



• **Board of Directors**
Legal and Claims Committee

6/9/2015 Board Meeting

7-4

Subject

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

Executive Summary

This letter proposes amendments to update the Administrative Code to conform the Code to current practices, laws and regulations, correct minor errors and provide consistency between different Code sections. The proposed changes include the change of the day of meetings of several Board committees to either the day of the Board meeting or the Monday before the Board meeting, addition of the Agriculture and Industry Relations Special Committee, updates to the inspection of records sections to conform with the California Public Records Act and changes to the annexation provisions to conform to current practices.

Details

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. Amend Administrative Code sections 2430, 2440, 2450, 2460, 2470, 2480 and 2502 to change the day of the meetings of the Engineering and Operations Committee, the Finance and Insurance Committee, the Legal and Claims Committee, the Water Planning and Stewardship Committee, the Communications and Legislation Committee, the Organization, Personnel and Technology Committee, and the Real Property and Asset Management Committee, from a specified day to either the Tuesday of the Board meeting or the Monday preceding regular Board Meetings to allow for more flexibility and for better management of the timing of committee meetings.
2. Amend Administrative Code sections 2481(f), 2700 and 2720 to reflect the current practice of submitting annual and quarterly reports on contracts entered into pursuant to the General Manager's authority under Administrative Code section 8121 to the Organization, Personnel and Technology Committee. This change in practice occurred when contracting operations were moved to the Business Technology Group in 2011.
3. Add Administrative Code section 2503 to incorporate the role and purpose of the special Agriculture and Industry Relations Committee approved by the Executive Committee at its January 27, 2015 meeting into the Code.

4. Amend Administrative Code sections 3100(a) and 3103 to update the Code to reflect current Metropolitan annexation procedures which provide equally for a one or two step annexation process, with the process selected subject to the approval of the General Manager or Executive Committee.
5. Amend Administrative Code section 6563 on rates charged for renting district housing to be in accord with the rental rates set forth in the applicable negotiated Memorandum of Understanding.
6. Amend Administrative Code section 7111 to reflect current practice for the conduct of Equal Opportunity investigations by Metropolitan's Equal Employment Opportunity Investigations Staff.
7. Amend Administrative Code section 9101 to correct the Code reference to the reserve fund for emergency repairs and claims.
8. Amend sections 10200, 10201 and 10204, delete section 10202, and renumber sections 10203, 10204 and 10205 on inspection of records to reflect that Metropolitan is subject to, and follows the requirements of, the California Public Records Act, and amend the language to avoid duplication and confusion with regard to the requirements of that Act.

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 defined as a project and 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 that the proposed action is not defined as a project and is not subject to CEQA, 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 that the proposed action is not defined as a project and is not subject to CEQA, 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

Option #1

MScully 5/19/2015

Marcia Scully Date
General Counsel

JKightlinger 5/26/2015

Jeffrey Kightlinger Date
General Manager

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)

Ref# 12637048

Division II**PROCEDURES PERTAINING TO BOARD, COMMITTEES
AND DIRECTORS****Chapter 4****STANDING COMMITTEES****Article 3****ENGINEERING AND OPERATIONS COMMITTEE****§ 2430. Day of Regular Meetings.**

The regular meetings of the Engineering and Operations Committee shall be held on the Monday preceding regular Board meetings or on the Tuesday of regular Board meetings.

Article 4**FINANCE AND INSURANCE COMMITTEE****§ 2440. Day of Regular Meetings.**

The regular meetings of the Finance and Insurance Committee shall be held on the Monday preceding regular Board meetings or on the Tuesday of regular Board meetings.

Article 5**LEGAL AND CLAIMS COMMITTEE****§ 2450. Day of Regular Meeting.**

The regular meetings of the Legal and Claims Committee shall be held on the Monday preceding regular Board meetings or on the Tuesday of regular Board meetings.

Article 6**WATER PLANNING AND STEWARDSHIP COMMITTEE****§ 2460. Day of Regular Meeting.**

The regular meetings of the Water Planning and Stewardship Committee shall be held on the Monday preceding regular Board meetings or on the Tuesday of regular Board meetings.

Article 7**COMMUNICATIONS AND LEGISLATION COMMITTEE****§ 2470. Day of Regular Meeting.**

The regular meetings of the Communications and Legislation Committee shall be on the Monday preceding regular Board meetings or on the Tuesday of regular board meetings.

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 or on the Tuesday of regular board meetings.

§2481. Duties and Functions.

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

...

