses and required reserves and the source of ~~moneys~~revenues to be used to meet such ~~expenditures~~expenses and provide such reserves. The proposed biennial budget will at a minimum include a five-year financial forecast. At least one 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~~ biennial period 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~~ for the biennial period for total ~~expenditures~~ expenses for operations and maintenance, including minimum and variable operations 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 operations ~~at~~ and maintenance budget shall be measured against the regional rate of inflation as measured by the 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.

#### **§ 5108. Appropriations.**

...

(b) Appropriations shall from time to time be authorized by the Board for capital projects and for funding of continuing expenditures not susceptible to immediate direct allocation, including those for undistributed payroll and fringe benefits, for operating equipment, and for materials and equipment inventories. Appropriations for all other purposes shall be authorized on ~~an annual~~ a biennial basis in accordance with Section 5107 hereof.

#### **§ 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~~ expenses 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.

~~§ 5111. Approval of Vouchers.~~

~~— Except for payment of the principal or interest on District bonds and for making investments, each disbursement must be supported by a voucher, certified by the General Manager or an officer or employee authorized by the General Manager to do so, provided that any voucher for payment of \$1000 or more shall be certified by two persons authorized to certify vouchers. To each voucher must be attached, or incorporated by reference, such contract documents, invoices, receiving memoranda signed by an officer or employee qualified to attest to the receipt of the materials or services and as to their conformance with the terms of the contract, and other papers as are necessary for the complete documentation of the propriety of the disbursement.~~

**Division VI**

**PERSONNEL MATTERS**

**Chapter 1**

**EMPLOYEE RELATIONS**

**Article ~~IV~~**

**IMPASSE PROCEDURES**

**§ 6118. Impasse Procedures.**

Impasse procedures are as follows:

(a) If the parties agree to submit the dispute to mediation, and agree on the selection of a mediator, the dispute shall be submitted to mediation. All mediation proceedings shall be private. 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. The mediator shall make no public recommendations, nor take any public position at any time concerning the issues. ~~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 Board 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 issues to the Board, the Board shall proceed as described in Section 6118(b).~~

(b) If the mediator is unable to effect settlement of the controversy within 30 days after his or her appointment, the Exclusively Recognized Employee Organization may request that the parties' differences be submitted to a fact-finding panel for written findings of fact and recommended terms of settlement pursuant to Government Code sections 3505.4 and 3505.5.

(c) If there is no settlement of the controversy after the mediation and fact-finding procedures have been exhausted, but no earlier than 10 days after the fact finders' written findings of fact and recommended terms of settlement have been submitted to the parties pursuant to Government Code Section 3505.5, the Board may, after holding a public hearing regarding the impasse, implement its last, best, and final offer.

~~(d)~~ If the parties did not agree on mediation, or having so agreed, the impasse has not been resolved, and if the employee organization does not request fact finding, the Board may take such action regarding the impasse as it in its discretion deems appropriate as in the public interest. Any legislative action by the Board on the impasse shall be final and binding.

(e) Any legislative action by the Board on the impasse shall be final and binding.

**§ 6119. Costs of Impasse Procedures.**

The cost for the services of a mediator, and other mutually incurred costs of mediation, shall be borne equally by the District and the Exclusively Recognized Employee Organization. The costs for the services of the fact-finding panel chairperson and any other mutually incurred costs of fact finding, shall be borne equally by the District and the Exclusively Recognized Employee Organization.

## Chapter 2 PERSONNEL REGULATIONS

### § 6262. Leave for Subpoenaed Employees.

When an employee is served with a subpoena which compels his presence as a witness, unless he is a party or an expert witness, he shall be granted a leave of absence. If the amount the employee receives for his appearance is less per day than ~~eight times his hourly pay rate~~ his regular rate of pay for that day, such leave shall be with pay in the amount of the difference for each day served.

## Chapter 3 GENERAL EMPLOYEE MATTERS

### § 6321. Expense Reimbursement Rates.

...

(c) Reimbursement for meals is limited to the IRS-published per diem rate for the area of travel or the rate established by an applicable Memorandum of Understanding. ~~Directors must provide a receipt for each meal even though reimbursement will be limited to the IRS per diem rate.~~

## Chapter 4 OFFICERS Article 2 GENERAL MANAGER

### § 6416. Annual Report to Executive Committee

The General Manager shall annually, ~~in advance of the June Board meetings,~~ submit to the Executive Committee a ~~comprehensive~~ business plan ~~containing for the District and the~~ General Manager's key priorities ~~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 ~~plans~~ reports by the General Auditor and Ethics Officer to the Audit and Ethics Special Committee and the General Counsel to the Legal and Claims Committee.

