



# **Paradise Irrigation District**

## **POLICY AND PROCEDURES MANUAL**

6332 Clark Rd  
Paradise, Butte County  
California

**ADOPTED NOVEMBER 19, 2014**

# **Paradise Irrigation District**

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# Terms

<b>Applicant</b>	Any person, as defined herein, applying for water service.
<b>Approved Water Supply</b>	Any water supply whose potability is approved by a state or local health agency.
<b>Auxiliary Supply</b>	Any water supply on or available to the premises other than the approved water supply.
<b>Backflow</b>	A flow condition, caused by a differential in pressure that causes the flow of water or other substances into the distributing pipes of the District's water supply from any source other than an approved water supply source. Back-siphonage is one cause of backflow. Back pressure is the other cause.
<b>Board</b>	The Board of Directors of the Paradise Irrigation District.
<b>Commercial Service</b>	Delivery of water to customers engaged in trade, manufacturing and all other business and processing activities, including lodges, motels, hotels, trailer parks, home businesses, duplexes, triplexes, apartment houses etc., and other social or political organizations. Commercial service shall also include small businesses with living quarters attached thereto or served by the same meter.
<b>Connection Fee</b>	That portion of the installation charges consisting of meter costs, service installation fee, and if applicable, a road crossing fee.
<b>Cost</b>	The total cost of labor, material, transportation, equipment rental, supervision, engineering, legal, and all other necessary overhead expenses.
<b>Customer or Consumer</b>	A water user of record.
<b>Distribution Mains</b>	Installations starting from the turnouts provided in the "Main Conveyance" system extending to individual services throughout the District in the form of main or lateral extensions, to provide the customers with water service.
<b>District</b>	Paradise Irrigation District, the territory of the Paradise Irrigation District, its directors, officers, employees, and facilities.
<b>Domestic or Residential Service</b>	Water for all household purposes, including water for sprinkling lawns, gardens or shrubbery; washing vehicles and

clothes; human consumption, sanitation; and other general and customary purposes.

<b>General Manager</b>	The person employed by the District as its executive officer.
<b>Installation Charges</b>	Includes the Capital Improvement Fee for system improvements, meter cost, service installation fee, and if applicable, a road crossing fee.
<b>Main Conveyance or Transmissions Mains</b>	The major pipeline and the laterals connected thereto, forming the basic system as provided for in the Bureau of Reclamation Contract.
<b>Person</b>	Any individual, firm, company, partnership, association, corporation, Federal, State and County governments, public utility, municipality or institution.
<b>Person</b>	Individual, corporation, company, association, partnership, or other public body or institution.
<b>Premises</b>	A lot, parcel or acreage under single ownership, except that any separate structure shall be deemed a separate premises. Apartment houses, motels, office buildings and structures of like nature, may be classified as a single premise by the District.
<b>Public Water System</b>	The District system.
<b>Reconnection</b>	Means the reconnection of water service by a customer, other person, or by the District after service has been disconnected by Paradise Irrigation District.
<b>Residential Service</b>	Delivery of water to a parcel of land which does not meet agricultural, commercial, or rural service requirements.
<b>Service</b>	The pipeline and appurtenant facilities, such as curb stops, service lines, meter yokes, meter boxes, meter gate valve and fittings, all used to extend water service from a distribution main to the premises. Where services are divided at curbs or property lines to serve several customers, each branch service shall be deemed a separate service.
<b>Service Connection</b>	The point of connection of a user's piping to the water supplier's facilities.
<b>Service Reconnection Charge</b>	Fees levied in cases where the District has previously turned off service for delinquent payment.

<b>Tamper</b>	To rearrange, injure, alter, interfere with, or otherwise prevent a device from performing its normal or customary function.
<b>Water Service</b>	The provision of water by Paradise Irrigation District for compensation.
<b>Water Supplier</b>	The District.
<b>Water System</b>	Improvements installed within a tract of land for the purpose of providing water service to a subdivision.
<b>Water Turn-off Charge</b>	Fees levied in cases where the customer requests to have their service turned off and on for their convenience. This fee does not apply to new customers or move-outs.
<b>Water User</b>	Person(s) using water for residential, commercial, rural, or agricultural purposes.
<b>Waterline Extension</b>	Water main(s) installed for the benefit of existing parcels of land without previous water service.

## **Measurements**

<b>Acre-foot</b>	435.6 units of water (equal to 325851.429 gal)
<b>HCF</b>	Hundred Cubic Feet
<b>Unit of Water</b>	1 HCF of water (equal to 750 gal)

## **CHAPTER 1 INTRODUCTION**

### **INTRODUCTION**

#### **TO THE LANDOWNERS AND WATER USERS OF THE PARADISE IRRIGATION DISTRICT:**

These policies and procedures have been adopted by the Board of Directors under the authority of the California Water Code and are part of the law governing the Paradise Irrigation District comparable to county or municipal ordinances.

These Rules and Regulations are intended and should be viewed as an attempt to outline general procedures and requirements. In general, the requirements may be established more fully by statute or regulation of the State of California or by the United States of America in the case of federal requirements. A party should not view these Rules and Regulations nor use these Rules and Regulations as a promise by the District that if the Rules and Regulations are complied with, that all legal requirements will be met. The user is encouraged to employ the Regulations as a general guideline and to seek further advice and legal determination in regard to detailed compliance with statute or Regulations.

#### **WHO WE ARE:**

Paradise Irrigation District (District) is an irrigation district of the State of California formed March 20, 1916 pursuant to the provisions of Division 11 of the California Water Code for the purposes of delivering municipal, industrial, and irrigation water to the lands within its boundaries. The District was originally formed for the purposes of providing irrigation water for the farming operations in what was then primarily an agricultural community. However, since its formation the District's service area has changed from predominantly an agricultural community to predominantly a residential community.

The District makes no profit and is operated for the sole benefit of the lands and people within its boundaries. The benefits that are derived will be measured by the extent to which the people within the District cooperate to make it a success. Day-to-day management of the District's administrative practices and procedures is delegated to the General Manager (Manager).

Policies and procedures are subject to amendment at any time by majority vote of the Board of Directors.

## 1.1 MISSION STATEMENT

Paradise Irrigation District is dedicated to the business of producing and delivering a safe, dependable supply of quality water in an efficient, cost effective manner with service that meets or exceeds the expectation of our customers.

### A. Vision Statement

The Paradise Irrigation District's vision is to achieve a high level of customer and employee satisfaction, resource conservation, increased reliability, and excellent relationships with suppliers, public agencies, and others.

### B. Statement of Values

<b>Customer</b>	Customer satisfaction is the District's primary objective.
<b>Employees</b>	The District is committed to recruit and retain top quality employees and to provide a work place environment, training, and recognition and reward system that enhance employee performance and satisfaction.
<b>Water</b>	The District is dedicated to provide, conserve, and protect quality water resources for our customers and to enhance the environment.
<b>Community</b>	The District will share its resources with the community through education and employee involvement.

## 1.2 PRIMARY SERVICE OBJECTIVE

The primary purpose of the District is to provide water service in an equitable manner for domestic, commercial, industrial, and irrigation purposes to the lands within the boundaries of the District. Whatever other service the District may elect from time to time to render is subordinate to this primary obligation.

## 1.3 BOARD OF DIRECTORS

The District is governed by a five-member Board of Directors, (Board of Directors), which manages and conducts the business and affairs of the District and determines all questions of District policy. All powers of the District are exercised through the Board. Board members are elected by the people to staggered four-year terms. Each director represents one of the five divisions located geographically within the District. The Board communicates the wishes of the electorate to the District's professional staff and communicates the recommendations of the staff to the electorate by adopting District policy. The Board delegates to the District Manager the authority for implementing its decisions.

## **1.4 DUTIES OF DIRECTORS**

The requirements for actions or non-action of Directors is dispersed so widely through the statutes of the State of California that these guidelines are intended to attempt to address problems that are commonly encountered. Individuals utilizing these Regulations are encouraged to ask detailed questions of the District staff or attorneys in regard to these general principles, since often they touch upon issues of how a Board of Directors documents actions, Directors' and staffs' economic conflict of interest, the necessity of agendizing particular actions and directions that are sought to be given, and the implementation of closed session actions.

## **1.5 FUNCTIONS OF THE BOARD**

- A. The Board shall exercise and control or authorize the exercise and control of all business and affairs of the District, subject to the limitations of this manual, state and federal law. The Board adopts resolutions and policies, appropriates funds, and performs such other duties and responsibilities as are required of it or otherwise allowed by law. The Board establishes policy through broad general policy directives and general task assignments of a goal-oriented nature.
- B. The Board reviews the General Manager's (Manager) performance and establishes his or her (the male pronouns "he", "him", "his", and "himself" when used in this document include the corresponding female pronouns) compensation level annually.
- C. In every case, the will of the Board shall be expressed by a majority of the Board. No statement or act of any individual member of the Board shall be viewed as the will of the Board.
- D. The Board will review this document annually to ensure that it is pertinent and current.

## **1.6 DISTRICT GOVERNMENT VESTED IN THE BOARD OF DIRECTORS AND DISTRICT MANAGER**

- A. District government is vested in the Board, and the Manager appointed by the Board. The Board delegates day-to-day management of the District's administrative practices and procedures to the Manager.
- B. The Board constitutes the policy-making body of the District.
- C. The Manager and the subordinate managers and/or officers and employees will execute the will of the Board as expressed by Board policy and direction. The position of Manager under Board direction has complete responsibility for all operations of the District and for the efficient performance of all District departments and personnel.

## **1.7 POLICY AND PRECEDURE STATEMENT**

It is the duty of the Board to establish policy. All District Board approved policies will be contained in this or other District manuals. Working documents and proposals for new policies, or changes in policies, shall not, themselves, be considered policy unless and until formally approved by the Board.

The Manager and staff are charged with implementing District policies, and may adopt reasonable administrative practices and procedures for doing so. Anyone who feels that they have been aggrieved by staff's interpretation of policy may appeal to the Board.

## **1.8 LIMITATIONS OF ACTIONS AND AUTHORITY OF THE BOARD**

- A. Individual Board members shall not give orders or direction to any staff member or the Manager, either publicly or privately, but may make suggestions and recommendations to the Manager.
- B. Directors individually shall refrain from interfering with District operations.
- C. Directors, in their capacity as a Board member may speak with District staff and seek information pertinent to District operations. Such inquiries from and contact with District staff shall most often be made through the Manager. The Manager shall arrange for the time and place for staff members to meet with the Director. Any staff member may bring a staff member of their choice as a neutral observer. The Manager shall be advised of this ahead of the meeting. If an employee wishes to contact a Director about District business, they may do so without contacting the Manager; however the Director should request that a second Director attend any such meeting. Conversely, if a Director wishes to make an inquiry of staff without the Manager's knowledge, they may do so only if two Directors are present at all times during the inquiry and the contacted staff member shall have the right to have a District observer of their choice present during the inquiry. Such contact will only be during normal working hours of the District and when the employee is present at work. A Director acting in his capacity as a citizen or customer shall be afforded the same rights and courtesies as other citizens and customers.
- D. To facilitate integration and effective interpersonal relationships with the Board, Manager, and employees, the Board recognizes the importance of limiting its contact with the Manager, staff or employees. Directors shall not cause the Manager or staff to generate any special work without Board approval.
- E. Nothing in this section shall prevent a majority of a quorum of the board from appointing committees of its own members to conduct investigations into the conduct of any officer or department, of District government, or any matter relating to the welfare of the District, and delegating to these committees such powers of inquiry, as the Board may deem necessary.



## **1.9 BOARD RESOLUTIONS**

From time to time, the Board will approve and adopt Board resolutions. Resolutions may contain District policy.

## **1.10 RELIANCE ON DISTRICT POLICY**

It is the responsibility of those who deal with the District to ascertain District policy. If District policy is important in the conduct of your affairs you are advised to confirm your understanding of District policy with the Board.

## CHAPTER 2 DIRECTORS AND OFFICERS

### 2.1 QUALIFICATIONS FOR ELECTED DIRECTORS

#### A. Residence –

Each Director shall be a voter and a resident in the District, and a resident of the division that he represents at the time of his nomination or appointment and through his entire term. Section 1770 of the California Government Code describes events causing vacancy in a Director's residency as:

1. His or her ceasing to be an inhabitant of the state, or if the office be local and one for which local residence is required by law, of the district, county or city for which the officer was chosen or appointed, or within which the duties of his or her office are required.
2. His or her absence from the state without the permission required by law beyond the period allowed by law.
3. His or her ceasing to discharge the duties of his or her office for the period of three consecutive months, except when prevented by sickness, or when absent from the state with the permission required by law.

#### B. Oath of Office –

Before entering upon the duties of office, each Board member shall take and subscribe to the statutory Oath of Office.

#### C. Code of Ethics –

The Board of Directors is committed to providing excellence in leadership that result in the provision of the highest quality of services to its constituents. The Board intends to fully comply with the provisions of the State's open meeting law for public agencies (The Ralph M. Brown Act), adhere to federal and state government codes, comply with the Fair Political Practices Commission guidelines, and uphold the Constitutions of the United States and the State of California. In order to assist Directors to fulfill their obligations, and keeping in mind that new or revised statutes may add further regulations, the following rules shall be observed:

1. The dignity, style, and opinions of each Director shall be respected.
2. Responsiveness and attentive listening in communication is encouraged.

3. The primary responsibility of the Board is the formulation and evaluation of policy. Routine matters concerning the operational aspects of the District are to be delegated to the professional staff members of the District.
4. Directors should commit themselves to emphasizing the positive and avoiding when possible, negative forms of interaction.
5. Directors should commit themselves to focusing on issues and not personalities. The presentation of the opinions of others should be encouraged.
6. Differing viewpoints are healthy in the decision-making process. Individuals have the right to disagree with ideas and opinions, but without being disagreeable. Once the Board takes action, Directors should commit to supporting said action and not to creating barriers to the implementation of said action.
7. Directors should practice the following procedures:
  - a. In seeking clarification on informational items, Directors may directly approach professional staff members to obtain information needed to supplement, upgrade, or enhance their knowledge to improve legislative decision-making.
  - b. In handling complaints from residents and property owners of the District, said complaints should be referred directly to the Manager.
  - c. In handling items related to safety, concerns for safety or hazards should be reported to the Manager or to the District office. Emergency situations should be dealt with immediately by seeking appropriate assistance.
  - d. In seeking clarification for policy-related concern, especially those involving personnel, legal action, annexation, property acquisition and development, finances, and programming, said concerns should be referred directly to the Manager.
8. When approached by District personnel concerning specific District policy, Directors should direct inquires to the appropriate professional staff supervisor. The chain of command should be followed.
9. The work of the District is a team effort. All individuals should work together in a collaborative process, assisting each other in conducting the affairs of the District.

10. When responding to constituent requests and concerns, Directors should be courteous, responding to individuals in a positive and timely manner and routing their questions through appropriate channels and to responsible management personnel.
11. Directors should develop a working relationship with the Manager wherein current issues, concerns, and District projects can be discussed comfortably and openly.
12. The Brown Act contemplates that Directors should function as a part of the whole Board. Issues should be brought to the attention of the Board as a whole, rather than to individual members selectively. When a Director is speaking for himself or in his capacity as an individual member of the Board, he should clearly identify that limited capacity.
13. Directors are responsible for monitoring the District's progress in attaining its goals and objectives, while pursuing its mission.
14. A perceived violation of the Code of Ethics policy by a Board member should be referred to the President of the Board or the full Board for investigation, and consideration of any appropriate action warranted. A violation of this policy may be addressed by the use of such remedies as are available by law to the District, including, but not limited to:
  - a. Adoption of a resolution expressing disapproval of the conduct of the Board member who has violated this policy.
  - b. Injunctive relief
  - c. Referral of the violation to the District Attorney and/or the Grand Jury.