(f) Proposed amendments to the Metropolitan Water District Act and Administrative Code affecting contract procedures and policies, the organization and personnel policies of the District and to the Public Employees' Retirement Law;

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
<u>2503. Agriculture and Industry Relations Special Committee</u>

§2502. Real Property and Asset Management Committee.

(a) The Real Property and Asset Management Committee shall hold regular meetings on the ~~fourth Tuesday of each month~~ Monday preceding regular board meetings or on the Tuesday of regular board meetings.

§ 2503. Agriculture and Industry Relations Special Committee

a) The Agriculture and Industry Relations Special Committee shall hold regular meetings on a bi-monthly basis, or as required to accomplish a specific committee objective.

b) Duties and Functions

The Agriculture and Industry Relations Special Committee shall work to:

- (1) Expand Metropolitan's understanding of business and agricultural water issues;
- (2) Identify opportunities for collaboration to advance the mutual interests of urban and agricultural water users; and
- (3) Make recommendations to the Board on policies and programs that will strengthen relationships with agricultural and business communities and related customer groups.

Chapter 7

PERIODIC STAFF REPORTS TO BOARD AND COMMITTEES

Article 1

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).

(5) On payment of dues to organizations pursuant to Section 11202.

~~(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.~~

~~(be)~~ 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.

~~(cd)~~ To the Organization, Personnel and Technology Committee:

~~(1) On the status of the equal employment opportunity policy and affirmative action program as required by Section 6304.~~

~~(2) 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.~~

Article 2

QUARTERLY REPORTS

§ 2720. General Manager's Quarterly Reports.

The General Manager shall quarterly make the following reports:

(a) To the Engineering and Operations Committee ~~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);~~

~~(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:

~~(1), tThe status of all information technology projects throughout the organization.~~

~~(2) The employment of any professional and technical consultant, the extension of any professional and technical consulting agreement, on the exercise of authority under Section 8121(c) and 8122(h) and the execution of any contract authorized pursuant to Section 8122(g) 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.~~

Division III

ANNEXATIONS

Chapter	Sec.
1 Annexation Procedure	3100
2 Policies Related to Annexations	3200
3 Financial Policies Related to Annexations	3300

Chapter 1

ANNEXATION PROCEDURE

§ 3100. Request for Annexation.

(a) Board approval process.

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

(1) Two step Board approval process.

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

(2) ~~Optional e~~One step Board approval process.

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

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§ 3103. Board Approval of Request for Annexation.

(a) Two step Board approval process

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

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

| (b) Optional ~~One~~ step Board approval process

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

Division VI

PERSONNEL MATTERS

Chapter 5

MANAGEMENT AND CONFIDENTIAL EMPLOYEES - GENERAL

Article 4

MISCELLANEOUS

§ 6563. District Housing.

~~Management and confidential employees renting District-owned residences or garages shall pay the rental rate set forth in the applicable Memorandum of Understanding at Gene Village shall pay a monthly rental calculated at 6.28 cents per square foot of living space. Management and confidential employees renting District-owned residences at Iron, Eagle and Hinds villages shall pay a monthly rental calculated at 4.79 cents per square foot of living space. Management and confidential employees renting District-owned residences at all locations other than those mentioned above shall pay a monthly rental calculated at 6.59 cents per square foot of living space. Living space is defined as the area within the outside perimeter of the house, excluding screened in porches, garages, and cooler or air conditioning rooms, but including service porches, enclosed porches, and utility rooms. In addition to the above stated rental rates, employees renting District-owned garages at Iron, Eagle, Hinds and Gene villages shall pay \$4.14 per month for such rental. Management and confidential employees renting District-owned garages at all other locations shall pay \$4.35 per month for such rental.~~ To the extent any value is bestowed on an employee by the provision of housing under this Section, that value shall not be considered compensation for purposes of the Federal Fair Labor Standards Act.

Division VII**CONFLICTS OF INTEREST AND ETHICS REQUIREMENTS
Chapter 1****ETHICS REQUIREMENTS FOR DIRECTORS,
OFFICERS, AND EMPLOYEES
Article 1****GENERAL PROVISIONS****§ 7111. Nondiscrimination and Harassment.**

Board members, officers, and employees shall not, in the performance of their official functions, discriminate against any person on the basis of race, religion, color, creed, age, marital status, national origin, ancestry, sex (gender or pregnancy), sexual orientation, medical condition, genetic information, disability (physical or mental), protected veteran status, or other characteristic protected by law and they shall cooperate in achieving the equal opportunity and affirmative action goals and objectives of Metropolitan. Metropolitan Board members, officers, employees, and guests have the right to participate in official Metropolitan functions in an environment free from all forms of discrimination and conduct which can be considered harassing, coercive, or disruptive. Harassment based on any characteristic protected by law will not be sanctioned nor tolerated. Reports of harassment are taken seriously, and appropriate action will be taken against individuals found to have engaged in harassing conduct. The prohibition against discrimination and harassment applies to all transactions of Metropolitan's business, whether at a Metropolitan-operated facility or an external site. Allegations regarding officer or employee conduct in violation of this section shall be reported to Metropolitan's Equal Employment Opportunity Manager Investigations Staff. Allegations regarding director conduct in violation of this section shall be reported to the Ethics Officer or Board Chair.