## Article 3 GENERAL COUNSEL

**§ 6436. Annual and Quarterly Reports to Legal and Claims Committee.**

...

(b) The General Counsel shall annually, in advance of the July Board meetings, submit to the Legal and Claims Committee a ~~comprehensive Legal Department~~ business plan containing and the Legal Department's key priorities for the coming year ~~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~~ plans by the General Manager to the Executive Committee and the General Auditor and Ethics Officer to the Audit and Ethics Special Committee.

**Article 4****GENERAL AUDITOR****§ 6450. Powers and Duties.**

...

(b) The General Auditor manages the District's Audit Department and 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 and Ethics Special Committee an ~~comprehensive~~ Audit business plan containing key priorities for the coming year for review and approval. The business plan shall be submitted in conjunction with similar ~~reports~~ plans by the General Manager to the Executive Committee, ~~and~~ the General Counsel to the Legal and Claims Committee and the Ethics Officer to the Audit and Ethics Special Committee.

**Article 5****ETHICS OFFICER****§6473. Annual Report to Audit and Ethics Special Committee.**

The Ethics Officer shall annually, in advance of the July Board meetings, submit to the Audit and Ethics Special Committee a ~~comprehensive work~~ business plan for the Ethics Office containing key priorities for the coming year ~~with goals and work objectives~~ for review and approval. The business plan ~~work plan with goals and work objectives for the Ethics Office~~ shall also be submitted in conjunction with similar ~~reports~~ plans by the General Manager, General Counsel and General Auditor.

**Chapter 5**  
**MANAGEMENT AND CONFIDENTIAL EMPLOYEES - GENERAL**  
**Article 1**

**SALARIES**

**§ 6500. Hourly Pay Rate Schedule.**

(a) The hourly pay rate (as that term is defined in subdivision (h) of Section 6200) and schedule of positions occupied by unclassified service employees not in an appropriate unit recognized pursuant to Section 6108 shall be as follows:

<u>Grade</u>	<u>Range</u>	<u>Title</u>
<u>2</u>	<u>\$8.30-\$11.20</u> <u>\$17,264-\$23,296</u>	<u>Student Intern Desert</u>
<u>25</u>	<u>\$15.52-\$21.00</u> <u>\$32,282-\$43,680</u>	<u>Student Intern</u>
54	<del>\$34.41</del> <del>32.75</del> -\$ <del>46.25</del> <del>44.02</del> (\$ <del>71,573</del> <del>68,120</del> -\$ <del>96,200</del> <del>91,562</del> )	Legislative Representative
<u>57</u>	<u>\$37.34-\$50.13</u> <u>(\$77,667-\$104,270)</u>	<u>Employee Relations Specialist</u>
<u>60</u>	<u>\$40.47-\$54.31</u> <u>(\$84,178-\$112,965)</u>	<u>Sr. Employee Relations Specialist</u>
64	<del>\$45.01</del> <del>42.84</del> -\$ <del>60.45</del> <del>57.54</del> <del>(\$93,621</del> <del>89,107</del> -\$ <del>125,736</del> <del>119,683</del> )	Board Executive Secretary <u>Pr. Administrative Analyst</u>
66	<del>\$47.57</del> <del>45.27</del> -\$ <del>63.83</del> <del>60.75</del> <del>(\$98,946</del> <del>94,162</del> -\$ <del>132,766</del> <del>126,360</del> )	<u>Pr. Employee Relations Specialist</u> Program Manager I
68	<del>\$50.13</del> <del>47.72</del> -\$ <del>67.38</del> <del>64.14</del>	<u>Human Resources Information Systems</u> <u>Manager</u>