## **2.2 NUMBER AND ACTION**

- A. Pursuant to the provisions of the California Water Code, the Board shall consist of five persons.
- B. Action can be taken only by vote of the majority of the Board of Directors. Three (3) Directors represent a quorum for the conduct of business.

## **2.3 TERM OF OFFICE**

- A. The term of each member of the Board shall begin at noon on the first Friday of December following the Director's election.
- B. The term of each member of the Board shall be four years, with the term of approximately half the Board expiring every two years.

C. Each Board member shall serve until a successor is duly elected and is qualified, unless the member earlier is removed from the office or resigns or otherwise leaves office.

D. A Board member is not limited in the number of terms the member may serve.

## **2.4 VACANCIES IN BOARD OF DIRECTORS**

### **A. Events Creating Vacancies –**

A list of events causing vacancy in office is set forth in Government Code section 1770. In general, an office becomes vacant in the case of the death of the incumbent, a court adjudication declaring that the incumbent is physically or mentally incapacitated due to disease, illness, or accident, the resignation of the incumbent, his or her removal from office, his or her ceasing to be a resident of the District, or if a director has been convicted of a felony.

### **B. Filling of Vacancies –**

Vacancies shall be filled in accordance with the described procedures of the Government Code.

## **2.5 FIDELITY BONDS FOR ELECTED DIRECTORS**

Each member of the Board shall be covered by liability and errors and omissions insurance at the expense of the District, in an amount prescribed by the Board, conditioned upon the faithful performance of his respective duties. Surety bonds will also be in effect for individuals designated as check signers.

## **2.6 PRINCIPAL OFFICERS**

The principal officers of the District shall consist of a Board President, a Board Vice-President, a Secretary, a Treasurer, and such other offices as the Board shall from time to time establish.

## **2.7 QUALIFICATIONS; OFFICER ELECTION AND TERM OF OFFICE**

### **A. Election –**

At the first meeting after noon on the first Friday of December the Board shall choose one of its members as President and shall choose another of its members as Vice-President. Nominations shall come from the Board members. The Board shall also appoint a Secretary of the Board and a Treasurer of the District.

B. Term –

The officers shall serve until the next Annual Meeting. The President and Vice-President shall not serve in their respective positions for more than two consecutive one-year terms.

**2.8 RESIGNATION**

A Director and an officer may resign at any time by giving written notice to the Board or to the District Secretary. Any resignation shall take effect upon receipt of such notice or at any later time specified therein. Unless otherwise specified in the notice, acceptance of the resignation shall not be necessary to make it effective.

**2.9 REMOVAL**

Any officer elected by the Board may be removed by a majority vote of the Board whenever in its judgment the best interests of the District would be served.

**2.10 VACANCIES IN OFFICES**

A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board for the unexpired portion of the officer's term. In the case of the Secretary or Treasurer, the President may appoint a new Secretary or Treasurer to serve until such time as the Board shall elect a successor and the person or persons so elected have qualified.

**2.11 DUTIES OF THE PRESIDENT OF THE BOARD**

The President of the Board shall:

- A. Serve as President of the Board and preside at all meetings of the Board.
- B. Execute on behalf of the District:
  - 1. All bonds and instruments creating debt against the District.
  - 2. Board resolutions.
  - 3. Water sales agreements authorized by the California Water Code.
  - 4. All agreements, which sell, lease, convey, transfer or otherwise dispose of water works, water systems, and sources of water supply for any beneficial use within or without the District.

5. Agreements with the State of California, United States, or any other governmental entity, department or political subdivision, unless delegated to the Manager by the Board, or allowed the Manager by other sections of this manual.
  6. The countersigning of disbursement checks in excess of \$150,000.00.
  7. Agreements specifically authorized by the Board.
  8. Real estate leases, and all deeds and conveyance documents in which the District is a grantor of any interest.
  9. Contracts and agreements authorized by the Board, which cause the District to incur extraordinary expenditures not described within the District's annual budget.
  10. All other contracts and agreements specifically required of the President by the Water Code or other applicable law.
- C. Attend and, if appropriate, preside at ceremonial activities (including, but not limited to open houses, receptions, ribbon-cuttings) in which ceremonial representation is needed or sought.
- D. Be a spokesperson for the Board, unless the Board directs otherwise. When the President acts as spokesperson for the District, he should speak for the majority of the Board. When the President is speaking for himself or in his capacity as an individual member of the Board, he should clearly identify that limited capacity.
- E. Represent the policy of the Board.

## **2.12 VICE-PRESIDENT**

- A. The Vice-President shall act only in cases of the inability or refusal of the President to act or in the absence of the President and shall assume those powers and duties granted the President. The determination as to the inability or refusal to act shall be made by a vote of the Board.
- B. The President may request that any member of the Board represent the District outside of the Board meetings. When the President does not appoint a particular designee in his absence, the Vice-President shall represent the District.
- C. If no member of the Board is able to represent the President (other than in official Board meetings), the Manager or his designated staff member shall do so.

## **2.13 SUCCESSION OF AUTHORITY**

In the event that the offices of the President and Vice-President are vacant or the individuals occupying these offices are absent or otherwise unavailable, the majority of

the Board may elect a president pro tempore from its members, who shall serve as Acting President of the Board, with all the power and authority of the President until the President returns to the performance of his duties.

#### **2.14 APPOINTMENT OF DISTRICT SECRETARY**

At the District's annual organization meeting when the Board elects a President and Vice-President from its members, a District Secretary shall be appointed by the Board to serve at its pleasure.

#### **2.15 DUTIES OF THE SECRETARY**

Under general supervision of the Manager, this individual (who could also be the Manager) shall serve as District Secretary, perform secretarial and office duties for the Manager and other personnel, and do related work as required.

- A. The Secretary shall be custodian of the records of the District and its seal; shall cause minutes of all meetings of the Board to be kept; shall assist the Board in such particulars as it may direct in the performance of its duties; and shall perform those duties authorized by the California Water Code, or by this manual.
- B. The Secretary shall sign legal documents as directed by the Board; and shall attest, under the seal of the District, all certified copies of the official records and files of the District pursuant to the authority conferred by Resolution of the Board of Directors of the District on March 2, 1960, and recorded March 7, 1960, in book 1046 of the Official Records of Butte County at page 110.
- C. The Secretary shall perform as an alternate signer of general fund and payroll checks.
- D. The Secretary shall be responsible or cause others to be responsible for maintaining this manual.
- E. The Secretary shall or cause others to prepare letters and reports for the Manager and other various department managers; open and distribute mail; maintain the District's insurance programs not handled by the Office Manager; place all advertising for the District; and other related work as may be required by either the Manager or the Board.
- F. The Board may appoint an Assistant Secretary to function in the absence of the Secretary with all the power and authority of the Secretary.

#### **2.16 APPOINTMENT OF DISTRICT TREASURER**

At the District's annual organization meeting when the Board elects a President and Vice-President from its members, a District Treasurer shall be appointed by the Board to serve at its pleasure.



## **2.17 DUTIES OF DISTRICT TREASURER**

- A. The Treasurer shall be custodian of all money, bonds, or other securities of the District.
- B. The Treasurer shall determine or cause to be determined the cash requirements of the District and provide for the deposit and investment of all money.
- C. The Treasurer shall receive or cause to be received all funds and money payable to the District, including all water sales revenue, taxes, licenses, fines, and public funds, and keep an accurate, detailed account of those monies as required by law and as directed by the Board.
- D. The Treasurer shall collect or cause to be collected all special taxes and assessments as provided by law and ordinance.
- E. The Treasurer shall give or cause to be given to every person paying money to the District proper credit or receipt evidencing payment, specifying, as appropriate, the date of the payment and upon which account paid.
- F. The Treasurer shall sign checks in accordance with **other sections of this manual**. The Treasurer shall determine or cause to be determined that a sufficient amount is on deposit in the appropriate bank account of the District to honor the check.
- G. The Treasurer shall promptly deposit or cause to be deposited all District funds in the appropriate bank accounts of the District and be responsible for monitoring expenditures during the fiscal year.
- H. The Treasurer shall prepare, on an accrual basis, monthly financial reports and quarterly investment reports for Board approval.
- I. The Board may appoint an Assistant Treasurer to function in the absence of the Treasurer with all the power and authority of the Treasurer.
- J. The Treasurer shall coordinate the District's annual certified audit with an independent CPA firm and monitor the District's compliance with all appropriate accounting practices.

## **2.18 BONDS**

The Secretary and Treasurer, authorized check signers, and any other employee of the District as deemed necessary, may be furnished corporate surety bonds, at the expense of the District, in an amount and form fixed and approved by the Board and the California Water Code, conditioned upon the faithful performance of their respective duties.

## **2.19 FORMATION OF COMMITTEES**

- A. The Board may form committees composed of its own members and the public for such purposes as it deems appropriate. By official resolution or verbal vote appointment, the Board may form standing committees to serve at its pleasure.
- B. The President of the Board may form Ad Hoc Committees composed of Board members for such purposes as they deem appropriate. An Ad Hoc Committee shall only be comprised of less than a quorum of Directors, will be of limited duration, and will have no continuing jurisdiction.

## **2.20 COMMITTEES OF THE DISTRICT**

### **A. Appointment of Standing Committees –**

In accordance with the Water Code and other applicable law, the Board may assign the committees such tasks as the Board may determine; and delegate to any committee certain powers and authority of the Board to transact any of the business and affairs of the Board subject to the Board's final approval.

### **B. Appointment of Committee Members –**

1. At the District's first regular meeting in January, the President of the Board shall appoint the Board members of the various Standing Committees.
2. Committee assignments shall only be changed during the calendar year by a majority vote of the Board.
3. The President of the Board shall appoint members of Ad Hoc Committees.
4. The President of the Board may appoint a replacement committee member if a committee member is unable to fulfill their duties and no meeting of the committee has taken place without the Board of Directors being updated by the committee in a meeting.
5. Public members on committees shall be appointed by a majority vote of the Board.

### **C. Meetings of Committees –**

Generally, meetings of committees shall be held at such time and place, as a majority of the members of the individual committees shall determine. Meetings shall be called by the General Manager or by the Committee Chairperson as necessary for District business. Notice of committee meetings shall be given to all members in a timely fashion and the meetings shall be noticed as required by law.

D. Committee Reports –

Committee reports shall be made to the Board at the next scheduled Board meeting. Business discussed at the committee meeting that is a subject of an agenda item need not be discussed as part of the committee report.

E. Committee Recommendations –

Committees comprised of public members and staff shall make recommendation to the Board members representing the committee. Board member recommendations to the full board should report public and staff opinions.

## **2.21 STANDING COMMITTEES**

Meetings of standing committees shall be noticed and conducted in accordance with the requirements of the Brown Act. The standing committees shall include the following:

A. Finance Committee –

This committee shall be comprised of two Board members who shall oversee and safeguard the District's assets by reviewing investment policies and strategies, banking relationships, the annual budget, the annual audit, risk management practices, borrowing, debt and debt structure, and other significant financial and accounting related issues.

B. Administrative and Personnel Committee –

This committee shall be comprised of two Board members who shall review and recommend changes to the Board regarding the District's policies, rules and regulations, participate in discussions with employee representatives, hold employee grievance hearings as provided in the rules and regulations, and other similar or related matters.

C. Paradise Lake Recreation Committee –

This committee shall be comprised of two Board members and approved members of the public, who shall review recreation programs and events at Paradise Lake and make recommendations to the Board regarding rules, fees, permits, facility improvements and other related items. Recognized committee members shall receive an annual combination boating and parking pass for so long as they are committee members for the purpose of visiting and inspecting the facilities.

D. Town Liaison Committee –

This committee shall be comprised of two Board members who shall meet periodically with two members of the Paradise Town Council to discuss common issues and items of mutual concern to the District and Town.

E. Water Supply Committee –

This committee shall be comprised of two Board members who shall continually review the District's present and future water demands and proposals and projects to meet those demands.

F. Water Conservation Committee –

This committee shall be comprised of two Board members and approved members of the public, who shall review District actions to enhance water education and conservation efforts.

G. Community Relations Committee –

This committee shall be comprised of two Board members who shall develop a Community Relations Plan (CRP) to provide information and results-based guidelines to District Directors and staff to promote understanding, support shared goals, and build goodwill between the District and community. Committee members will continually review key issues as outlined in the CRP to ensure positive and interactive communications for District projects and issues.

## **2.22 DIRECTORS FEES AND EXPENSE REIMBURSEMENTS**

Keeping in mind that new statutes may add further regulations, the following fees and expense reimbursements shall apply:

A. Fees –

Director fees are regulated by law (see, for example, California Water Code §21166; Government Code section 53232 et seq.). Directors shall receive as compensation either:

1. \$100.00 per day for attending a regular or special Board meeting, or acting under its orders; and
2. \$100.00 per day for attending a Board approved standing committee meeting, an established Ad Hoc committee, or an outside Board approved meeting requiring a Board member in attendance (examples provided below), when there is no regular or special Board meeting that day.

Regardless of either per day event, the per day amount(s) shall not exceed a total of six (6) meeting days in any calendar month. No fees are to be paid for attending seminars or conferences, but the out-of-pocket costs associated with attending those meetings, on a Board pre-approval basis, can be reimbursed through the use of a District claim form.

Examples for qualifying for the fee pursuant to Section 2.22.A. above:

Standing Committees - Finance, Administration and Personnel, Paradise Lake Recreation, Town Liaison, Community Relations, Water Conservation and Water Supply

Ad Hoc/Other Committees - Water Rate Review, Security, Annexation, ACWA/ACWA-JPIA, Butte County Special Districts Association, Union Negotiations, Magalia Botanical Garden, and other similar types of committees.

Each Director shall receive at least two hours of training in general ethics principles and ethics laws relevant to his or her public service every two years. (Govt. C. 53235.) The Manager shall maintain District records of ethics training. For purposes of Directors fees, the Directors shall be considered employees of the District as described in Internal Revenue Code §3401(c).

Directors and their eligible dependents can participate in the District's Medical, Dental, Vision, Life, and Flexible Benefits "cafeteria" Programs as received by District employees, and stated in the Rules & Regulations Governing Employment Conditions, Salaries, and Benefits for Employees of Paradise Irrigation District. Directors will not be eligible to participate in the District's retirement plans. Directors will be required to complete a monthly Director's Fees and Reimbursement Report itemizing any earned directors fees. These forms are to be submitted to the District Secretary within five (5) days after a month end. Payment of the fees shall be processed in a timely fashion through the District's payroll system with appropriate withholdings.

B. Waived Compensation –

Any Director who waives their right to compensation shall do so in writing and that waiver shall be maintained in the District's files. Such waiver may be withdrawn upon written notice of the Director.

C. Reimbursements –

1. Keeping in mind that new statutes may add further regulations, the following applies to expense reimbursements: District claim forms are to be used for reimbursement of actual and necessary business expenses when acting under

the orders of the Board. These claim forms are to be attached to the monthly Director's Fees and Reimbursement Report with appropriate supporting documentation. Pre-approved meals, lodging, and transportation expenses shall be normal and customary, and automobile mileage costs incurred for business purposes shall be the standard mileage rate for transportation expenses as prescribed by the Internal Revenue Service and further described in other sections of this manual.