Division IX**RISK MANAGEMENT AND CLAIMS****Chapter 1****RISK MANAGEMENT****§ 9101. Risk Retention and Procurements of Insurance.**

(a) To the extent risks of loss involving a combination of District property damage and third party claims exceed the reserves for emergency repairs and claims prescribed by Section 52012 of this Code, the District policy shall be to procure insurance for such losses to the extent it determines insurance is available at a reasonable cost.

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Division X**RECORDS
Chapter 2****INSPECTION OF RECORDS**

Sec.

10200. General

10201. Procedure for Responding to Inspection Request

~~10202. Designation of Available Records by Executive Officers~~1020~~23~~. Assistance to Public and Fees1020~~34~~. Search for Records and Restriction on Access1020~~45~~. Time and Place of Access to Records**§ 10200. General.**

District records shall be made available to the public according to the procedures and requirements of the California Public Records Act (Government Code section 6250 et seq.) Any executive officer having possession of District records shall make all of said records freely available to the public unless the records are exempt from disclosure under the California Public Records Act, he reasonably determines that the public interest served by not making the record public outweighs that in releasing it. He may in his sole discretion, however, restrict access to the following records:

- ____ (a) Preliminary writings that are normally discarded and contribute insignificantly to the work product of the District;
- ____ (b) Records pertaining to pending or threatened litigation;
- ____ (c) Personnel, medical, or similar information;
- ____ (d) Geological and geophysical data, plant production data and similar information relating to utility systems development or market or crop reports, which are obtained in confidence from any person;
- ____ (e) Tests and other examination data used in an examination for employment within the District;
- ____ (f) Contents of real estate appraisals, engineering or feasibility estimates and evaluations relative to the acquisition of property, public supply and construction contracts until such time as the property has been acquired or all of the contract agreement obtained;
- ____ (g) Library and museum materials acquired solely for reference or exhibition purposes.
- ____ (h) Other records disclosure of which is not required by the California Public Records Act.

§ 10201. Procedure for Responding to Inspection Request.

— (a) The responsible executive officer shall, within 10 days after the receipt of a request to examine records, determine whether to comply with the request and notify the person making the request of his determination. If access is to be denied, the reason therefor shall be stated in the notification. The 10-day time limit may be extended in unusual circumstances through written notice by the responsible executive officer to the person making the request, setting forth the reasons for the extension and the date on which determination is expected to be dispatched. No such notice shall specify a date that would result in an extension for more than 10 working days.

— (b) For purposes of Section 10201(a), "unusual circumstances" means:

— (1) ~~The need to search for and collect the requested records from field facilities or other establishments that are separate from the office processing the request.~~

— (2) ~~The need to search for, collect, and appropriately examine a voluminous amount of separate and distinct records which are demanded in a single request.~~

— (3) ~~The need for consultation, which shall be conducted with all practicable speed, with another agency having a substantial interest in the determination of the request or among two or more units of the District having substantial subject matter interest therein.~~

§ 10202. Designation of Available Records by Executive Officers.

— ~~Executive officers of the District may designate the availability of records in their departments by providing written regulations to be kept on file in the General Manager's office for the use of the public. In each instance where access is restricted the legal authority for such determination shall be stated.~~

§ 102023. Assistance to Public and Fees.

Any person requesting examination of records under the provisions of the California Public Records Act shall be assisted in locating them by a designated employee of the executive officer whose records are involved. Records may not be removed by the inspecting person from the designated inspection area without the express written permission of the executive officer responsible for the records. The executive officers shall not permit removal of records which are required to be filed and preserved pursuant to state statute and records necessary to an audit by the Controller or the District's auditors. No charges shall be made to any person, or public or private entity for retrieval of records. The General Manager may establish reasonable fees to cover duplication costs, which may include staff time expended to make the requested copies.

§ 1020234. Search for Records and Restriction on Access.