	<del>(\$104,270-140,150)</del> <del>(\$99,258-\$133,411)</del>	Principal Legislative Representative <u>Staffing Manager</u>
69	<del>\$51.49</del> <del>49.01</del> - <del>\$69.23</del> <del>65.89</del> <del>(\$107,099</del> <del>101,941</del> - <del>\$143,998</del> <del>137,051)</del>	Program Manager II
70	<del>\$52.91</del> <del>50.36</del> - <del>\$71.15</del> <del>67.73</del> <del>Assistant to the General Manager</del>	<u>Class and Compensation Manager</u> <del>Staff</del> <u>Organization Development and</u> <u>Training Manager</u> <u>Staff Assistant to General Manager</u>
71	<del>\$54.31</del> - <del>\$73.07</del> <del>(\$112,965-151,986)</del>	<u>Audit Administrator</u> <u>Sr. Executive Assistant to General</u> <u>Manager</u>
72	<del>\$55.78</del> <del>53.10</del> - <del>\$75.11</del> <del>71.49</del> <del>(\$116,022</del> <del>110,448</del> - <del>\$156,229</del> <del>148,699)</del>	Program Manager III <u>Workers Compensation Manager</u>
73	<del>\$57.32</del> <del>54.56</del> - <del>\$77.16</del> <del>73.44</del> <del>(\$119,226</del> <del>113,485</del> - <del>\$160,493</del> <del>152,755)</del>	Human Resources Manager I
74	<del>\$58.89</del> <del>56.05</del> - <del>\$79.30</del> <del>75.48</del> <del>(\$122,491</del> <del>116,584</del> - <del>\$164,944</del> <del>156,998)</del>	Equal Employment Opportunity Manager Talent Management Manager
76	<del>\$62.09</del> <del>59.10</del> - <del>\$83.71</del> <del>79.68</del> <del>(\$129,147</del> <del>122,928</del> - <del>\$174,117</del> <del>165,734)</del>	Human Resources Manager II <u>Manager of Administrative Services</u> <u>Real Property Asset Manager</u>
78	<del>\$62.41</del> <del>65.57</del> - <del>\$88.36</del> <del>84.11</del> <del>(\$136,386</del> <del>129,813</del> - <del>\$183,789</del> <del>174,949)</del>	<u>Controller</u> <u>Director of Information</u> <u>Technology Services</u> Human Resources Section Manager <u>Manager of Colorado River</u> <u>Resources</u> <u>Manager of Financial Services</u> Special Projects Manager
79	<del>\$67.38</del> <del>64.14</del> - <del>\$90.80</del> <del>86.43</del>	<u>Assistant General Auditor</u>

	<p>(\$<del>140,150</del><del>133,411</del>-\$<del>188,864</del><del>179,774</del>)</p>	<p><u>Assistant Group Manager</u>  <u>Executive Assistant</u>  <u>Executive Legislative Representative</u>  <u>Executive Strategist</u></p> <hr/> <p><del>Assistant Group Manager</del>  Human Resources Manager III  Senior Deputy General Counsel –  Labor <u>Relations</u></p>
83	<p>\$<del>75.11</del><del>71.49</del>-\$<del>101.23</del><del>96.35</del>  (\$<del>156,229</del><del>148,699</del>-\$<del>210,558</del><del>200,408</del>)</p>	<p><u>Bay-Delta Initiatives Manager</u>  <u>Chief Deputy General Counsel</u>  Group Manager  <del>Director of Human Resources</del>  <del>Chief Deputy General Counsel –</del>  Labor</p>
84	<p>\$<del>77.16</del><del>73.44</del>-\$<del>104.01</del><del>99.00</del>  (\$<del>160,493</del><del>152,755</del>-\$<del>216,341</del><del>205,920</del>)</p>	<p><u>Assistant General Counsel</u><del>Deputy</del>  <del>General Manager – External Affairs</del>  <u>Deputy General Manager – External</u>  <u>Affairs</u> <del>Assistant General-</del>  <del>Counsel</del></p>
91	<p>\$<del>93.31</del><del>88.81</del>-\$<del>125.73</del><del>119.68</del>  (\$<del>194,085</del><del>184,725</del>-\$<del>261,518</del><del>248,934</del>)</p>	<p>Assistant General Manager – Chief Operating  Officer  Assistant General Manager – Chief Administrative  Officer  Assistant General Manager – Chief Financial  Officer  Assistant General Manager – <u>Strategic Water</u>  <u>Initiatives</u><del>Water Planning Resources</del></p>

( ) Shows approximate annual salary range for convenience; Board approved rates are hourly. None of the above positions are eligible for overtime.

(b) Unrepresented employees are eligible to receive a monthly transportation allowance. Transportation allowance amounts are to be administered by the General Manager based on a schedule approved by the Board of Directors.

(c) Unrepresented employees are eligible to participate in a pay-for-performance incentive program promulgated by the General Manager. The Board shall establish the total expenditure for the program.

(d) Unless otherwise directed by the Board, the range of base hourly pay rates for the employees in the positions identified in Section 6500(a) will be adjusted annually to correspond with the annual across-the-board salary adjustment provided to the District's management unit. Actual pay rates for these employees will be based on merit pursuant to employee evaluations. Department Heads are authorized to move a position to a different salary grade in accordance with practices, policies and procedures promulgated by the General Manager.

## Division VIII

### CONTRACTS/DISTRICT PROPERTY

#### Chapter 2

#### DISTRICT PROPERTY

#### Article 3

#### MANAGEMENT OF REAL PROPERTY

#### § 8230. Grants of Real Property Interests.

...

(c) ~~All grants of any interest in real property for greater than five years and all sales of real property shall require Board approval.~~ The following real property transactions shall require Board approval: (i) a purchase or sale; (ii) a grant of any interest or partial interest having a duration greater than five years; and (iii) all term extensions having a duration greater than five years.