2. Directors are allowed their actual expenses in going to, attendance upon, and returning from state association meetings and when traveling outside Butte county on official business. (Govt. C. 25008.) Reimbursement rates for travel, meals, and lodging, and other actual and necessary expenses shall be in accordance with Internal Revenue Service rates as established in Publication 463 or successor publication.
  - a. Where lodging is in connection with a conference or organized educational activity, including ethics training, lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available to the Director at the time of booking. Otherwise, comparable lodging rates shall be used.
  - b. Directors shall use group transportation rates when available.
  - c. Where there is any question regarding the level of appropriate compensation, the Board shall approve the reimbursement rate at the Board meeting held before the expense is incurred.
3. Directors shall provide brief reports on meetings attended, at the expense of the District at the next regular meeting of the Board.

## **2.23 TRAINING**

- A. Subject to Board approval, Directors are encouraged to attend educational conferences and professional meetings when the purpose of such activities is to improve District operation. Keeping in mind that new statutes may add further regulations, the expense reimbursements described in **Section 2.22** shall apply: Expenses incurred for tuition, travel, lodging and meals as they relate to training, educational courses, participation with professional organizations, and attendance at local, state, and national conferences associated with the interests of the District are reimbursable subject to **Section 2.22**.
- B. Unless otherwise approved by the Board, attendance at conferences, seminars, workshops, etc. shall be limited to two directors per event.

- C. A director shall not attend a conference or training event for which there is an expense to the District if it occurs after they have announced their pending resignation, or if it occurs after an election in which it has been determined they will not retain their seat on the Board.

## **2.24 STANDARDS OF CONDUCT**

Statutes impose limits on a Director's ability to contract with the District he or she serves on as a Director. (See Government Code section 1090 et seq.) Moreover, the Political Reform Act requires, and establishes the procedure by which Directors, officers, and employees are required to disclose actual or potential conflicts of interest between their public duties and their personal financial interests.

## **2.25 DIRECTOR ACCESS TO CONSULTANTS**

Consultants of the District, including the District's General Counsel, may not respond to inquiries of any Board Member, unless

- A. A majority of the Board authorized a Board Member at a meeting convened under the Brown Act to contact the District's consultant.
- B. The inquiry is initiated with the consent of the District's General Manager.

Notwithstanding the foregoing, the District's General Counsel may respond to inquiries of any Board Member if, in the opinion of the General Counsel, failing to respond would undermine the purposes of this policy, injure or potentially injure the District, or if other unique or exigent circumstances exist justifying the need to respond.

## **2.26 GENERAL MANAGER ACCESS TO LEGAL COUNSEL**

The General Manager shall have unfettered access to the District's legal counsel for assistance with District business.

## **2.27 PID PUBLIC COMMITTEE MEMBER POLICY**

This policy will serve as a 'code of conduct' to help clarify PID's expectations of Public members appointed to various committees:

- A. Public Members of PID committees are not elected positions. The Board of Directors shall make committee appointments or reappointments at the first regularly scheduled board meeting in January of each year. These assignments include the appointment of Public Members to various PID committees.
- B. Except as otherwise provided in this policy, these appointments expire at the end of the calendar year. Should a Public Member resign from their appointment, the Board

of Directors may or may not appoint a replacement to fill the remainder of their term, at their sole discretion.

C. Public Members of PID committees are expected to act in the best interest of PID. To that end, adherence to the following Code of Conduct is expected of each member:

1. Public Members shall strive to fulfill the purpose of the committee, which is making recommendations to the Board on policies and procedures related to the committee and representing the District at functions related to the committee.
2. Public Members shall come prepared to fully participate in committee meetings.
3. A Public Member is encouraged to focus their interactions with PID Board Members and PID staff that make up their committee's membership during scheduled committee meetings. In the interest of efficiency and cost savings, Public Members are discouraged from such contact outside these meetings.
4. A Public Member shall not direct PID staff or business consultants to perform any work, investigations, studies, or research on behalf of the committee. The Public Member should make these types of suggestions to the committee as a whole.
5. PID Board Members serving on a committee, through the PID Board Member Chairperson, shall speak for that committee's actions and recommendations (if any) to the entire Board of Directors.
6. Under no circumstances, public or private, shall a Public Member of a PID committee represent themselves as "speaking on behalf of the committee."
7. Public Members shall not communicate with any media about PID committee business. Public Members shall not identify themselves as a PID committee member when sharing their own personal perspective on any issue and through any medium (including electronic social media). This prevents the appearance of speaking in an official capacity on behalf of PID.

D. Public Members appointed to a PID committee serve at the pleasure of the Board of Directors. At any time the board may choose to remove a Public Member of a PID committee by majority vote.



**CHAPTER 3**  
**DISTRICT ADMINISTRATION**

**3.1 STRUCTURE OF DISTRICT ADMINISTRATION**

- A. The District Administration consists of the General Manager and the General Manager's staff.
- B. Each staff member shall have such authority as is necessary to enable him to carry out duties and responsibilities assigned to him by this document or by direction of the General Manager. The designation of a duty or responsibility shall constitute such authority as is necessary to affect the duty or responsibility so imposed.
- C. The General Manager may direct any department to furnish another department with service, labor, and/or materials.

**3.2 FIDELITY BONDS**

At a minimum, the following District employees (General Manager, Treasurer, Secretary, and Office and Customer Service Manager) shall, before assuming the duties of their position, be bonded with corporate sureties for the faithful performance of the duties of their positions and the payment of all monies received by such individuals. A blanket bond or separate bonds may be obtained. The District shall pay the bond premiums.

**3.3 GENERAL MANAGER POSITION**

A General Manager shall be employed under contract. The General Manager shall be hired on the basis of his ability, integrity, and prior experience relating to the duties of the position, including but not limited to, abilities of public administration and leadership; and shall possess managerial capabilities as in the opinion of the Board befit him to provide professional direction to the District.

**3.4 POWERS AND DUTIES OF THE GENERAL MANAGER**

The General Manager shall:

- A. Be the chief executive officer of the District. The administrative powers of the District are vested in and exercised by the General Manager and his staff.
- B. Faithfully execute and enforce all applicable laws, rules and regulations, and see that all contracts, permits, licenses, leases and privileges granted by the District are observed.
- C. Carry out the policies and programs established by the Board.

- D. Hire qualified personnel for each of the General Manager's staff positions; recommend the creation of any other position as may be deemed necessary for the good government of the District; and regulate and prescribe the powers and duties of all staff positions of the District except as provided by law.
- E. Examine and inspect the books, records, and official papers of any office, department, agency, board or commission of the District, and make investigations and require reports from personnel.
- F. Approve, subject to the provisions of this document, the hiring of all other employees.
- G. Approve the suspension or removal of all other employees, and/or delegate such authority to staff.
- H. Develop, implement, and administer personnel rules and regulations as approved by the Board. Establish standards, qualifications, criteria, and procedures to directly or indirectly manage all employees within their respective positions, subject to any applicable provisions of the Rules and Regulations Governing Employment Conditions, Salaries And Benefits for Employees of Paradise Irrigation District (including any amendments thereto).
- I. Submit to the Board plans and programs relating to the development and needs of the District, and annual or special reports concerning the financial, administrative, and operational activities of the District.
- J. Attend all meetings of the Board and take part in its discussions and deliberations.
- K. Recommend to the Board for adoption such measures as he deems necessary or expedient.
- L. Prepare a financial estimate of the annual budget, which includes District goals and objectives, and advise the Board of the financial condition and needs of the District.
- M. Notify the Board of any emergency existing in any department.
- N. Coordinate all District departments.
- O. Coordinate with the District Secretary to schedule and cause notice to be published of District meetings before the Board as required by law, including, but not limited to:
  - 1. Water rate hearings
  - 2. Adoption or amendment to District budgets

- P. Execute such contracts as are necessary for the good order and functioning of the District, provided the expenditures pursuant to such contracts are within the appropriations contained within the appropriate budget, as adopted by the Board, and accepting those contracts specified in **other sections of this manual**.
- Q. Execute contracts for easements, right-of-way and/or well protection zones, provided any expenditure pursuant to such contracts do not exceed \$5,000 and that the District is a grantee of the interest(s) conveyed, and excepting those contracts specified in **other sections of this manual**.
- R. Implement and administer a plan, as approved by the Board, for the compensation of District employees.
- S. Approve expenditures and purchase orders made for official District business, provided such expenditures are within the appropriations contained within the appropriate budget as adopted by the Board.
- T. Discharge any other duties specified by statute or designated by the Board.

### **3.5 SUPPLEMENTAL POWERS AND DUTIES**

In addition to the powers and duties enumerated in **other sections of this manual** the District General Manager may:

- A. Authorize a department head or staff member responsible to him to appoint and remove employees serving under that department head or staff member.
- B. Designate himself or some other staff member to perform the duties of any office or position under his control which is vacant or which lacks administration due to the absence or disability of the incumbent.
- C. Assign any employee of the District to any department or branch requiring services appropriate to the personnel system classification of the employees so assigned.
- D. Investigate, examine or inquire into the affairs or operation of any department, division, or office; and when so authorized by the Board, he shall have power to employ consultants and professional counsel to aid in such investigations, examinations or inquires.
- E. Examine all proposed contracts to which the District may be party.
- F. Sign legal documents and warrants normally signed by the Board Secretary in the absence of the Board Secretary.

### **3.6 GENERAL MANAGER'S WORKING TIME**

The General Manager shall devote his full attention to the performance of these duties and shall not engage in outside employment without the consent of the Board.

### **3.7 REMOVAL OF THE GENERAL MANAGER**

The General Manager serves under contract at the pleasure of the Board. The Board may, at its pleasure, by majority vote and in accordance with the terms of the General Manager's contract, remove the General Manager.

### **3.8 DISTRICT OFFICE HOURS**

The District's office hours open to the public shall be from 9:00 a.m. to 4:00 p.m. Monday through Friday, except for designated holidays.

### **3.9 MEMBERSHIP IN ASSOCIATIONS**

The District, as represented by the Board of Directors, may hold membership in and attend meetings of such national, state, and local associations as may exist which have applicability to the functions of the District, and shall look upon such memberships as an opportunity for in-service training. Memberships may be maintained as described in the budget in the Association of California Water Agencies, American Water Works Association, California Rural Water Agency, Paradise Chamber of Commerce, the Butte County Special Districts Association, and other applicable associations. Annual dues are paid to each when due.

## **CHAPTER 4 MEETINGS**

### **4.1 MEETINGS OF THE BOARD OF DIRECTORS**

Compliance with the Open Meeting Law (Brown Act) or other statutory requirements regarding public meetings agendas and minutes is complex and cannot be prescribed separate from the statutory requirements. The reader of these Rules and Regulations is encouraged to use these provisions as general guidelines and to inquire about the numerous complexities provided by the Legislature of the State of California in regard to open meetings and public participation in those meetings.

A. Regular Meetings –

Regularly scheduled meetings of the Board will be held on the third Wednesdays of each calendar month at 6:30 p.m.

B. Special Meeting –

Any meeting of the Board that is held in addition to regular meetings. All Special Meetings shall be called by the Board President, or by a majority of the directors in conformance with the Brown Act.

C. Organizational Meeting –

The meeting at which officers of the District are elected and/or appointed. The Organizational Meeting shall be held on the date and hour of its first regularly scheduled meeting in January, or at the first meeting in December following a District election.

D. Emergency Meeting –

A special meeting held as a result of unforeseen circumstances, to consider matters of an urgent or emergency nature as described by law.

E. Closed Meeting –

Part or all of a regular or special meeting or one which has been adjourned, may be closed to the public under special conditions described by law. Proper notice is still required, even if no action is taken. When action is taken, such action shall be reported as required by the Ralph M. Brown Act.

## **4.2 PLACE OF MEETINGS**

Except as may otherwise be determined, meetings of the Board shall be held at the principal place of business of the District.

## **4.3. AGENDA PREPARATION**

The District Secretary shall prepare Board Meeting agendas in conformance with the following guidelines:

- A. Agenda items shall be submitted to the District Secretary by Noon (12:00 pm) on Thursday preceding the following week's Board Meeting.
- B. The General Manager will coordinate with the Board members, the District Secretary, Treasurer, and staff in assembling the agenda for meetings.
- C. Agenda items submitted by District staff or the public must have the General Manager's approval prior to being placed on the agenda. The public may submit a request to the General Manager or directly to the Board for future agenda items. In the Manager's absence, the Manager's designated representative may approve items for the agenda.
- D. All items submitted for possible Board action by Board members or the public shall include a written report including the following items:
  1. Subject
  2. Name of individual submitting the item.
  3. Background information – an explanation of what needs to be done, why it needs to be done and the financial impacts of the proposal, if any.
  4. Recommendation – what action is being requested of the Board.

## **4.4 PUBLIC NOTICE OF MEETINGS**

### **A. Meeting Schedule –**

A schedule of the meetings of the Board shall be posted at all times in a conspicuous place at the District's principal office. The schedule of meetings shall be sent to at least one of the local newspapers, the local library, and other organizations and individuals requesting such schedule, as prescribed by law.

B. Regular Meeting –

Notice of the date, time, place and agenda for each regular meeting shall be posted at the District's principal office and sent not less than 72 hours before the beginning of the meeting to at least one of the local newspapers, the local library, and other organizations and individuals requesting such schedule, as prescribed by law.

C. Special Meeting –

A special meeting may be called at any time by the presiding officer of the Board, by delivering written notice at least 24 hours in advance to each member of the Board, and to each local newspaper of general circulation and radio or television station requesting notice in writing. Where possible, the notice described in Section 4.4 B shall be given. When circumstances require an emergency meeting, the 24 hour notice requirements may be disregarded and the best practicable notice given.

D. Meeting at a Place other than the Principal Place of Business –

Notice of a meeting to be held at a place other than the principal place of business shall be given as provided by law.

#### **4.5 NOTICE TO DIRECTORS**

- A. Notice of all regular and, when possible, special meetings of the Board shall be sent by the Secretary to all members of the Board by ordinary mail to a Director's address as it appears on the District records, unless the Director specifies a different arrangement in accordance with paragraph C, below. Such mailing shall occur at least three business days in advance of each regular meeting and shall include the date, time, and place of the meeting as well as a copy of the previous meeting's minutes and the agenda for the present meeting.
- B. Notices mailed to a Director's Paradise address and deposited before the closing time at the Paradise post office will be deemed received at the usual time on the next mail delivery day.
- C. If a Director desires to receive notices while out of town, he shall supply the Board's Secretary with one or more of the following:
1. A temporary or "in care of" address within one day's delivery by ordinary surface mail or express mail.
  2. A telephone number at which the Director agrees to accept notices in lieu of mail or personal delivery.

3. An electronic e-mail address at which the Director agrees to accept notices in lieu of surface mail or telephonically, and agrees to accept the notice in the District's normal software application.
- D. A Director may file a written waiver of notice of special meetings in accordance with Government Code §54956.