A reasonable effort shall be made to locate requested records. If the records are located but restrictions on their access for public inspection are imposed, the requesting person is to be advised in writing of the reasons for the restrictions, and, in cases of denial of access, of the name and title of the person responsible for the denial. Any reasonably segregable portion of a record shall be provided to any person requesting such record after deletion of the portions which are exempt pursuant to ~~Section 10201(b)~~ the California Public Records Act. If the documents requested cannot be located after a reasonable search the requesting party is to be so advised.

| **§ 102045. Time and Place of Access to Records.**

Records of the District may be examined only during the District's normal business hours at its Headquarters Building or storage place if the responsible executive officer shall so designate.

Division II**PROCEDURES PERTAINING TO BOARD, COMMITTEES
AND DIRECTORS****Chapter 4****STANDING COMMITTEES****Article 3****ENGINEERING AND OPERATIONS COMMITTEE****§ 2430. Day of Regular Meetings.**

The regular meetings of the Engineering and Operations Committee shall be held on the Monday preceding regular Board meetings or on the Tuesday of regular Board meetings.

Article 4**FINANCE AND INSURANCE COMMITTEE****§ 2440. Day of Regular Meetings.**

The regular meetings of the Finance and Insurance Committee shall be held on the Monday preceding regular Board meetings or on the Tuesday of regular Board meetings.

Article 5**LEGAL AND CLAIMS COMMITTEE****§ 2450. Day of Regular Meeting.**

The regular meetings of the Legal and Claims Committee shall be held on the Monday preceding regular Board meetings or on the Tuesday of regular Board meetings.

Article 6**WATER PLANNING AND STEWARDSHIP COMMITTEE****§ 2460. Day of Regular Meeting.**

The regular meetings of the Water Planning and Stewardship Committee shall be held on the Monday preceding regular Board meetings or on the Tuesday of regular Board meetings.

Article 7**COMMUNICATIONS AND LEGISLATION COMMITTEE****§ 2470. Day of Regular Meeting.**

The regular meetings of the Communications and Legislation Committee shall be on the Monday preceding regular Board meetings or on the Tuesday of regular board meetings.

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 or on the Tuesday of regular board meetings.

§2481. Duties and Functions.

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

...

(f) Proposed amendments to the Metropolitan Water District Act and Administrative Code affecting contract procedures and policies, the organization and personnel policies of the District and to the Public Employees' Retirement Law;

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
2503. Agriculture and Industry Relations Special Committee

§2502. Real Property and Asset Management Committee.

(a) The Real Property and Asset Management Committee shall hold regular meetings on the Monday preceding regular board meetings or on the Tuesday of regular board meetings.

§ 2503. Agriculture and Industry Relations Special Committee

- a) The Agriculture and Industry Relations Special Committee shall hold regular meetings on a bi-monthly basis, or as required to accomplish a specific committee objective.
- b) Duties and Functions

The Agriculture and Industry Relations Special Committee shall work to:

- (1)Expand Metropolitan's understanding of business and agricultural water issues;
- (2)Identify opportunities for collaboration to advance the mutual interests of urban and agricultural water users; and
- (3) Make recommendations to the Board on policies and programs that will strengthen relationships with agricultural and business communities and related customer groups.