**Division I**

**GENERAL**

**Chapter 1**

**DEFINITIONS**

**§ 1104. District or Metropolitan.**

The Metropolitan Water District of Southern California.

**Division II**

**PROCEDURES PERTAINING TO BOARD, COMMITTEES  
AND DIRECTORS**

**Chapter 1**

**BOARD OF DIRECTORS**

**Article 3**

**MISCELLANEOUS BOARD RULES**

Sec.

- 2140. Duties of the Board Executive Secretary
- 2141. Communications to Board
- 2142. Monthly Staff Reports
- 2143. Bid Tabulations
- 2144. Appearances before Board and Committees
- 2145. Use of Board and Committee Facilities
- 2146. Availability for Public Inspection of Certain Board and Committee Material
- 2147. Time Limits Upon Presentations

**§2140. Duties of the Board Executive Secretary.**

The duties of the Board Executive Secretary are to:

- (a) Provide administrative and ministerial services for the Board and directors under the direction of the General Manager;
- (b) Act as the liaison between the Board and management under the direction of the General Manager;

- (c) Accept service of process on behalf of the District; and,
- (d) Report to the General Manager.

#### **§2141. Communications to Board.**

(a) A communication from a Department Head to the Board may be withdrawn by the Department Head at any time prior to its approval by a committee. After approval by a committee, a communication may be withdrawn by the Department Head only with the concurrence of the chair of any committee which has approved the recommendation contained in the communication.

(b) The Board Executive Secretary shall send copies of all items for the Board and other important communications received to the General Manager and the General Counsel unless they already have such copies.

#### **§ 2142. Monthly Staff Reports.**

The monthly departmental reports of the General Manager and General Counsel shall be mailed in advance of the Board meeting to each director by the department organizing the report but they are not to be distributed at such meeting. These reports are to be orally summarized at the Board meeting mentioning only significant changes from previous reports.

#### **§ 2143. Bid Tabulations.**

Each director is to be furnished with a tabulation of all bids received for each proposed award of contract presented to the Board for approval. Therefore, the reading of that portion of the General Manager's letter listing the bids shall be dispensed with.

#### **§ 2144. Appearances before Board and Committees.**

(a) Persons desiring to appear before the Board at a regular meeting shall so signify when asked by the Chair to do so at the time the agenda item required by Section 2109(c) is called. They shall state the purpose of their appearance. If the purpose relates to an item to be considered by a committee, the Chair of the Board shall refer them to the appropriate committee, unless the Chair determines that referral is not appropriate or the person expresses a desire to address the Board directly. The person may address the Board on matters within the Board's subject matter jurisdiction subject to reasonable time limits on the issue and individual speakers as established by the Chair.

(b) Upon referral of an appearance to a committee by the Board, the Committee Chair shall place the matter on the committee's agenda if the request for an appearance is made to a committee in the first instance, the Committee Chair shall place the matter on the committee's agenda unless the committee determines that the matter should be referred to the Board for placement on the Board's agenda or to a different committee.

**§ 2145. Use of Board and Committee Facilities.**

All requests for use of the Board and committee rooms shall be submitted to the General Manager, and the use of such rooms by outside agencies and groups shall be limited to appropriate purposes pursuant to the terms and conditions, including payment, established by the General Manager.

**§ 2146. Availability for Public Inspection of Certain Board and Committee Material.**

The Board Executive Secretary shall make available, for inspection by the public prior to commencement of and during a Board or Board committee meeting, copies of the meeting agenda and of any written or videotaped materials that are not exempt from public disclosure under Sections 10200 - 10205 and that have been distributed in advance to the Board or committee members for discussion or consideration at the meeting. If non-exempt written or videotaped materials are distributed to the members during their discussion at the meeting, copies thereof shall be made available for public inspection at the same time or as soon thereafter as practicable. Upon request, the District shall provide facilities for public viewing of videotaped materials distributed to Board members.

**§ 2147. Time limits upon presentations.**

Members of the public addressing the Board or a committee shall be limited to three minutes at each meeting. Organizations shall be limited to a total of five minutes if more than one representative wishes to speak. Each director may speak for no more than three minutes on each matter before the Board or committee. The Chair of the Board or committee, or the Board or committee by majority vote, may allow additional time.

**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 and Legislation Committee	2470
8	Organization, Personnel and Technology Committee	2480

**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 the annual business plan containing the General Manager’s key priorities for the coming year. The Executive Committee shall evaluate the performance of the General Manager at least annually in advance of the August Board meeting.

**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 business plan containing the key priorities for the coming year of 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.