#### **4.6 CONDUCT OF MEETINGS**

- A. All meetings of the Board shall be conducted according to the Ralph M. Brown Act. The Board prefers a flexible form of meeting, however, at times Robert's Rules of Order may be instituted at the discretion of the Chair or by a majority vote of the Board. If a Director believes order is not being maintained or procedures are not adequate, then the Director should raise a point of order, not requiring a second, to the Chair. If the ruling of the Chair is not satisfactory to the Director, then it may be appealed to the Board. A quorum of the Board will govern and determine the point of order.
- B. Any Board member shall have the right to place any matter on the agenda in accordance with Section 4.3.
- C. The President will not possess the power of veto for any requested agenda item. The Board, by majority vote; may in the interest of expediency, defer certain agenda items to another meeting date.
- D. The President or Chairperson will not limit or restrict debate by Directors of items appearing on the agenda. Should circumstances suggest that Director's debate be limited on an agenda item, such debate may be limited by a majority decision of the Board.
- E. Directors shall thoroughly prepare themselves to discuss agenda items at meetings. Information that is requested by individual Directors before meetings shall be distributed through the General Manager, and all Directors will receive all information being distributed.
- F. Agenda Item Procedures
  1. Presentation is made by staff, consultant, or agenda item author.
  2. Staff provides comments or recommendations if they are not the presenter.
  3. Board Members ask questions for clarification.
  4. The first public participation period is open.
    - a) Public may address the Board at this time and are expected to identify themselves and the state the city of their residence.



- b) Public may suggest questions for the Board to consider.
  - c) Public comments are generally limited to five minutes per speaker, but the time may be adjusted on a particular item at the pleasure of the Board President. Board President may set an overall time limit for public comments for the agenda item. Majority board vote may override the President's established time limit.
  - d) Public members are not allowed to "defer" their time to another speaker.
  - e) Comment cards may be required for some agenda items. Comments will be allowed in the order received.
- 5. Board Members ask any additional questions and debate the item.
  - 6. The second public participation session is opened only for new issues not previously raised in the first public participation session.
  - 7. Agenda Item is concluded with the lack of a motion, a motion with an approval or denial, or tabling to a future meeting.

#### 4.7 QUORUM

Action can be taken only by vote of the majority of the Board. Three (3) Directors represent a quorum for the conduct of business. Actions taken at a meeting where only a quorum is present, therefore, require all three (3) votes to be affirmative to enact any motion (unless a "super-majority" vote is required by policy or other law). A member abstaining in a vote is considered casting in the affirmative for that vote.

**Example –** If three of five Directors are present at a meeting, a quorum exists and business can be conducted. However, if one Director abstains on a particular action and the other two cast "aye" votes, the motion passes.

**Example –** If an action is proposed requiring a two-thirds vote and two Directors abstain, the proposed action is approved because the abstaining votes are considered in the affirmative.

**Example –** If a vacancy exists on the Board and a vote is taken to appoint an individual to fill said vacancy, three Directors must vote in favor of the appointment for it to be approved. If two of the four directors present abstain, the appointment is approved because the abstaining votes are considered in the affirmative.

Notwithstanding the foregoing, in the event a director abstains as a result of a financial interest under Government Code § 87100 et seq., the abstaining director's vote is considered an absence of that director. However, if the director's participation is legally

required for the action or decision to be made, the director may make or participate in making the decision notwithstanding the director's financial interest. An abstention by a director whose participation is legally required shall be considered a vote in favor of the majority.

A vote of the majority of the actual number of Directors in attendance shall be sufficient for a motion to adjourn or a motion to adjourn to a stated time.

#### **4.8 PRESUMPTION OF ASSENT**

A Director who is present at a meeting of the Board at which action on any matter is taken shall be presumed to have assented to the action taken unless his dissent from voting shall be entered into the minutes of the meeting or unless he shall file his written dissent from voting to such actions with the Secretary before the adjournment of the meeting. A written dissent shall not apply to a Director who voted in favor of such action, or abstained from voting.

#### **4.9 NO PROXY**

No Director may appoint another individual, by proxy or otherwise, to assume his responsibilities as a Director.

#### **4.10 OPEN AND CLOSED MEETINGS; ACTIONS TAKEN**

##### **A. Open Meeting –**

All meetings of the Board, except closed meetings, shall be open to the public.

##### **B. Closed Meeting –**

The District is authorized by the Ralph M. Brown Act to hold closed sessions for purposes specified in the Act. Those purposes include, for example, conferences with the District's attorney on pending litigation or whether to initiate litigation, discussions related to threats to District facilities, and some personnel matters.

##### **C. Actions Taken –**

No ordinance, resolution, rule, or regulation shall be approved at a closed meeting.

#### **4.11 MINUTES OF MEETINGS TO BE KEPT**

##### **A. Open Meeting –**

Written minutes shall be kept of all open meetings. Such minutes shall include:

1. The date, time, and place of the meeting.
2. The names of Directors present and absent.
3. The substance of all matters proposed, discussed, or decided, and a record, by individual Director, of votes taken.
4. The names, if provided, of all citizens who appeared.
5. Any other information that any Director requests be entered in the minutes.

Minutes shall not be “final” or “official” until they have been formally approved by the Board. Once approved by the Board, the official minutes shall be kept in a fireproof vault or other fire-resistant, secured cabinet. An audio tape recording of regular and special meetings of the Board will be made and retained for a minimum of three years. The recordings shall be maintained in a fire-resistant, secured environment in accordance with the District’s Records Retention Policy.

##### **B. Closed Meeting –**

Detailed written minutes or tape recording shall not be required to be taken and/or maintained. Informal notes may be taken to assist in describing any required action to be reported to the public.

#### **4.12 PUBLIC HEARING PROCEDURES**

##### **A. Public hearings before the Board shall follow procedural steps:**

1. Declaration that the public hearing is open.
2. Verification that legal notification requirements have been met.
3. Staff presentation.
4. Questions by Directors.
5. President opens the public comment session.
6. Call upon individuals who have completed and submitted registration cards.

7. When no more comments are to be made, the President shall close the public comment session.
8. Staff response.
9. Questions by Directors.
10. Board discussion.
11. Board vote.
12. Motion to adjourn.

B. The following rules shall be observed during public hearings before the Board:

1. Members of the public who desire to speak shall be requested to complete a registration card indicating the speaker's name, address and affiliations to the agenda item(s) (or whom he represents).
2. The Chair shall determine the order of who shall speak after reviewing the registration cards.
3. Speakers shall state their names, addresses and affiliations to the agenda item(s) (or whom they represent) before beginning their comments.
4. Speakers shall address their comments to the Chair, and they shall not debate with other meeting attendees or make personal attacks.
5. A predetermined time limit shall be placed on speakers. A speaker cannot combine his time with another (e.g., Speaker "X" cannot give his time to Speaker "Y" so that Speaker "Y" has double the time), and the Chair will not recognize redundant speakers/comments.
6. To permit everyone the opportunity to hear the proceedings, attendees shall be as quiet as possible.
7. The hearing is designed for civil discussion. Therefore, attendees shall not jeer, cheer, yell out comments, or clap.
8. Attendees shall not display any disruptive signs or distribute any inappropriate handouts or flyers in the hearing room.
9. After the close of the public comment period, discussion shall be limited to Directors and staff.

- C. The Chair of the public hearing shall enforce the procedures and rules set forth above in subsections A and B. The Chair, at its discretion and consistent with the District's Administrative Policies and Procedures, may take additional actions as will promote an orderly and efficient public hearing.

## **CHAPTER 5 PUBLIC ACCOMMODATION**

### **5.1 SERVICE AREA**

Except as otherwise provided, no new water connections will be made to serve lands outside the District. Any exception to this rule can only be by resolution of the Board. Past exceptions involving the sale of surplus water, when available, to be used outside the District, shall be subject to the provisions of the Water Code regarding the same, and under such special rates, rules, and regulations as may be determined by the Board.

Water will only be served from District main pipelines at points approved by the Board of Directors or the General Manager which are actively and presently used by the District unless otherwise ordered by the Board.

### **5.2 COPYING PUBLIC DOCUMENTS**

Individuals requesting copies of public documents, which pertain to District business, shall be charged a copy fee per sheet copied to defray expenses associated with the copying process. Copies of the agenda packet (except for privileged documents) shall be made available to the public on the District's website. A limited quantity (based on normal audience attendance) of such documents shall be copied in advance of each meeting and made available to the public in attendance at no charge. Individuals requesting copies of such documents prior to the Board meeting may be charged the copy fee per sheet. The copy fee may be levied at Board meetings for copies of voluminous documents if more are needed and/or requested in addition to those normally prepared for the public at Board meetings. The copy fee shall be set by the Board from time to time and be available upon request at the District office, and set forth in Paradise Irrigation District Water Rate Fees and Charges.

### **5.3 ADVERTISING**

Legal advertising will be placed in the Paradise Post or any other newspaper of record which is preferably located or maintains an office in Paradise.

#### **A. Postings –**

Required advertising and District notifications shall be made in the Paradise Post or any other newspaper of record, whichever is most economical, and as long as each maintains a local office presence in Paradise.

B. Press Releases –

Press releases to the news media shall require the prior approval of the Manager. The Manager shall make every attempt to provide copies of press releases to all Directors before making them available to the public.

**5.4 RECREATION**

A. Paradise Lake –

The public has access to Paradise Lake and may use the facilities in accordance with the Rules and Regulations Governing District Lakes and Reservoirs and Adjoining Facilities, and remittance of the required fees (Appendix B.2). At a minimum, the facility is available for seasonal fishing, boating with restricted use of motors other than electric trolling types, day use only activities, picnicking, hiking, and no swimming.

B. Magalia Reservoir –

Since the Reservoir and Little Butte Creek between the Reservoir and Paradise Lake are considered as regulating facilities to meet daily or peak consumption demands and as a terminal reservoir to a water collecting facility and as a distribution facility from which water may be supplied for drinking or domestic purposes, access around the reservoir shall be prohibited.

**5.5 PARADISE LAKE GROUP RESERVATION POLICY**

- A. Group events at the reservation area and gazebo must be scheduled in advance, estimated rental fees must be paid, and a rental agreement must be executed. The Facilities Rental Agreement is located in Appendix B.2.
- B. Group rental rates will be established by the Board and may change at any time.
- C. Renters and their guests must abide by all Paradise Lake rules and regulations then in existence. Renter accepts full responsibility to return the area to its original or better condition by the end of the event.
- D. Conditions regarding alcoholic beverages:
  - 1. Consumption of alcoholic beverages by persons under 21 years of age is prohibited AT ALL TIMES. Consumption of alcoholic beverages by persons under 21 years of age will result in immediate termination of the event and sheriff notification.
  - 2. Renter accepts full responsibility for the use of alcohol in the facility and agrees to prohibit use of alcohol by persons under 21 years of age. Renter

must execute an agreement with the District Accepting full responsibility for the use of alcohol at the event.

3. Alcoholic beverages must be served in accordance with all Federal, State, and County, and other applicable laws and policies.
  4. During the event, if alcohol is served and renter has not complied with any required rule under this policy, District Staff will notify the person in charge of the function to remove all alcohol from the premises. If this is not accomplished within fifteen (15) minutes of the notice, District Staff will call the Sheriff's Department and the event will be immediately terminated.
  5. Alcoholic beverages may only be served at private events. There shall be no sale of alcoholic beverages and the premises shall not be open to the general public. No tipping of bartenders shall be allowed. A "private event" is one in which all those attending are invited guests of the sponsor or actual members of the sponsoring group. The premises and/or function shall not be advertised or otherwise solicited to the public as a place where alcoholic beverages may be served or otherwise disposed of. The District reserves the right to approve of or reject alcohol usage at any event.
  6. Someone 21 years of age or older must be responsible for serving any alcoholic beverages.
  7. Alcoholic beverages must stop being served one (1) hour prior to the end of the event.
  8. A \$200.00 deposit is required in addition to the rental fee if alcoholic beverages are to be served. This \$200.00 deposit, or any balance remaining, may be refunded only after the District Staff has had an opportunity to examine the venue for consistency with this section 5.14.
  9. Any clean-up costs associated with alcohol usage will be deducted from the deposit. Any damage to the facility will be repaired at the renter's expense and taken out of the deposit. If damage is above the deposit amount, the renter will be billed the additional amount.
- E. Failure to comply with this policy will result in the immediate cancellation of the contract and/or termination of the event, possible sheriff notification, and the Renter losing the rental deposit.
- F. Renter assumes full responsibility for the conduct and actions of the guests at the function. The event will be shut down if there is any misconduct and the Sherriff will be notified.



- G. There must be a designated person in charge that is 21 years or older on site at all times while the event is in progress.
- H. Gazebo and picnic reservation area shall have maximum of 100 persons at the event.
- I. Gazebo is only available for use by reservation but can be rented without picnic reservation area.
- J. Events with 51 or more persons must submit proof of liability insurance 4 weeks prior to your event with minimum coverage amounts as set forth in the venue agreement with the District.
- K. Renter and Renter's attendees and guests must comply with all laws, ordinances, and regulations, including District's then-existing rules and regulations, while utilizing District facilities.
- L. Renter may not use District facilities in a manner that conflicts with, undermines, or interferes with the District's mission to provide water to its customers. Renter will not utilize District facilities to promote discrimination, hatred, or expose to contempt, any person or group of persons designated as a protected class under any applicable law.

## **CHAPTER 6 WATER SERVICE**

### **6.1 RULES AND REGULATIONS**

These rules and regulations have been adopted by the Board under the authority of the Water Code of the State of California, are part of the law governing the District, and may be amended as required for the operation of the District. All records of the District are open to the public in accordance with the Public Records Act during the hours when the District offices are open. Information concerning the affairs of the District will be furnished in accordance with statutory procedures and requirements. Reproduction of any documents shall be at a copy fee set by the Board from time to time and described in Appendix A.1.

Failure or refusal of any landowner or water user to comply with the rules and regulations of the District, including this manual, or any interference by any such landowner, water user, his servants or employees, with the rights, duties, or obligations of the District, or its employees, or any tampering with meters, valves, or other District works and installations shall entitle the District to discontinue the service of water to such owner or user until the landowner or water user shall furnish satisfactory proof to the Board of his intention to comply with the District's rules, regulations, policies, and procedures.

### **6.2 OWNERSHIP OF WATER**

All water and water rights belonging to the State within the District have been dedicated and set apart for the uses and purposes of the District. No purchaser of water from the District acquires any proprietary right therein or any right to resell such water, or to use it on premises or for a purpose other than stated in the written request to the District for service. The District asserts the rights to recapture, reuse, and resell all water that passes from the premises of the person to whom the water was sold, or from the premises stated in the request to the District for services. All water introduced into the District by District works or other outside sources is District water, and is subject to diversion, re-diversion, and use by the District. All such water intercepted and used or impounded will be charged to the person using or impounding it at the rates established by the District.

### **6.3 ANNEXATION OF LANDS TO THE DISTRICT**

Property must be annexed to the District prior to receiving water service. Annexations shall occur in accordance with the District's Annexation of Lands to the District or Reorganization including Annexation Application and Procedures Guide as described in Appendix B.3. No water service will be supplied to parcels that are not annexed to the District unless previously approved by the Board.

The applicant will be informed of the requirements for receiving service, including any negotiated and/or mitigating issues and the costs associated with the annexation process.

Thereafter, if the applicant wants to proceed with annexing their property, they must deposit funds equal in amount to the total of the District's processing fee and any other fees as described in the Recordable Annexation Agreement. Calculation of the District's annexation fee and when it becomes payable to the District will be as described in Appendix B.3 and the Recordable Annexation Agreement.

#### **6.4 EASEMENT ABANDONMENT**

Abandonment by the District of its interest in public utility, irrigation, and other easements dedicated to the District for installation, maintenance, repair, etc., of facilities, shall require approval of the Board. Staff shall prepare a detailed analysis and recommendation for consideration by the Board. Commitments to abandon easements or assurances that easements will be abandoned may be provided by staff only after approval of same by the Board.