Chapter 7**PERIODIC STAFF REPORTS TO BOARD AND COMMITTEES****Article 1****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).
 - (5) On payment of dues to organizations pursuant to Section 11202.
- (b) 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.
- (c) To the Organization, Personnel and Technology Committee:
- ~~~~~(1) On the status of the equal employment opportunity policy and affirmative action program as required by Section 6304.
 - (2) 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.

Article 2

QUARTERLY REPORTS

§ 2720. General Manager's Quarterly Reports.

The General Manager shall quarterly make the following reports:

(a) To the Engineering and Operations Committee 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);

(b) To the Finance and Insurance Committee:

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

(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:

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

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

Division III

ANNEXATIONS

Chapter	Sec.
1 Annexation Procedure	3100
2 Policies Related to Annexations	3200
3 Financial Policies Related to Annexations	3300

Chapter 1

ANNEXATION PROCEDURE

§ 3100. Request for Annexation.

(a) Board approval process.

The Board will act to approve annexations in a one or two step process. The member public agency shall indicate its preference for a one or two step process, with the process selected subject to the

approval of the General Manager or Executive Committee. In either case, all annexation requests must comply with all requirements of Section 3100(b), (c) and (d).

(1) Two step Board approval process.

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

(2) One step Board approval process.

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

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§ 3103. Board Approval of Request for Annexation.

(a) Two step Board approval process

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

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

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

(b) One step Board approval process

The Board will consider approval of the annexing area subject to terms and conditions then to be established after receipt of all submittals required pursuant to Sections 3100(b) and (c).

Division VI

PERSONNEL MATTERS

Chapter 5

MANAGEMENT AND CONFIDENTIAL EMPLOYEES - GENERAL

Article 4

MISCELLANEOUS

§ 6563. District Housing.

Employees renting District-owned residences or garages shall pay the rental rate set forth in the applicable Memorandum of Understanding To the extent any value is bestowed on an employee by the provision of housing under this Section, that value shall not be considered compensation for purposes of the Federal Fair Labor Standards Act.

Division VII

CONFLICTS OF INTEREST AND ETHICS REQUIREMENTS Chapter 1

ETHICS REQUIREMENTS FOR DIRECTORS, OFFICERS, AND EMPLOYEES Article 1

GENERAL PROVISIONS

§ 7111. Nondiscrimination and Harassment.

Board members, officers, and employees shall not, in the performance of their official functions, discriminate against any person on the basis of race, religion, color, creed, age, marital status, national origin, ancestry, sex (gender or pregnancy), sexual orientation, medical condition, genetic information, disability (physical or mental), protected veteran status, or other characteristic protected by law and they shall cooperate in achieving the equal opportunity and affirmative action goals and objectives of Metropolitan. Metropolitan Board members, officers, employees, and guests have the right to participate in official Metropolitan functions in an environment free from all forms of discrimination and conduct which can be considered harassing, coercive, or disruptive. Harassment based on any characteristic protected by law will not be sanctioned nor tolerated. Reports of harassment are taken seriously, and appropriate action will be taken against individuals found to have engaged in harassing conduct. The prohibition against discrimination and harassment applies to all transactions of Metropolitan's business, whether at a Metropolitan-operated facility or an external site. Allegations regarding officer or employee conduct in violation of this section shall be reported to Metropolitan's Equal Employment Opportunity Investigations Staff. Allegations regarding director conduct in violation of this section shall be reported to the Ethics Officer or Board Chair.

Division IX**RISK MANAGEMENT AND CLAIMS****Chapter 1****RISK MANAGEMENT****§ 9101. Risk Retention and Procurements of Insurance.**

(a) To the extent risks of loss involving a combination of District property damage and third party claims exceed the reserves for emergency repairs and claims prescribed by Section 5201 of this Code, the District policy shall be to procure insurance for such losses to the extent it determines insurance is available at a reasonable cost.

Division X**RECORDS**
Chapter 2**INSPECTION OF RECORDS**

Sec.

10200. General

10201. Procedure for Responding to Inspection Request

10202. Assistance to Public and Fees

10203. Search for Records and Restriction on Access

10204. Time and Place of Access to Records

§ 10200. General.

District records shall be made available to the public according to the procedures and requirements of the California Public Records Act (Government Code section 6250 et seq.) Any executive officer having possession of District records shall make all of said records freely available to the public unless the records are exempt from disclosure under the California Public Records Act.

§ 10201. Procedure for Responding to Inspection Request.

The responsible executive officer shall, within 10 days after the receipt of a request to examine records, determine whether to comply with the request and notify the person making the request of his determination. If access is to be denied, the reason therefor shall be stated in the notification. The 10-day time limit may be extended in unusual circumstances through written

notice by the responsible executive officer to the person making the request, setting forth the reasons for the extension and the date on which determination is expected to be dispatched. No such notice shall specify a date that would result in an extension for more than 10 working days.

§ 10202. Assistance to Public and Fees.

Any person requesting examination of records under the provisions of the California Public Records Act shall be assisted in locating them by a designated employee of the executive officer whose records are involved. Records may not be removed by the inspecting person from the designated inspection area without the express written permission of the executive officer responsible for the records. The executive officers shall not permit removal of records which are required to be filed and preserved pursuant to state statute and records necessary to an audit by the Controller or the District's auditors. No charges shall be made to any person, or public or private entity for retrieval of records. The General Manager may establish reasonable fees to cover duplication costs, which may include staff time expended to make the requested copies.

§ 10203. Search for Records and Restriction on Access.

A reasonable effort shall be made to locate requested records. If the records are located but restrictions on their access for public inspection are imposed, the requesting person is to be advised in writing of the reasons for the restrictions, and, in cases of denial of access, of the name and title of the person responsible for the denial. Any reasonably segregable portion of a record shall be provided to any person requesting such record after deletion of the portions which are exempt pursuant to the California Public Records Act. If the documents requested cannot be located after a reasonable search the requesting party is to be so advised.

§ 10204. Time and Place of Access to Records.

Records of the District may be examined only during the District's normal business hours at its Headquarters Building or storage place if the responsible executive officer shall so designate.