**Article 7**

**COMMUNICATIONS AND LEGISLATION COMMITTEE**

**§ 2470. Day of Regular Meeting.**

The regular meetings of the Communications and Legislation Committee shall be on the Tuesday of regular board meetings.

**§2471. Duties and Functions.**

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

(a) Proposals of the General Manager, other committees, and board members concerning State and Federal legislation, or amendments thereto, that may affect the District;

(b) Recommendations for new legislation identified by members of the Board or the General Manager;

(c) Opportunities for members of the Board to assist in outreach activities, including efforts to inform members of the Legislature or the Congress of the District's position with regard to proposed legislation;

(d) The effectiveness of legislative advocacy efforts by staff and members of the Board;

(e) The development and implementation of Directors' inspection trips, including the expectations and goals for these trips;

(f) The development and implementation of school education programs, including the expectations and goals for these programs;

(g) The effectiveness of Metropolitan's external affairs programs and general communications efforts directed at member agencies and the general public; and

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

**Article 8****ORGANIZATION, PERSONNEL AND TECHNOLOGY COMMITTEE****§2480. Day of Regular Meeting.**

The regular meetings of the Organization, Personnel and Technology Committee shall be held on the Monday preceding regular board meetings.

**§2481. Duties and Functions.**

The Organization, Personnel and Technology Committee shall study, advise and make recommendations with regard to: ...

## Chapter 5

### OTHER COMMITTEES: MISCELLANEOUS COMMITTEE MATTERS

#### § 2501. Audit and Ethics Special Committee.

...

(b)

...

(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 business plan containing the key priorities for the coming year 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 business plan containing the key priorities for the coming year 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.

## Article 2

### BOARD AND COMMITTEE NOMINATION PROCEDURES

Sec.

2520. In General

2521. Number of Nominations

#### § 2520. In General.

The Executive Committee shall:

(a) Nominate members for the offices of Chairman and Secretary of the Board. Members of the Executive 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.

(b) Establish procedures for the fair and impartial election of members to the offices of Chair 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 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.

## **Chapter 7**

### **PERIODIC STAFF REPORTS TO BOARD AND COMMITTEES**

Article	Sec.
1 Annual Reports	2700
2 Quarterly Reports	2720
3 Monthly Reports	2740
4 Miscellaneous Reports	2750

### **Article 1**

#### **ANNUAL REPORTS**

#### **§ 2700. General Manager's Annual Reports.**

The General Manager shall annually make the following reports

...

(c) To the Executive Committee:

(1) On the business plan containing the General Manager's key priorities for the coming year as required by Sections 2416 and 6416.

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

#### **§ 2702. General Counsel's Report**

The General Counsel shall annually report to the Legal and Claims Committee the Legal Department's business plan containing the General Counsel's key priorities for the coming year 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 business plan containing the General Auditor's key priorities for the coming year 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 business plan containing the Ethics Officer's key priorities for the coming year for the Ethics Office as required by Sections 2501 and 6473.

**Article 2****QUARTERLY REPORTS**

...

**Article 3****MONTHLY REPORTS**

...

**Article 4****MISCELLANEOUS REPORTS****Division IV****WATER SERVICE POLICIES****Chapter 1****DEFINITIONS**

Sec.

- 4100. General
- 4101. Colorado
- 4102. State
- 4103. Treated Water
- 4104. Untreated Water
- 4105. Domestic and Municipal Purposes
- 4106. Interim Agricultural Water Program Purposes
- 4107. Groundwater Replenishment by Spreading
- 4108. Groundwater Replenishment by Injection
- 4109. In-Lieu Groundwater Replenishment
- 4110. Direct Reservoir Replenishment
- 4111. In - Lieu Reservoir Replenishment

- [4112. Repealed]
- [4113. Repealed]
- 4114. Replenishment Service
- [4115. Repealed]
- [4116. Repealed]
- 4117. Cooperative Storage Program
- 4118. Cooperative Storage Program Sale
- 4119. Wheeling Service
- 4120. Purchase Order; Purchase Order Commitment
- 4121. Supply Rates
- 4122. Base Firm Demand; Initial Base Firm Demand
- 4123. System Access Rate
- 4124. Water Stewardship Rate

**§ 4124. Water Stewardship Rate.**

“Water Stewardship Rate” shall mean a dollar per acre-foot water rate imposed by the District to recover a portion of the costs of the District’s financial commitment to conservation, water recycling, groundwater recovery and other water management programs approved by the Board.

**Chapter 3**

**WATER SALES REVENUE**

Sec.