#### **6.5 APPORTIONMENT OF WATER**

In the event of water shortage conditions, the District will endeavor to equitably apportion the water to the land and/or customers entitled thereto in accordance with the water shortage contingency analysis discussion found in the most recent publication of the District's Urban Water Management Plan or in accordance with emergency measures adopted by the Board. The decision of the Board as to the need for and method of apportioning the water shall be conclusive. No water user shall permit the waste of water which is under his control. The District reserves the right to refuse delivery of water when it appears to the satisfaction of the Manager that the proposed use or method of use will require such excessive quantities of water that will constitute waste.

#### **6.6 WATER SERVICE**

The District provides domestic and irrigation water from Paradise Lake and Magalia Reservoir through the District treatment plant, and occasionally from District drought management wells, through the District's piped distribution system. The District operates the system with permits from the State of California, Department of Health Services. Irrigation and residential irrigation water service accounts are defined as those using water on two or more acres for any legal agricultural endeavor.

The agents of the District shall have access at all times to the property being supplied with water from the District's system for the purpose of examining the lands, the flow of water thereon, the District works and water facilities and any private pipelines or facilities for the delivery of water. No fence or structure shall be built, or trees or other obstruction maintained prohibiting reasonable District access on any right-of-way or easement or other property belonging to the District without the permission of the Board in writing and signed by the President of the Board. No meter shall be fenced in or made inaccessible without District approval.

No material of any sort will be placed or allowed to collect on any land belonging to the District. No trespassing is permitted on District land so posted or fenced. Violators of the rule shall be subject to prosecution.

No person or persons shall install or place any pipeline, valve, meter or other structure or device in any works of the District except in pursuance of plans adopted or orders made by the Manager and approved by the Board; nor shall any person divert or take water from the works of the District or under its control or make any opening therein, or change, molest, disturb or interfere with any works of the District without permission of the Manager and approval by the Board.

#### **6.6.1 Applying For Service –**

Any person desiring a new service connection shall apply for service at the District office as far as possible in advance, in order to afford the District time to make the connection.

Requests for new water service (property normally not previously serviced), shall be made by the property owner or his designated agent. To open an account for new water service, a signature is required on the Meter Order form. A transfer of existing water service requires a copy of the property owner's recorded deed. Applications for service are taken at the business office of the District. The District's requirements for the type of service desired must be met before a request will be approved. Service charges begin when a meter is installed.

All requests for water service shall be subject to staff review. Requests for service from a water main not contiguous to the subject property, or from a water main with insufficient capacity to serve additional demands, will be subject to additional review and may be subject to special conditions of approval.

Special conditions of approval include, but are not necessarily limited to, providing proof of recorded easement(s), execution of a Future Pipeline Agreement, or construction of a pipeline extension project. Additional District costs for legal review, document preparation, etc. (over and above the costs associated with a meter order that does not have special conditions of approval), will be billed to the applicant and payment shall be received before service will be provided.

If any part of the property to be served does not physically touch an existing District main with sufficient capacity to provide additional service ("non-contiguous), or if these premises are outside the District's boundaries, or if unusual conditions exist, the applicant will be advised of terms and conditions which must be met before a request for service may be accepted, including the possibility of Board approval. In determining whether the portion of an applicant's premises lying directly along a main constitutes principal frontage, the District's decision shall be final. It is the intent of the language contained herein,

to minimize the number of multiple service lines which, in the judgment of the District, detracts from the present and future orderly development of the District.

Continuance of service is dependent on compliance with the District's regulations governing service.

### **6.6.2 Service Connections –**

All new pipelines and service facilities to supply water to new developments shall be installed at the full cost and expense of the owners of such developments and shall be installed in accordance with the District's Improvement Standards For Water Systems Planning and Design Manual (Appendix B.7), and the Pipeline Installation Procedures and Specifications Manual (Appendix B.8).

#### **A. Existing Service Connection**

Service may be granted where a complete service connection for the premises exists provided the District's requirements are met as stated in these regulations, including copies of legal property documentation substantiating ownership or change in ownership. During normal business hours, if a minimum forty-eight (48) hour advance notice is furnished to the District, the service will be continued or turned on at the meter on the date requested by the customer. After hours service requests will be subject to additional charges.

#### **B. Service Connection Does Not Exist**

When an application is received for service to premises where a service connection does not exist, service may be granted provided the applicant meets the District's general requirements as stated herein and as described in Appendix B.7, Improvement Standards for Water Systems Planning and Design Manual, and Appendix B.8, Pipeline Installation Procedures and Specifications Manual.

### **6.6.3 Pipeline Installations –**

Pipeline installations shall be in accordance with Pipeline Installation Procedures and Specifications as described in Appendix B.8.

The State's Attorney General has opined that, in certain circumstances, construction of facilities for provision of public utility service, with the understanding and agreement that said facilities will be turned over to the District for ownership, operation, and maintenance at the conclusion of construction, may be subject to the prevailing wage laws of the State of California. It is the developer's responsibility to determine if the Attorney General's opinion affects the wages paid by him to workers employed on water facilities constructed for

their project. However, should it be determined that the prevailing wage laws of the State (Labor Code 1770, et seq.) apply to the work performed for the project, then the developer will be required and shall agree to defend and hold the District harmless from any liability, claims, damages, or costs in any way associated with said determination by the State. Further, the developer shall take all necessary and appropriate action, including payment of back wages, and any associated penalties which may be required, due to enforcement of the prevailing wage law in connection with construction of the water system.

The District will not represent or advise the developer in connection with this matter except to advise them of their potential liability. The developer should not rely upon any opinion or information of the District in making their determination in connection with the payment or nonpayment of wages.

#### **6.6.4 Continuity of Service –**

After water service has been installed, the appropriate charge will continue for all installed meter accounts until written notice from the property owner is given to the District to permanently discontinue service. In those cases where the meter had been removed and a sealed meter status remains in effect, the customer shall retain applicable rights and privileges of those customers with an installed meter.

The property owner may request their meter to be removed. Such discontinuance of service is permanent. Reestablishment of service shall be on the same basis and conditions as any other request for new service with the exception that the owner shall retain the capacity provided to that parcel and capacity fees will only apply if the new service requires more capacity than the removed meter.

A service charge for temporarily sealing and reactivation to normal service shall be fixed from time to time by the Board and be available on request at the District business office.

#### **6.6.5 Service Interruptions –**

The District may shut off the water at any time for the purpose of making repairs and improvements to its pipelines and works or for other purposes and the District shall not be responsible nor liable in any manner for any inconvenience, loss, or damage caused by any service interruption. Whenever possible, proper notice will be provided to the customers impacted by the service interruption.

Water users requiring continuous water supply for any reason are advised to provide an auxiliary supply or storage facility sufficient to supply their needs during any such interruption period.

### **6.6.6 Limits of District Liability –**

The District will not be liable for any damage of any kind or nature resulting directly or indirectly from any private distribution or service pipeline, or the water flowing therein, or by reason of lack of capacity therein or for negligent, wasteful or other use or handling of water by the consumers there from. The District sells water as a commodity only and not as a guaranteed service and will not be liable for defective quality of water, shortage of water either temporarily or permanently, or failure to deliver such water.

Pumping by consumers of District water is done at the consumer's risk and the District assumes no liability for damages to pumping equipment or other damages as a result of water quality or shortage or excess of water or other causes.

The District assumes no liability for damages to persons or property occasioned through defective pipelines, meters, pressure relief valves, or any other part of the system.

## **6.7 PRIVATE DISTRIBUTION PIPELINES**

### **6.7.1 Maintenance of Private Distribution Pipelines –**

The District no longer approves private distribution pipelines (pipelines on the District's side of the meter, but not owned by the District). It is to such pipelines earlier approved and installed that the comments of this section apply.

In the event of leakage from such privately owned pipelines and failure or refusal of property owners to repair the same, the District may at its option in the Manager's discretion, in order to avoid waste of water or property damage, discontinue service of water through such privately owned pipelines until the condition is remedied.

It is the goal of the District that private pipelines be eliminated from the District's distribution system. In order to achieve this goal, the District will relocate meters onto a nearby District main at no cost to the customer if the customer absorbs the cost of connecting their service line from the meter to their existing plumbing. The District may consider other participation in the elimination of private pipelines in order to resolve operational difficulties or other problems, however, no funds for private pipeline work other than meter relocations shall be spent without prior approval of the Board.

### **6.7.2 Condition of Private Service Pipelines Beyond District Meters –**

Before water is turned on for a private service pipeline, the pipeline shall be in suitable condition to receive water. Failure to comply with this policy shall be sufficient cause for refusal to turn water into such pipelines. Nothing herein shall

be construed as an assumption of liability on the part of the District, its Directors, officers or employees for any maintenance, or use of any private pipeline or by reason of permitting the flow of water or turning water therein.

### **6.7.3 Acceptance of Private Distribution Lines –**

Upon request of property owners of a private distribution pipeline, the Board may, at its sole discretion and after proper inspection by the District, agree to accept conveyance of title to the pipeline and right-of-way and thereafter operate and maintain it as a District pipeline.

## **6.8 CUSTOMER SERVICE LINE IMPROVEMENTS**

It is the policy of the District to encourage the replacement of long customer service lines when an opportunity to connect to a new main in a closer location presents itself. All costs associated with the extension of, or connection to District facilities, together with the installation of private service lines from said facilities, shall be the responsibility of the owner(s) of the parcel(s) to be served.

Property owners that are willing to replace their service line, where the cost is in excess of \$1,000, will have the option to finance their costs through the District at fixed rate set at the prime rate of the District's Bank, plus 2% for a maximum term of 10 years. Property Owner will be required to acknowledge that any delinquencies will result in the total amount due being transferred to the Property Tax rolls.

## **6.9 RELOCATION OF DISTRICT SYSTEM**

The cost of relocating meters, hydrants, pipelines, or any other portion of District's system shall be borne by the requesting part or the party benefiting from the relocation. Relocation fees shall be labor plus fifty (50%) percent, material, and equipment charges. As described in Appendix A.1.

## **6.10 FINANCIAL RESPONSIBILITY FOR COST OF EXTENDING MAINS**

It is the District's policy to allow reasonable extensions of District water mains to serve the growing community, but not to unfairly burden existing customers with the costs of extending service to new customers. The developer of a project or the owner of a lot that wishes to connect the project or lot to the District's system ("Developer") may request an extension of a District main and appurtenant facilities to serve the project or lot. The Developer will initially bear the entire cost of extending the main and will also bear the costs of installing the private service lines to its project or lot(s). The District, in its sole discretion, may elect to use its own forces to install the extension, in which case the Developer will be required to deposit with the District the entire estimated cost of the extension; otherwise, the Developer will be responsible for constructing the extension to the District's specifications. The District will not be responsible for any of the costs associated with the Developer's extension of the main



### **6.10.1 Other Benefitted Lots –**

If other lots not under the Developer's control front on the extended District main, they will be eligible to receive service from the extended main. The owner of an eligible lot that (1) has previously executed a Future Pipeline Agreement with the District, (2) requests new, upsized, or expanded service from the extended main, or (3) is subdivided before the end of the term of the Reimbursement Agreement (see below), will be responsible for a Pro Rata Contribution for the cost of extending the main. (See Section 6.10.4, below.) In the case of a subdivided lot, each new lot created by the subdivision will be liable for a Pro Rata Contribution. The owner of a benefitted lot will also be liable to the District for the cost of installing the private service line from the main to the benefitted lot and for any other applicable fees and charges (e.g., meter installation or relocation fees, capacity fees, etc.).

The owner of a lot that already receives treated water service from the District and is not subject to a Future Pipeline Agreement will not be liable for any Pro Rata Contribution unless it requests expanded or upsized service or the lot is subdivided before the end of the term of the Reimbursement Agreement. If the extension of the main necessitates relocation of any existing metered water service, the District will perform the relocation and the Developer will bear all the costs of relocation, unless the affected lot was already subject to a Future Pipeline Agreement. No lot will ever be required to pay more than one Pro Rata Contribution.

### **6.10.2 Reimbursement Agreements –**

The Developer will initially bear the entire cost of extending the water main. Prior to the District's acceptance of the extended main, the Developer may request a Reimbursement Agreement with the District, under which the District will attempt to collect the Pro Rata Contributions from benefitted lot owners and disburse them to the Developer. The District will not be liable, financially or otherwise, if its collection efforts are unsuccessful. Reimbursement Agreements will have a maximum term of ten years, at the conclusion of which the District will cease collection efforts and make a final disbursement to the Developer.

### **6.10.3 Reimbursable Costs –**

Reimbursable costs are limited to those construction costs that are directly and solely related to the extension of the main. The calculation of such costs is subject to District approval. Costs incurred by the Developer for right-of-way acquisition, retention of engineers or other consultants for planning or design purposes, or for construction of improvements that do not benefit properties other than the Developer's will not be reimbursable. If there is a future extension of the main built off of the Developer's extension, lots benefitted by the future extension will not be liable for any Pro Rata Contribution for the Developer's extension.

#### **6.10.4 Pro Rata Contribution Calculation –**

Responsibility for reimbursable costs will be calculated as follows: 50% of the total reimbursable costs will be apportioned to each benefitted lot based on the maximum number of potential lots into which each benefitted lot (including the Developer's) could be divided (as allowed by post-project zoning). The other 50% of the total reimbursable costs will be allocated to each lot based on each lot's proportionate frontage on the extended main. A particular lot's Pro Rata Contribution will equal the sum of its contribution based on potentially benefitted lots plus its contribution based on proportionate frontage.

The Pro Rata Contribution apportioned to any single lot (except for the Developer's) may not exceed 50% of the total reimbursable costs. If a lot is subject to a Future Pipeline Agreement and its Pro Rata Contribution will exceed \$1,000.00, then the lot owner may finance its Pro Rata Contribution through the District at a fixed rate set to the prime rate of the District's bank plus 2%, for a maximum term of ten years. Such financing is not available to the Developer, which will be responsible for obtaining its own financing.

#### **6.10.4.1 Potentially Benefitted Lots –**

The District will determine the total number of potential lots within each existing lot that would be benefitted by the extension, based on the zoning rules applicable after the project is complete. (For instance, a 2-acre lot in an area where zoning requires a minimum lot size of 1 acre would be considered to contain 2 potential lots; a 3.5-acre lot in an area where zoning requires a minimum lot size of 1 acre would be considered to contain 3 potential lots.) 50% of the reimbursable costs will be apportioned to each benefitted lot based on the number of potential lots within each existing lot, divided by the total number of potential lots benefitted by the extension.

#### **6.10.4.2 Proportionate Frontage –**

The District will determine the sum of the lengths of the Front Lot Lines (as defined in Section 16.10.3.B.31 of the Paradise Code of Ordinances) of all lots that will be benefitted by the extension of the main. 50% of the reimbursable costs will be apportioned among the benefitted lots based on the length of the Front Lot Line of each lot, divided by the sum of all Front Lot Lines of all benefitted lots.

### **6.11 FIRE HYDRANTS**

#### **A. Usage and Operations –**

By written agreement between the District and the Town of Paradise's Fire Department (Town), the Town accepts and acknowledges ownership of all District water system fire hydrants and is responsible for the installation, repair,

and maintenance of fire hydrants. The Town requires the developers to meet fire flow requirements for all new developments with the cost of the materials and installation to be borne by the developer and/or the Town. The District may operate hydrants for flushing, flow testing, draining, filling, or other District purposes. At any time total water storage in Magalia and Paradise reservoirs falls below 8,000 acre feet, water will not be used for annual hydrant flow testing without the prior written approval of the Board.

B. Construction Water –

Application for a meter to provide construction water from fire hydrants or other outlets may be made at the District's business office. Except on a case-by-case basis for Public Works projects, which will benefit the community, no construction water may be taken or used outside District boundaries. All construction water delivered from fire hydrants shall be protected by a backflow device and measured and delivered through a meter. If a meter is temporarily unobtainable by the District, the Manager may, until such meter is available, arrange unmetered delivery and estimate the amount of water delivered for billing purposes. Hydrant meter deposits, service charges, and water rates shall be as fixed from time to time by the Board and be available upon request at the District business office.

## 6.12 METERS

### 6.12.1 General –

All water delivered to customers must be measured and delivered through a meter, which shall be read on a monthly basis. As it is not always practicable to read meters at equal intervals, the period between reading dates may vary by a few days.

Where water is served, at least one meter shall be established for;

- A. Each separately deeded parcel, or
- B. Contiguous parcels in identical ownership.

A parcel shall be that which is identified by a County Assessor's parcel number. An exception to this policy may be granted by the Manager for landscape irrigation service to street medians or parkways, which are contained within a public or private street right-of-way and are not defined as a separate deeded parcel. The applicant for water service to a parcel not identified with an assessor's parcel number shall submit a description of that parcel and water service to that parcel shall be subject to all other applicable provisions herein.

Notwithstanding the previous paragraph, one or more meters may serve a mobile home park or multiple-unit residential complex wherein the park or complex is comprised of a collection of separately deeded and contiguous parcels including parcels owned in common by an Association of the separate owners. The association shall be the District's customer and shall be responsible to receive and pay all water bills.

#### **6.12.2 Ownership and Size –**

The District shall retain ownership of all meters and connecting service pipe to the meter and reserves the right to regulate the size, character, and location of each meter for service. Water meters have operating ranges and characteristics which need to be compatible with water service demands to provide appropriate service.

#### **6.12.3 Replacement –**

The District may at the request of a property owner, and if in the opinion of the Manager such a change is reasonable, replace an existing meter with a larger or smaller meter. In the event that a meter is incorrectly sized for the flow demand at the point of service, the District may, at its option, replace the meter with a meter of the correct size.

An increase in meter size shall result in the requirement for the customer to pay the then current difference in capacity fees between the existing meter size and the new meter size. The customer is also responsible for the labor, materials, and equipment charges to undertake and complete the work.

If the meter size is reduced, the former capacity size is retained for the property. In the future, the customer shall be credited the difference of the then current capacity fees in the event there is additional meters, the original size is restored, or a larger meter is installed on the property. The Customer is responsible for the labor, materials, and equipment charges to undertake and complete the reduction in meter size.

If the existing meter is too small for the flow demand, the meter size shall be increased and the customer shall pay the applicable installation fee and the additional service capacity fee. If the customer refuses to pay all the appropriate fees for a larger meter, the District will install a flow restrictor at the meter to limit the flow to the rated capacity of the meter.

#### **6.12.4 Active Meters –**

All meters are classified as “active” unless sealed upon request of the landowner or by reason of conversion to the “discontinued service” category. All former “temporarily removed meters” were converted to one of the following categories:

- A. Active meters
- B. Sealed meters
- C. Discontinued Service meters

Meters may only be moved from one location to another for the property being served upon request or as required to protect the meter. The cost of such relocation shall be borne by the requesting party or the party benefiting from the relocation. Meters remain with the property and may not be transferred to any other parcel even if under the same ownership.

“Discontinued Service” meters will not pay a monthly service charge, but the service line to the meter will not be replaced if it is found to leak, or if the District replaces the mainline that previously served the property.

Meter installation and relocation charges shall be fixed from time to time by the Board and be available upon request at the District business office.

#### **6.12.5 Capacity Fee –**

A capacity fee has been established and charged to customers to provide funds to build certain facilities needed for growth within the District. The capacity fee calculation takes into consideration both the value of the existing system, as well as anticipated alternative water supplies needed to supply new connections. A capacity fee schedule for new meters and changes in meter size shall be fixed from time to time by the Board and be available upon request at the District business office.

The capacity fee may be financed by the owner of the property through the District at fixed rate set to the prime rate of the District’s Bank plus 2%, for a maximum term of 7 years, with an option by District to call upon any sale, transfer, or assignment.

#### **6.12.6 Construction/Hydrant Meters –**

Construction/Hydrant meters will be available, unless restricted due to water supply conditions, as provided in this manual.

#### **6.12.7 Building/Construction Meters –**

Building/Construction meters for new construction shall be the same as any other regular active meter except that they shall be eligible for the lowest “service” charge for the first six months or until the building is transferred or occupied.

#### **6.12.8 Estimated Meter Readings –**

Bills for service will be based on an estimate if a meter fails to register the volume of water consumed or cannot be read. In estimating consumption, due consideration will be given to fluctuations in usage caused by seasonal changes or known service interruption. Where a meter cannot be read without undue difficulty because of obstruction, the customer will be notified and requested to correct the condition.

#### **6.13 CUSTOMER PRESSURE REGULATING & RELIEF VALVE RESPONSIBILITY**

It shall be the responsibility of each water service customer to install pressure regulating and pressure relief valves within the customer’s private water pipe system in accordance with the Health and Safety Code and applicable building codes.

#### **6.14 CROSS-CONNECTION AND BACKFLOW CONTROL**

The District is required by the State of California to maintain a cross-connection control program (California Administrative Code, Title 17, Chapter V, Section 7583-7622, inclusive, as amended), insofar as the regulations are applicable to the protection of the District’s water supply. Cross-connection and backflow control applications shall occur in accordance with the District’s Cross-Connection and Backflow Prevention Pamphlet as described in Appendix B.9. In accordance therewith, the District will maintain no water connection to any property unless the public water supply is adequately protected.

Water service by the District may be refused or discontinued to any premises upon which there is found to be another source of water or a cross connection, after due notice is given thereof by the District to the consumer or owner of said premises. Such service shall not be established or restored until such cross connection has been eliminated or a backflow device satisfactory to the District has been installed. All costs to install, maintain, and operate such devices shall be borne by the customer. Cross connection control devices are required to be inspected and tested annually. Such devices must be tested by qualified personnel as determined by the District with the results recorded on a form to be provided by the District. If desired by the customer such testing can be performed by the District at a charge to be available upon request at the District office.

The protective device required shall depend on the degree of hazard as determined below:

- A. District approved double check valve assemblies may continue to be used if they are an existing protection device.

- B. An air gap separation or reduced pressure principal device shall be used where there is an existing or potential cross connection.
- C. Pressure type vacuum breakers will be required on sprinkler systems being held under line pressure. Anti-siphon valves may be used in open irrigation systems.

**CHAPTER 7**  
**WATER RATES, OPERATING FEES AND BILLING PROCEDURES**

**7.1 WATER RATES**

A current schedule of prevailing water rates, service charges, and operating fees shall be determined and approved by the Board and shall be available upon request at the District office. A current schedule of these rates, charges, and fees shall be included in Appendix A.1 of this manual.

**7.2 PUBLIC NOTIFICATION OF WATER RATE CHANGES**

Revisions to water rates, service charges, and operating fees shall normally be established as required through the public hearing process. To the extent possible, water rate changes will become effective with the next billing date which will be at least thirty (30) days following the date on which the Board approved the rate change. The District will endeavor to make public notification of the rate changes through the news media and on customer water bills, space permitting. Emergency rate changes may become effective at the discretion of the Board.

**7.3 SERVICE CALL CHARGE**

A charge may occur for each service call where it is done for the convenience of the user or made necessary through non-payment of charges or to enforce the rules of the District. A current schedule of these rates, charges, and fees shall be included in Appendix A.1 of this manual.

**7.4 DUPLICATE BILLING CHARGE**

At landowner's request, the District will send a duplicate billing to a second address (this does not change the landowner's responsibility for meter charges). A charge for this service will be added to the bill. A current schedule of these rates, charges, and fees shall be included in Appendix A.1 of this manual.

**7.5 SPECIAL METER READING CHARGE**

A charge shall be made for any special reading requested by the owner. A current schedule of these rates, charges, and fees shall be included in Appendix A.1 of this manual.



## **7.6 EXAMINATION OF METERS CHARGE**

Upon executing an application and depositing an inspection fee, any customer may request that his meter be examined and tested to determine its accuracy. The inspection fee shall be fixed from time to time by the Board and be available upon request at the District office.

If such examination and test shows the meter to register over five percent (5%) more water than actually passed through it, the inspection fee will be returned to the customer and the bill for the preceding billing period and current billing period will be adjusted. If a water meter is not registering in excess of five percent (5%), the inspection fee will be retained by the District.

At the customer's request, arrangements will be made for the customer to be present while the test is being made.

## **7.7 SEALED METER CHARGE**

### **7.7.1 Authorization –**

Proper authorization shall be required to seal or unseal a water meter. A service call charge shall apply to each activity required. During the period a meter is sealed, one-half the monthly water service charge shall apply. That same charge will also apply to sealed meters converted from the discontinued category of “temporarily removed meter”.

### **7.7.2 Tampered Meters or Delinquent Bill –**

If meters are tampered with in any way or if a customer refuses to pay a delinquent water bill, the Manager may at his discretion have the meter removed and the fee for removing the meter shall be as fixed from time to time by the Board and be available upon request at the District office.

### **7.7.3 Discontinued Service –**

If a property owner chooses to discontinue service and not pay the sealed meter rate (Discontinued Service), they will be required to pay a meter removal charge. If service is later reactivated, the property owner may then be responsible for the cost of LEMO (Labor, Equipment, Materials, and Overhead) for the installation of a new service line from the District Main to the property line (Service Line). Situations in which a service line may need to be replaced include, but are not limited to:

- A. If leak occurs on the Service Line to a property with Discontinued Service, the line will not be replaced, but turned off at the District Main.

B. If the District is replacing a mainline that serves a property with Discontinue Service, the Service Line will not be replaced.

**7.7.4 Reactivating Service –**

A property owner reactivating service on a parcel with a Service Line that is still pressurized will be charged the same rate as a ¾” Meter Installation on a Developer Financed Service Line or LEMO, whichever is applicable.

**7.8 BILLING PROCEDURES**

**7.8.1 Billing Period –**

Customer accounts are billed on a monthly basis. The District will endeavor to read meters on the same working date every month. Variations to this practice will be in accordance with industry-accepted practices. Customers may make advance payments to maintain water service during their absence. The billing will reflect the current credit balance until expended. Monies placed on deposit will not bear interest.

**7.8.2 Service –**

The District reserves the right to refuse or discontinue service to any customer who is delinquent in payment of water charges, in accordance with District policy, unless and until such payments have been paid in full. This rule shall be effective notwithstanding the fact that the customer may not be the same person who owned the property when the delinquent charges were incurred.

Where service is at risk of being discontinued, payment may be accepted from a tenant. When this occurs, the District will have no reimbursement responsibilities to any party.

**7.8.3 Delinquent Accounts –**

All charges shall become delinquent if not paid within twenty five (25) days after the billing date, and if not paid prior to the next billing, there shall be added thereto and become a part of such charges, and be collected by the District, a penalty of two percent (2 %) per month on delinquent balances. Application of such penalty shall continue until the account is current, or to the time when the unpaid and delinquent charges are added to the annual assessment of the District as provided in the Water Code.

If delinquent charges are not paid fifty (50) days from original billing date, a fifteen (15) day notice shall be mailed to the customer and a Fifteen Day Notice fee shall be applied to the account. The Fifteen Day Notice fee shall be established in the Fees and Charges approved by the Board of Directors.

If delinquent charges, including the Fifteen Day Notice fee, are not paid thirteen (13) days from the issuance of the Fifteen Day Notice, a Forty Eight Hour Notice shall be delivered to the service location and a Forty Eight Hour Notice fee shall be applied to the account. The Forty Eight Hour Notice fee shall be established in the Fees and Charges approved by the Board of Directors.

If all delinquent charges are not paid within the forty eight hours of the Forty Eight Hour Notice, service will be terminated and a Meter Seal Fee shall be applied. The Meter Seal Fee shall be established in the Fees and Charges approved by the Board of Directors.

All delinquent amounts and previously billed charges shall be paid before service will be reinstated.

Property owners shall be responsible for and receive all water statements regardless of whether or not the property or premises is being rented or leased by others. Only property owners shall be allowed to make application for water service. A property owner may request duplicate bills be sent to the tenant for a fee. The property owner will remain responsible for unpaid charges. The Duplicate Billing Fee shall be established in the Fees and Charges approved by the Board of Directors.

The District reserves the right to refuse or discontinue service to any customer who is delinquent in payment of water charges unless and until such payments have been paid in full. This rule shall be effective notwithstanding the fact that the applicant may not be the same person who owned the land when the delinquent charges were incurred.

All delinquent water bills and charges for service remaining unpaid at the time of setting the annual tax rate may be added to and become part of the annual assessment levied by the District as provided for in the Water Code of the State of California.

The District Billing Clerk with approval of the General Manager may file a lien against the property for delinquent water bills and charges for service. The District Billing Clerk, with the approval of the General Manager, may require a deposit, up to the equivalent of the charge for 150 days maximum use, in the event of a bankruptcy after the date of order for relief. The deposit may be applied to 20 percent of each bill until the deposit is reduced to the equivalent of 30 days (1 billing period) maximum use. This reduced deposit shall remain for one year at which time it may be credited to succeeding bills until depleted.

## **7.9 LEAK POLICY, ADJUSTMENTS, AND APPEALS**

The customer is responsible for all water going through the meter. Leaks caused by frozen or broken pipes, damage, or other leaks on the customer's side of the meter shall be the responsibility of the customer. The District may, upon request of the customer, provide for a payment plan of up to one year, with no penalties, to assist customers in paying amounts billed that are attributed to a leak.

An identified leak will not result in a customer moving to a higher service charge classification so long as the leak is repaired in a timely manner. Upon request of the customer, the District will determine if a leak will result in a change in classification, based upon the circumstances, magnitude, and duration of the leak.

Online customer usage data and leak notification is available to customers. The customers are expected to respond to leak detection notifications from the District and repair leaks promptly.

The District may, upon written request of a customer supported by repair bills or other appropriate documentation, adjust such customer's bill in the case of loss of water due to circumstances beyond the reasonable control of such customer, such as a mechanical malfunction, blind leak, theft of water, vandalism, unexplained water loss or other unusual or emergency conditions. Adjustments shall not be made for faucet or toilet leaks.

The District will use its automated billing system to determine the amount of water usage attributable to the leak. Customers that fix leaks within seven days of the District's leak notification, may, upon the customer's request, and if the District determines that an adjustment is appropriate and reasonable under the circumstances, receive a credit for leak usage of up to seven days from the District's notification.

The General Manager, or his or her designee, may, in his or her sole discretion, grant an adjustment for usage attributed to the leak that occurred after the above-described seven-day period. In making such a determination, the General Manager, or his or her designee, may take into account the cause of water loss, any negligence or fault of the customer in connection therewith, and the difficulty of repair.

Any customer seeking relief under this policy must make a written request to the District as soon as possible and in no event later than ninety days after the closing date of the billing cycle in which the leakage occurred.

The District's determinations under this policy will be made by District staff in writing and mailed to the owner at the billing address on the District's records. Any person aggrieved by a staff determination may file a written appeal to the Board of Directors, no later than sixty days after the date of staff's determination. The Board will consider the appeal and make its decision at a noticed public meeting.

## **CHAPTER 8 RISK MANAGEMENT**

### **8.1 GENERAL INSURANCE COVERAGES**

The District is self-insured for the amount of any deductible(s) on all general and vehicle liability, property, crime, and boiler and machinery coverage. When the District experiences a favorable lower than industry average unemployment turnover ratio, the District will participate in a voluntary state unemployment insurance program. The voluntary program is a “dollars-for-dollars” for outstanding claims approach versus the traditional individual category premium concept.