- 4300. General
- 4301. Cost of service and Revenue Requirement
- [4302. Repealed]
- [4303. Repealed]
- 4304. Apportionment of Revenues and Setting of Water Rates
- 4305. Setting of Charges to Raise Fixed Revenue

**§ 4300. General.**

The amount of revenue to be raised through the sale of water at rates and charges established pursuant to Sections 4400 and 4401 shall be determined in accordance with the provisions of this chapter.

**§ 4301. Cost of Service and Revenue Requirement.**

(a) The District shall fix rates for water such that anticipated water sales revenues, together with anticipated revenues from any water standby or availability of service charge (such

as the readiness-to-serve charge or capacity charge) or assessment, ad valorem tax revenues, and other revenues pay the expenses of the District, provide for repairs and maintenance, provide for payment of the purchase price or other charges for property or services or other rights acquired by the District, and provide for the payment of the interest and principal of the District's outstanding bonded debt. Subject to the foregoing, such rates and charges shall reflect the costs of the District's major service functions, including water supply, conveyance, power, storage, distribution and treatment to the greatest degree practicable.

(b) Notwithstanding the provisions in subsection (a) above, amounts raised by ad valorem property taxation shall not exceed the limitations established by section 124.5 of the Act and, subject to those limitations, shall be not less than the approximate equivalent of the amounts levied for fiscal year 1990-91.

**§ 4304. Apportionment of Revenues and Setting of Water Rates.**

(a) Not later than at its February meeting the General Manager shall present to the Finance and Insurance Committee of the Board:

(1) Determinations of the revenue requirements and cost of service analysis supporting the rates and charges required during the biennial period beginning the following July 1, as determined by the General Manager in accordance with current Board policies, and,

(2) Recommendations of rates including, but not limited to, the System Access Rate, Water Stewardship Rate, System Power Rate, Treatment Surcharge, and the Supply Rates for the various classes of water service to become effective each January 1 of the biennial period. These recommended rates shall be the 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 biennial period beginning the following July 1.

(b) Not later than at its February meeting, the General Manager shall also present to the Finance and Insurance Committee recommendations regarding the continuation of a water standby charge or the imposition of an availability of service charge (such as the readiness-to-serve charge and capacity charge), which shall be the General Manager's determination, made in accordance with current Board policies, of the charge necessary to produce substantially the revenues to be derived from fixed revenue sources, if any, exclusive of taxes, during the biennial period beginning the following July 1 which the Finance and Insurance Committee has determined to be necessary.

(c) Not later than its February meeting the Finance and Insurance Committee shall set a time or times for, and shall thereafter hold, one or more meetings of the Finance and Insurance Committee, to be held prior to its regular April meeting, at which interested parties may present their views regarding the proposed water rates and availability of service charges to said committee. The Finance and Insurance Committee shall direct the General Manager to cause the publication of a notice of such public hearing to be published in newspapers of general circulation within the District's service area. Such notice shall be published not less than 10 days prior to the public hearing.

(d) Not later than its regular April meeting the Finance and Insurance Committee shall make its determination regarding the revenue requirement to be paid from water rates and the water rates to become effective each January 1 of the biennial period and shall recommend said water rates to the Board no later than at the Board's regular April meeting.

(e) Not later than its April meeting, the Board shall establish water rates for deliveries beginning each January 1 of the biennial period.

(f) 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.

**§ 4305. Setting of Charges to Raise Fixed Revenue.**

(a) Not later than its regular May meeting each year, the Finance and Insurance Committee shall make its final determination regarding the water standby charge or other fixed revenue charge, if any, for the fiscal year beginning the following July 1, and shall recommend such charge, if any, to the Board at its regular May meeting.

(b) Not later than such May meeting, the Board shall consider and take action upon the recommendations, if any, of the Finance and Insurance Committee regarding a fixed revenue source, exclusive of taxes, to become effective the following January 1 or for the fiscal year beginning the following July 1, as determined by the Board for each fixed revenue source.

**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. Repealed]
- 5112. State Water Contract Payments
- 5113. Escheat to District of Unclaimed Funds
- 5114. Reporting Requirements of the Treasurer
- 5115. Capital Project Approval

**§ 5100. General Manager.**

(a) The General Manager shall make an annual report to the Board regarding financial matters and shall provide monthly a summary of revenues and expenses and variances thereof from estimates.

(b) The General Manager is authorized to publish an annual financial report and other more frequent reports as may be required to obtain and preserve District credit and as a means of keeping the financial community and investors in District securities regularly informed of the District's operations.

**§ 5107. Biennial Budget Process.**

(a) There shall be prepared each even-numbered 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 expenses and required reserves and the source of revenues to be used to meet such expenses and provide such reserves. The proposed biennial budget will at a minimum include a five-year financial forecast. At least one 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 biennial budget before the beginning of the biennial period to which the budget applies. The amounts provided in the adopted budget for the biennial period for total expenses for operations and maintenance, including minimum and variable operations 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.