The District participates in the Association of California Water Agencies / Joint Powers Insurance Authority (ACWA/JPIA) public entity risk pool. The District pays a retrospectively rated annual premium to ACWA/JPIA for its general liability, property and workers’ compensation coverage.

### **8.2 PROCEDURE FOR FILING AND PROCESSING OF CLAIMS**

The District will adhere to ACWA/JPIA policies and procedures, and any other legal requirements when processing and filing claims.

- A. The Manager and staff members shall promptly review new claims and periodically review existing claims.
- B. The Manager shall prescribe the use of ACWA/JPIA forms and promulgate administrative procedures to expedite the claims-processing procedures of the District.
- C. The Manager and Treasurer, together, after conferring with the District’s legal counsel, may compromise and settle any claim if the payment in compromise is \$5,000 or less. All such claims settled must be reported to the Board at its next regularly scheduled meeting. The Board must authorize the settlement and compromise of claims in an amount exceeding \$5,000. All claims, regardless of amount, shall be submitted in a timely fashion to ACWA/JPIA for appropriate monitoring.

### **8.3 INDEMNIFICATION OF EMPLOYEES**

Board members, officers, and employees of the District shall be indemnified for acts or omissions occurring during the performance of their duties, within the scope of employment, or under authority pursuant to the provisions of the California Water Code.

#### **8.4 SAFETY, HEALTH, INJURY, ILLNESS AND RISK MANAGEMENT PROGRAMS**

- A. The District's safety, health, injury, illness and risk management policy is to protect the District against accidental losses which, in the aggregate, during any financial period, would significantly affect personnel, property, the budget, or the ability of the District to fulfill its responsibilities to its customers, employees, and the public.
- B. District staff is directed to implement a risk management process that shall conform to Appendix B.6, the Injury and Illness Prevention Program, Safety Rules/Regulations Guide, and ACWA/JPIA standards, which shall include: systematic risk identification; risk and hazard evaluation; safety; health; training and loss control activities; claims processing; and program monitoring.
- C. In accordance with the Injury and Illness Prevention Program and Safety Rules/Regulations described in Appendix B.6, all employees shall promptly report all accidents, claims and injuries; when requested, cooperate and assist the District in investigating all accidents and injuries; be aware of all department safety rules and procedures; properly use all safety equipment and devices; and be safety conscious.
- D. Staff shall prepare a budget recommendation to the Board to fund selected methods and procedures for reducing the identifiable risks and to implement health and safety-training activities and employee recognition award programs. At least annually, the Manager shall prepare a report to the Board summarizing the accidents and losses incurred by the District, their causes, and risk and loss prevention activities implemented by the District.

#### **8.5 RECORDS RETENTION AND DISPOSAL**

The purpose of this policy is to: provide guidelines to staff regarding the retention or disposal of the District's records; provide for the identification, maintenance, safeguarding and disposal of records in the normal course of business; ensure prompt and accurate retrieval of records; and ensure compliance with legal and regulatory requirements.

All District personnel shall abide by the Records Management and Retention Policy as described in Appendix B.5.

Vital and important records, regardless of recording media, are those having legal, financial, operational, or historical value to the District.

The Manger is authorized by the Board to interpret and implement this policy, and to cause to be destroyed any and all such records, papers, and documents that meet the qualifications governing the retention and disposal of such District material.

## **8.6 GROUP EVENTS AND FACILITIES RENTAL**

It is the responsibility of the renter to adhere to the rules of the facility rental areas and gazebo. As mentioned in 5.14 and Appendix B.2 Facilities Rental Agreement, the renter shall agree to and follow the terms of the rental agreement.

## **CHAPTER 9 PERSONNEL**

### **9.1 EMPLOYEE PERSONNEL SYSTEM**

The General Manager (Manager) shall:

- A. Administer the personnel program of the District, including employing assistants and other employees in conformance with the budget, as he may deem necessary for the proper operations of the system, delegate authority at his discretion, and discharge personnel for cause.
- B. Formulate personnel principles and programs designed to:
  - 1. Assure that employment in the District is based upon open competition and merit, and is free from personal and political considerations.
  - 2. Implement the Board approved compensation plan to promote high morale, efficiency and economy in the operation of the District.
- C. Prepare and revise classification plans and job descriptions as needed, for approval by the Board.
- D. Recommend salary schedules and pay ranges to the Board for collective bargaining.
- E. Establish and maintain a roster of all employees, setting forth each officer and employee, class, title of position, salary, any changes in class, title or status, and such other data as may be deemed desirable or useful.
- F. Prepare a table of organization as part of the budget to be approved by the Board.
- G. Develop, acquire, and administer such recruiting and examining programs as may be necessary to obtain competent applicants to meet the needs of the District.
- H. Propose, develop, or otherwise acquire and coordinate training and educational programs for District employees.
- I. Search for and inquire about ways and means of improving personnel procedures.
- J. Maintain a workable performance evaluation system.



## **9.2 ADOPTION OF PERSONNEL RULES AND REGULATIONS MANUAL**

The Manager shall prepare, maintain, and present to the Board Rules And Regulations Governing Employment Conditions, Salaries, And Benefits For Employees of Paradise Irrigation District as he deems necessary. This “Rules And Regulations Manual” shall be adopted subject to the terms of the Collective Bargaining Agreement, and from time to time amended, by the Board and maintained as described in Appendix B.1.

## **9.3 COMPENSATION OF THE GENERAL MANAGER**

The Manager’s compensation shall be reviewed by the Board in accordance with the terms of the contract.

## **9.4 EMPLOYEE AND CUSTOMER EXPECTATIONS**

A. The Manager and all employees shall make every proper and reasonable effort to maintain professional relations with all fellow District employees and all District customers, and shall always insure that each employee and customer is provided full value, prompt service, and courteous and fair treatment at all times and under every condition.

B. Employee and customer complaints shall first be referred to the staff member responsible for the issue raised. If the complaint is not satisfactorily settled it may be taken up with the staff member’s supervisor, then the Manager and if still unresolved, appeal may be made to the Board.

## **9.5 INTERNET USAGE**

All District personnel shall abide by the Internet Usage Policy as described in Appendix B.11.

## **9.6 JOB RELATED TRAINING**

Any District personnel desiring to take job-related school courses may request reimbursement for tuition and book expenditures. Prior approval of the Manager must be obtained regarding reimbursement of these expenditures. Prior approval of the Board will be required when the Manager personally desires reimbursement for job-related course expenses.

The course must be satisfactorily completed if the course is not graded, or completed with a “C” grade or better for courses where performance is graded.

## **9.7 RETIREMENT NOTIFICATION LETTER**

A retirement notification letter shall be sent to each employee approximately 135 days before reaching the age of 65, for the purpose of alerting such employee to conditions of

employment beyond 65 years of age. The employee will be required to notify the District whether or not he will elect to retire at 65.

## **9.8 OBSERVANCE OF HOLIDAYS**

The District will conform to the policy stated in the Rules And Regulations Manual, as described in Appendix B.1.

## **9.9 EMPLOYEE MEDICAL EXAMINATIONS AND FITNESS FOR DUTY**

As a condition of employment, new hires shall have a pre-employment medical examination and drug-screening exam completed at the District's expense. Such examination is a condition of employment. In accordance with District policy and applicable law, the District may require a medical exam or drug screening at any time during an employee's employment period.

## **9.10 EMPLOYEE USAGE OF DISTRICT TOOLS AND FACILITIES**

As a privilege, employees may borrow District tools and equipment for personal purposes on a limited basis after normal working hours. Abuse or misuse may result in termination of this privilege. The conditions by which employees may borrow tools and equipment are as follows.

- A. Permission to use hand tools and office equipment must be obtained prior to their usage from the Manager or the Manager's staff members. Use of field equipment, sand blasting, welding, or energy equipment may only be used upon the prior approval of the Manager.
- B. Permission to use motorized equipment must be obtained prior to their usage from the Manager. No equipment requiring a commercial license for operation on a public roadway may be borrowed.
- C. Employees will sign for tools or equipment borrowed on a checkout form. Signed Release and Indemnification Agreements shall be on file for each employee using tools, equipment, or facilities before such use takes place.
- D. No supplies of any description will be used for personal use.
- E. Only District employees may operate borrowed tools (neighbors, friends, spouse, relatives, etc. may not use them) and such tools and/or equipment may only be used on an employee's personal property.
- F. District tools/equipment may not be used for profit or financial gain. However, tools and equipment may be borrowed for community service projects, subject to permission from the Manager.

- G. The employee must be qualified in and comfortable with the operation of the tool or equipment he is borrowing.
- H. The tools/equipment may be borrowed for one evening or weekend at a time and must be returned the next day or the next scheduled workday.
- I. Employees will be responsible for repairs of damage to tools/equipment that occur while it was borrowed. Fuel consumed by the tools or equipment is the employee's responsibility.
- J. Employees may not enter District property after normal working hours to borrow tools/equipment except in the case of an emergency and when the Manager or a Manager's direct report has granted permission.

### **9.11 SUBSTANCE ABUSE POLICY AND PREVENTION PROGRAM**

All District personnel shall abide by the Substance Abuse Policy and Prevention Programs as described in Appendix B.10.

### **9.12 INJURY AND ILLNESS PREVENTION PROGRAM AND SAFETY RULES/REGULATIONS**

All District personnel shall abide by the Injury and Illness Prevention Program and Safety Rules/Regulations as described in Appendix B.6.

### **9.13 EMPLOYEE RECOGNITION POLICY**

Periodically employees will be recognized for service to the District and the community that goes above and beyond their normally assigned duties. Recommendations for awards can come from the Manager, a supervisor or from fellow employees. The Manager shall have sole discretion and authority to make a final determination for awards.

An award fund shall be budgeted each fiscal year. The amount of individual awards shall not exceed \$50 per award.

The District offers the "PUTTING IDEAS DOWN" program. Employees who submit ideas submitted through the program may earn personal recognition and cash awards for ideas which are adopted and contribute to the successful operation and progress of the District. Submitters of accepted ideas will receive a cash award of:

Level 1 – \$40.00

Ideas which improve operations, procedures, etc., which have short term value or limited long term value in cost or time savings.

Level 2 – \$100 - \$500 or a day off with pay at the recipient's choice.

Ideas which significantly improve operations with identified saving which may not be quantified in dollars.

Level 3 – 5% of cost savings with maximum of \$3,000

Long term, substantial cost savings in operations with quantifiable savings. Determination of cost savings limited to five years.

## **CHAPTER 10 VEHICLES AND EQUIPMENT**

### **10.1 USE OF DISTRICT VEHICLES**

- A. The District is in the business of providing water to its customers twenty-four (24) hours a day. To enable the District to provide timely response to both routine and after-hour emergencies, calls for assistance, and to maintain the District's water system, the District provides for the use of a limited number of vehicles by its employees. The District also provides for the use of vehicles by employees who are in geographically strategic positions and trained to respond to emergency situations in the event of a natural disaster (such as a breach of security, flood, or an earthquake) or a catastrophic system failure. The District also provides for the use of vehicles by employees who are required to attend meetings during work, after or near the end of a workday, and/or at locations far from the routine workstation. The vehicles provided to employees should be suitable for the requirements of the employee's position based on a number of considerations, including but not limited to: locale, terrain, weather, job assignment, cargo capacity, towing capability, and passenger accommodation.
- B. The Manager shall have discretion, based on the considerations and objectives set forth in Section 10.1.A and on any other relevant factors, to select both those employees who may use a District vehicle to commute to and from work and the type of vehicle best suited for each employee.
- C. Unless the Board determines otherwise, use of a District vehicle is not part of the compensation for an employment position. Vehicles may be re-assigned at any time.
- D. If an employee improperly and/or unlawfully uses a District vehicle, the employee may be subject to disciplinary action.

### **10.2 PERSONAL USE**

- A. District vehicles may be used only for District business. Vehicles may not be used for personal purposes other than for authorized commuting. In no cases should friends or family members be transported in a District vehicle without approval of the Manager.
- B. "Standby" employees are assigned a District vehicle and are not required to remain at their principal residence during standby hours. The standby employee is allowed to use the District vehicle for conducting minimal personal business while on standby. Friends and family members may not be transported in the District standby vehicle. Standby employees must always remain within a thirty (30) -minute response time for District emergencies. This thirty-minute response time is meant to provide a thirty-minute response to anywhere in the District. This restriction effectively limits standby personnel from leaving the Paradise/Magalia vicinity.

- C. Employees assigned District vehicles to commute to and from work other than in standby arrangements, will have a “commuting valuation” fee added to their annual W-2 information. The fee shall be set by the Internal Revenue Code.

### **10.3 MARKINGS**

All District vehicles, except those that are a part of the compensation for an employment position, will be clearly marked on both sides with decals or with special painting identifying the vehicles as property of the District and shall have a license plate displaying “California Exempt”.

### **10.4 IDLING POLICY**

All District Drivers-

Every effort shall be made in **every** district vehicle to observe the idling policy regardless of engine type or application.

No vehicle or engine subject to the in-use off-road or on-road diesel regulation may idle for more than five consecutive minutes. The in-use off-road idling limits took effect on June 15, 2008, the day that the off-road diesel regulation became effective under California Law.

Please Contact Paradise Irrigation District Supervisors or the District Mechanic for more information if this policy is unclear or you have additional questions.

Each off-road or on-road vehicle that is subject to this idling policy shall have a sticker or label affixed to it in a conspicuous location indicating that this idling policy applies to said vehicle.

#### **10.4.1 Idling Limitations –**

No vehicle or engines subject to this regulation may idle for more than five (5) consecutive minutes. Idling of a vehicle that is owned by a rental company is the responsibility of the renter or lessee, and the rental agreement should so indicate. The idling limit does not apply to:

- A. Idling while queuing.
- B. Idling to verify that the vehicle is in safe operating condition.
- C. Idling for testing, servicing, repairing, or diagnostic purposes.
- D. Idling necessary to accomplish work for which the vehicle was designed (such as operating a crane.)
- E. Idling required to bring the machine system to operating temperature, as specified by the manufacturer.
- F. Idling necessary to ensure safe operation of the vehicle.

The enforcement advisory describes the method by which the idling policy will be enforced by the Air Resource Board (ARB) staff, and also states “each first time violation of the idling requirements will be assessed a minimum civil penalty of \$300. Subsequent penalties can range from \$1,000 to \$10,000.”

## **10.5 REPLACEMENT POLICY**

It is the policy of the District that District owned vehicles and equipment will be replaced per the established criteria and whenever possible utilizing the State of California contracts for vehicle purchases. This policy is a guideline to assist staff and Board Members in replacing vehicles and equipment. The ultimate decisions will be determined by the Board of Directors.

### **10.5.1 Replacement Criteria –**

Replacement criteria for the District-owned vehicles and equipment will depend primarily on utilization (miles driven and/or hours operated) and the number of years in service. Other factors to be considered are (not in the order of importance):

- A. Vehicle down time cost
- B. Repair costs
- C. Replacement cost
- D. Availability of new vehicles or equipment
- E. Safety
- F. Public image
- G. Resale value

Each District vehicle or equipment has been placed in one of the following categories listed below as part of a replacement standard.

Light Vehicle: Pickup, Jeep, Sedan, SUV

Large Vehicle: Dump truck, Boom truck, Service truck, Water truck

Heavy equipment: Backhoe, loader, skid steer, roller, vacuum excavator, asphalt zipper

Special equipment: Portable air compressors, stationary generators, trailers, boats

Miscellaneous: Small power equipment under \$5,000, Tampers, Compactors, Pumps, Generators, Air tools, Power tools, etc.