(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 operations and maintenance budget shall be measured against the regional rate of inflation as measured by the 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.

#### **§ 5108. Appropriations.**

...

(b) Appropriations shall from time to time be authorized by the Board for capital projects and for funding of continuing expenditures not susceptible to immediate direct allocation, including those for undistributed payroll and fringe benefits, for operating equipment, and for materials and equipment inventories. Appropriations for all other purposes shall be authorized on a biennial basis in accordance with Section 5107 hereof.

#### **§ 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 expenses 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.
- (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**

#### **Chapter 1**

### **EMPLOYEE RELATIONS**

#### **Article 4**

### **IMPASSE PROCEDURES**

#### **§ 6118. Impasse Procedures.**

Impasse procedures are as follows:

(a) If the parties agree to submit the dispute to mediation, and agree on the selection of a mediator, the dispute shall be submitted to mediation. All mediation proceedings shall be private. 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. The mediator shall make no public recommendations, nor take any public position at any time concerning the issues. Mediation may be considered to have

failed by any party only after that party has given reasonable time and effort to the mediation proceeding.

(b) If the mediator is unable to effect settlement of the controversy within 30 days after his or her appointment, the Exclusively Recognized Employee Organization may request that the parties' differences be submitted to a fact-finding panel for written findings of fact and recommended terms of settlement pursuant to Government Code sections 3505.4 and 3505.5.

(c) If there is no settlement of the controversy after the mediation and fact-finding procedures have been exhausted, but no earlier than 10 days after the fact finders' written findings of fact and recommended terms of settlement have been submitted to the parties pursuant to Government Code Section 3505.5, the Board may, after holding a public hearing regarding the impasse, implement its last, best, and final offer.

(d) If the parties did not agree on mediation, or having so agreed the impasse has not been resolved, and if the employee organization does not request fact finding, the Board may take such action regarding the impasse as it in its discretion deems appropriate as in the public interest. Any legislative action by the Board on the impasse shall be final and binding.

(e) Any legislative action by the Board on the impasse shall be final and binding.

#### **§ 6119. Costs of Impasse Procedures.**

The cost for the services of a mediator, and other mutually incurred costs of mediation, shall be borne equally by the District and the Exclusively Recognized Employee Organization. The costs for the services of the fact-finding panel chairperson and any other mutually incurred costs of fact finding, shall be borne equally by the District and the Exclusively Recognized Employee Organization.

## **Chapter 2**

### **PERSONNEL REGULATIONS**

#### **§ 6262. Leave for Subpoenaed Employees.**

When an employee is served with a subpoena which compels his presence as a witness, unless he is a party or an expert witness, he shall be granted a leave of absence. If the amount the employee receives for his appearance is less per day than his regular pay for that day, such leave shall be with pay in the amount of the difference for each day served.

**Chapter 3**

**GENERAL EMPLOYEE MATTERS**

**§ 6321. Expense Reimbursement Rates.**

...

(c) Reimbursement for meals is limited to the IRS-published per diem rate for the area of travel or the rate established by an applicable Memorandum of Understanding.

**Chapter 4**

**OFFICERS**

**Article 2**

**GENERAL MANAGER**

**§ 6416. Annual Report to Executive Committee**

The General Manager shall annually submit to the Executive Committee a business plan containing the General Manager's key priorities for the coming year. The business plan shall be submitted in conjunction with similar plans by the General Auditor and Ethics Officer to the Audit and Ethics Special Committee and the General Counsel to the Legal and Claims Committee.

**Article 3**

**GENERAL COUNSEL**

**§ 6436. Annual and Quarterly Reports to Legal and Claims Committee.**

...

(b) The General Counsel shall annually, in advance of the July Board meetings, submit to the Legal and Claims Committee a business plan containing the Legal Department's key priorities for the coming year for review and approval. The business plan shall be submitted in conjunction with similar plans by the General Manager to the Executive Committee and the General Auditor and Ethics Officer to the Audit and Ethics Special Committee.

**Article 4****GENERAL AUDITOR****§ 6450. Powers and Duties.**

...

(b) The General Auditor manages the District's Audit Department and 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 and Ethics Special Committee an Audit business plan containing key priorities for the coming year for review and approval. The business plan shall be submitted in conjunction with similar plans by the General Manager to the Executive Committee, the General Counsel to the Legal and Claims Committee and the Ethics Officer to the Audit and Ethics Special Committee.

**Article 5****ETHICS OFFICER****§6473. Annual Report to Audit and Ethics Special Committee.**

The Ethics Officer shall annually, in advance of the July Board meetings, submit to the Audit and Ethics Special Committee a business plan for the Ethics Office containing key priorities for the coming year for review and approval. The business plan shall also be submitted in conjunction with similar plans by the General Manager, General Counsel and General Auditor.

**Chapter 5****MANAGEMENT AND CONFIDENTIAL EMPLOYEES - GENERAL****Article 1****SALARIES****§ 6500. Hourly Pay Rate Schedule.**

(a) The hourly pay rate (as that term is defined in subdivision (h) of Section 6200) and schedule of positions occupied by unclassified service employees not in an appropriate unit recognized pursuant to Section 6108 shall be as follows:

<u>Grade</u>	<u>Range</u>	<u>Title</u>
2	\$8.30-\$11.20 \$17,264-\$23,296	Student Intern Desert
25	\$15.52-\$21.00 \$32,282-\$43,680	Student Intern
54	\$34.41-\$46.25 (\$71,573-\$96,200)	Legislative Representative
57	\$37.34-\$50.13 (\$77,667-\$104,270)	Employee Relations Specialist
60	\$40.47-\$54.31 (\$84,178-\$112,965)	Sr. Employee Relations Specialist
64	\$45.01-\$60.45 (\$93,621-\$125,736)	Board Executive Secretary Pr. Administrative Analyst
66	\$47.57-\$63.83 (\$98,946-\$132,766)	Pr. Employee Relations Specialist Program Manager I
68	\$50.13-\$67.38 (\$104,270-140,150)	Human Resources Information Systems Manager Principal Legislative Representative Staffing Manager
69	\$51.49-\$69.23 (\$107,099-\$143,998)	Program Manager II
70	\$52.91-\$71.15 (\$110,053-\$147,992)	Class and Compensation Manager Organization Development and Training Manager Staff Assistant to General Manager
71	\$54.31-\$73.07 (\$112,965-151,986)	Audit Administrator Sr. Executive Assistant to General Manager
72	\$55.78-\$75.11	Program Manager III

73	(\$116,022-\$156,229) \$57.32-\$77.16 (\$119,226-\$160,493)	Workers Compensation Manager Human Resources Manager I
74	\$58.89-\$79.30 (\$122,491-\$164,944)	Equal Employment Opportunity Manager Talent Management Manager
76	\$62.09-\$83.71 (\$129,147-\$174,117)	Human Resources Manager II Manager of Administrative Services Real Property Asset Manager
78	\$65.57-\$88.36 (\$136,386-\$183,789)	Controller Director of Information Technology Services Human Resources Section Manager Manager of Colorado River Resources Manager of Financial Services Special Projects Manager
79	\$67.38-\$90.80 (\$140,150-\$188,864)	Assistant General Auditor Assistant Group Manager Executive Assistant Executive Legislative Representative Executive Strategist Human Resources Manager III Senior Deputy General Counsel – Labor Relations
83	\$75.11-\$101.23 (\$156,229-\$210,558)	Bay-Delta Initiatives Manager Chief Deputy General Counsel Group Manager
84	\$77.16-\$104.01 (\$160,493-\$216,341)	Assistant General Counsel Deputy General Manager – External Affairs
91	\$93.31-\$125.73 (\$194,085-\$261,518)	Assistant General Manager – Chief Operating Officer Assistant General Manager – Chief Administrative Officer Assistant General Manager – Chief Financial Officer Assistant General Manager – Strategic Water Initiatives

( ) Shows approximate annual salary range for convenience; Board approved rates are hourly.  
None of the above positions are eligible for overtime.

(b) Unrepresented employees are eligible to receive a monthly transportation allowance. Transportation allowance amounts are to be administered by the General Manager based on a schedule approved by the Board of Directors.

(c) Unrepresented employees are eligible to participate in a pay-for-performance incentive program promulgated by the General Manager. The Board shall establish the total expenditure for the program.

(d) Unless otherwise directed by the Board, the range of base hourly pay rates for the employees in the positions identified in Section 6500(a) will be adjusted annually to correspond with the annual across-the-board salary adjustment provided to the District's management unit. Actual pay rates for these employees will be based on merit pursuant to employee evaluations. Department Heads are authorized to move a position to a different salary grade in accordance with practices, policies and procedures promulgated by the General Manager.

## **Division VIII**

### **CONTRACTS/DISTRICT PROPERTY**

#### **Chapter 2**

#### **DISTRICT PROPERTY**

#### **Article 3**

### **MANAGEMENT OF REAL PROPERTY**

#### **§ 8230. Grants of Real Property Interests.**

...

(c) The following real property transactions shall require Board approval: (i) a purchase or sale; (ii) a grant of any interest or partial interest having a duration greater than five years; and (iii) all term extensions having a duration greater than five years.