### 10.5.2 Replacement Schedule –

CATEGORIES	MILEAGE/HOURS	YEARS
1. Light Vehicle	120,000 MILES	12 YEARS
2. Large Vehicle	80,000 MILES	12 YEARS
3. Heavy Equipment	6,000 HOURS	12 YEARS
4. Special Equipment	AS NEEDED	AS NEEDED
5. Miscellaneous	AS NEEDED	AS NEEDED

### 10.5.3 Guide for Early Replacement –

The consideration for early replacement of a vehicle or piece of equipment often arises when major expenditures are necessary to restore a vehicle or piece of equipment to safe operating condition (repair due to accidents, major mechanical repairs, etc.). The vehicle or equipment shall not be replaced earlier than allowed by the Replacement Schedule except in the following two circumstances:

- A. Major expenditures for repair should not be made when the cost of the repair plus the vehicle salvage in un-repaired condition exceeds its market resale value in repaired condition.
- B. Major deferrable expenditures should not be made when a vehicle is in the final six months of its retention cycle. During the period, the penalty for early replacement is low; therefore, the vehicle should be replaced rather than repaired.

### 10.5.4 Replaced Vehicles/Equipment –

Vehicles/Equipment no longer in service will be declared surplus by the District's Board of Directors following a request by District Staff. Sale of the surplus equipment will be **“in the most cost effective manner possible”**, which may be by salvage, scrap, auction, direct sale upon sealed bid, or another method.

## 10.6 USE OF PERSONAL VEHICLES FOR DISTRICT BUSINESS

- A. Employees are encouraged to use District-owned vehicles when conducting District business. If a District-owned vehicle is not available or it is not practicable to use one, then an employee may use his personal vehicle provided the employee receives authorization from his supervisor. An employee will be compensated for the use of a private vehicle at the rate per mile then allowed by the Internal Revenue Code. This compensation represents the employee's compensation for all costs including gas, maintenance, wear and tear, insurance and capital investment.



- B. If an accident occurs while an employee is engaged in District business in a personal vehicle, the District, under the following circumstances, will reimburse the employee for the amount of his vehicle insurance deductible:
1. The accident is reported to the applicable, governing law enforcement agency within twenty-four (24) hours of the occurrence; the agency completes an investigation of the accident; a report of the investigation is prepared; and the employee, within five (5) working days of the preparation of the report, provides his immediate supervisor with a copy of the report and with proof of insurance coverage for the employee's vehicle.
  2. The employee did not cause or contribute to the accident by acts or omissions, which were intentional, reckless or grossly negligent.
  3. At the time of the accident, the employee was wearing all safety restraints required by law.
  4. At the time of the accident, the employee had collision damage insurance coverage on his personal vehicle. Payment by the District under this subsection is limited to the amount of the deductible. If the damage to the vehicle was caused, or contributed to, by the acts or omissions of a third party who was not an employee of the District, the personal insurance coverage of the employee or third party shall be the primary insurance to which all parties shall look for compensation. Payment by the District shall be considered only after the employee and/or his vehicle insurance carrier has exhausted all legal remedies and collection efforts against each third party.
- C. If an accident occurs while an employee is engaged in District business and the employee caused or contributed to the accident, the employee may be subject to disciplinary action.

## **10.7 CONDUCT**

- A. An employee shall use safety restraints as required by law when in any motor vehicle on District business.
- B. An employee operating any motor vehicle on District business shall:
1. Exercise reasonable care by obeying all traffic signals and laws.
  2. Be a courteous and responsible driver.
  3. Complete defensive driver training provided by the District.
  4. Employees shall not engage in smoking of any type while inside a District vehicle.

C. An employee operating a District vehicle shall maintain at the time a valid California driver's license. In the event an employee's license is suspended or revoked or otherwise rendered invalid, the employee shall report the suspension, revocation or invalidity to the employee's supervisor. An employee also shall report to his supervisor:

1. Any conviction for driving under the influence of alcohol.
2. Any traffic violation committed in a District-owned vehicle.

All reports required by this section of an employee to a supervisor shall be made within one working day after the suspension, revocation, invalidity, or conviction, as the case may be. The supervisor shall, in turn, notify the Manager within one working day of receiving the employee's report. The failure of an employee to report the suspension, revocation, invalidity, or conviction shall be grounds for disciplinary action.

## **CHAPTER 11**

### **REIMBURSEMENT & BUSINESS TRAVEL POLICY**

#### **11.1 PURPOSE**

The purpose of this policy is to establish rules to reimburse District officials and employees for reasonable and prudent costs associated with travel and business meals while serving a District purpose or for training, which will be of benefit to the District.

#### **11.2 EMPLOYEE INCURRED EXPENSES**

Management or your supervisor must pre-approve reimbursable expenses and travel requests that exceed \$25. Expenses under the amount of \$25, which are incurred by employees for PID purposes, will be reimbursed through its petty cash fund. Expenses over that amount will be reimbursed through normal accounting procedures after completion and submission of an expense report or employee reimbursement form. All requests for reimbursement must include an itemized receipt for each expense and be requested within 30 days of the expense.

#### **11.3 CREDIT CARD USE**

Credit cards may be issued to specific employees who either travel on a regular basis on District business, or have the need to frequently purchase supplies or services. Credit cards shall be used only for legitimate, approved business of the District, subject to the following regulations. These cards should be used for all approved expenses as authorized in this section.

- A. No personal items may be charged on the business credit card unless approved by management.
- B. All charges must be in line with travel guidelines or as approved by management
- C. Receipts must be submitted to the Manager, Office Manager or Accounting Technician with the approved travel expense report, expense claims reimbursement form or the charge card request/authorization form within one week of making the charge.

#### **11.4 MILEAGE**

The mileage reimbursement rate for operating privately owned vehicles will be the allowable IRS rate in effect at the time the vehicle is used. All tolls will be reimbursed at actual expense. The mileage distance should be calculated from home or the PID offices using the shortest reasonable, direct route.

## 11.5 AIR TRAVEL

Travel exceeding 300 miles in each direction, as measured from the Sacramento Airport should, be done by air travel if practical. The reimbursement rate will be at the most economical and time efficient rate found on the Internet at the time of purchase. Should an employee decide to drive their own vehicle, total mileage reimbursement will not exceed the cost for air travel and associated costs. Payments for travel time will always be paid in consideration of the quickest time (i.e., air travel versus driving time).

## 11.6 CAR RENTALS

Employees should use the District's corporate accounts for car rentals when needed, but should always seek out the lowest rates available. Employees should search the internet for the lowest available rate. Reimbursement for rental car will include the cost of the rental car, gas, and rental insurance.

## 11.7 MEALS

The District will not provide reimbursement for meals associated with single day travel.

The following guidelines should be used for reimbursement of meals while traveling overnight on PID business. Meals and incidental expenses (M&IE) will be reimbursed based on the M&IE per diem rates established in IRS publication 1542, using the "high-low" method. If reimbursement is based on actual expense, itemized receipts will be required and there is no reimbursement for alcohol. Special circumstances will be required to justify actual reimbursement (as approved by the Manager). The IRS M&IE per diem rate will be allocated between three meals and incidentals based on the following percentages:

<u>IRS M&amp;IE PER DIEM %</u>	
Breakfast	15%
Lunch	25%
Dinner	50%
Incidentals	10%

In order to be eligible for meal reimbursement, the following criteria must be met:

A. For Breakfast –

You must have started traveling prior to 7 a.m. or have stayed overnight.

B. For Lunch –

You must have started traveling prior to 11 a.m. or have stayed overnight. If the travel ends prior to noon, lunch expenses will not be eligible for reimbursement.

C. For Dinner –

You must have started traveling prior to 4 p.m. or have stayed overnight. If the travel ends prior to 6 p.m., dinner expenses will not be eligible for reimbursement.

D. Incidentals –

Only one allowance for incidental expenses will be permitted for each night spent away from home on District Business.

## **11.8 LODGING**

The reimbursement rate will be based on the lodging per diem rate established in IRS publication 1542, using the “high-low” method. This reimbursement amount will cover all hotel-related costs, but additional reimbursement maybe available for parking and internet access if those costs exceed the per diem lodging rate. Hotel-related costs include necessary telephone usage, use of hotel facilities and resort fees, etc. At industry conferences, the reimbursement rate shall be the rate set for single rooms at the conference hotel. Hotel-related costs will be reimbursed when the conference rate option is used. When it is impractical to travel to a seminar or business meeting in the morning before the event occurs, an employee may consider staying overnight the day before. When an event is concluded and the employee cannot reasonably arrive home by 8:00 p.m. that same night, then the employee may consider staying over.

## **11.9 PHONE**

Employees that are issued a mobile phone or are approved for the mobile phone reimbursement policy are expected to use that phone to place all calls while traveling on PID business. Employees not issued a mobile phone and traveling on PID business will be reimbursed for up to 10 minutes every night for necessary personal calls unless lodging is being reimbursed on the IRS publication 1542 high-low method, in which case such calls would be covered by reimbursements for lodging and/or incidental expenses.

## **11.10 PARKING**

Daily parking reimbursement must based on the cost of the most reasonable and convenient option. Airport parking shall be reimbursed for the lowest available daily rates only.

## **11.11 TRAVEL APPROVAL PROCESS**

Approval for travel must be signed by the General Manager or Department Supervisor before travel. A travel purchase order must be filled out and signed with approximant total cost of travel.

## **11.12 BOARD MEMBER TRAVEL**

- A. Where there is any question regarding the level of appropriate reimbursement, the Board shall approve the reimbursement rate at the Board meeting held before the expense is incurred.
- B. Budgeted and reimbursable Board Member travel includes industry conferences, training, official meetings with officials from other governmental bodies to conduct official District business.
- C. Board Member Travel must comply with Government Code Sections 53232.2 & 53232.3.
- D. The District will not pay for or prepay for Director's guest expenses.
- E. If the lodging is in connection with a conference or organized educational activity, lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available to the Board Member at the time of booking. If the group rate is not available, the Board Member shall use comparable lodging that is consistent with the District's Travel Reimbursement Policy.
- F. Board Members shall use government and group rates offered by a provider of transportation or lodging services for travel and lodging when available.
- G. If the District reimburses a Board Member for actual and necessary expenses incurred in the performance of official duties, then they shall provide expense report forms to be filed by the Board Members for reimbursement for actual and necessary expenses incurred on behalf of the District in the performance of official duties. Reimbursable expenses shall include, but not be limited to, meals, lodging, and travel.
- H. Expense reports shall document that expenses meet the existing policy, adopted pursuant to Section 53232.2, for expenditure of public resources.
- I. Board Members shall submit expense reports within a reasonable time after incurring the expense, as determined by the District, and the reports shall be accompanied by the receipts documenting each expense.
- J. Board Members shall provide brief reports on meetings attended at the expense of the District at the next regular meeting of the Board.
- K. Board Members shall report to the General Manager as soon as possible if they are unable to attend pre paid meetings in order to attempt to find a replacement.

- L. Board Members shall report at the next regular Board meeting the reason for missing any prepaid, preapproved meetings for which expenses were incurred. A majority of the Board may require that the Board member reimburse the District for expenses incurred by the District.
- M. All documents related to reimbursable District expenditures are public records subject to disclosure under the California Public Records Act (California Government Code § 6250 st seq.).
- N. Directors driving private vehicles on PID business are encouraged to attend a defensive driving class every four years to be held at the District office.

### **11.13 SMALL REIMBURSABLE AMOUNTS**

The Manager and his staff shall pre-approve reimbursable District travel and business meal requests. Expenses under the amount of \$25.00, which are incurred by District personnel, may be reimbursed through the District petty cash fund. Expenses over that amount will be reimbursed through normal accounting procedures after completion and submission of an expense claim report. All petty cash requests for reimbursement must include an itemized receipt for each expense and be requested within thirty days of the expense date.

### **11.14 CONTRACT EMPLOYEE REPORTS**

Contract employees of the District shall provide brief reports on meetings attended at the expense of the District at the next regular meeting of the Board.

### **11.15 DISCLOSURE OF REIMBURSEMENTS**

An annual disclosure of Board Member or employee reimbursements for individual charges over \$100 shall be recorded and is available to the public in accordance with the California Public Records Act during the hours when the District offices are open.

## **CHAPTER 12 PROCUREMENT POLICY**

### **12.1 GENERAL PROVISIONS**

#### **12.1.1 Scope –**

This chapter shall, except where otherwise noted, govern the purchase of supplies, services, construction, real or personal property, and the disposal of property, whether real or personal, by the District. This policy shall apply to every expenditure of public funds irrespective of the source of the funds. No purchases shall be made and no encumbrances shall be incurred for the benefit of the District except as provided in this chapter.

#### **12.1.2 Budget Expenditures – Board of Directors Approval –**

No purchase shall be made and no encumbrance shall be incurred unless funds sufficient to cover the purchase or encumbrance have been budgeted and are available within the approved budget or unless the purchase or encumbrance is approved by the Board.

#### **12.1.3 Responsibility For Budgetary Compliance –**

The General Manager is the authorized officer charged with the responsibility of staying within the District's budgets and authorizing no expenditures in excess of the budgets as required by the California Public Contract Code and the California Water Code.

#### **12.1.4 State Code Provisions –**

Expenditures shall comply with any applicable federal and state requirement and law, and regulation, including the California Public Contract Code and Irrigation District Law embodied in the Water Code, particularly Division 11, Section 20500 of the Water Code, and with terms and conditions of any grant, gift or bequest consistent with law.

#### **12.1.5 Public Procurement Mission –**

Public policy dictates that the fundamental mission of a public procurement function is to promote economy, efficiency, and effectiveness in the acquisition of goods and services and expenditure of public funds. The District to accomplish this mission must at least:

A. Provide for public confidence.



- B. Use fair and equitable treatment to all concerned.
- C. Employ effective broad-based free and open competition.
- D. Strive for maximum value for District expenditures.
- E. Provide for work to be performed in a thoroughly professional and ethical manner, with honesty and integrity within applicable laws and regulations adopted by the District.
- F. Provide safeguards for maintaining a procurement system of quality and integrity, including prohibition against conflicts of interest and gratuities.
- G. Allow sufficient flexibility to maintain safe, reliable water service to the community and meet emergency needs.

**12.1.6 Prohibited Acts –**

It is a violation of District policy:

- A. For any bidder or prospective bidder, including its employee(s) or officer(s), in connection with a purchase by the District, to engage in any act or inaction, which is a restraint of trade, anti-competitive, or price-fixing, and not in accordance with Fair Political Practices guidelines.
- B. For any person to offer or to give to any employee of the District or any member of his immediate family, any gift whose value is greater than \$50 in a given year, whether in the form of money, services, loan, travel, entertainment, hospitality, promise, or other form or for any District employee to directly or indirectly solicit or directly or indirectly accept any such gift for such purpose as provided in the California Government Code and the California code of Regulations.
- C. For any District employee, officer, or Director to disclose, in advance of the opening of the bids, the content of any bid invited through the formal or informal competitive bidding procedure.
- D. For any District employee, officer, or Director to actively participate in the awarding of a contract from which he will directly benefit.
- E. For any District employee, officer, Director, or other person to misappropriate for personal use any item of public property.

**Any District employee or officer committing any of the foregoing acts is subject to discipline.**

### **12.1.7 Voidable Contracts –**

The following contracts are voidable at the discretion of the District:

- A. Contracts that result from a conflict of interest under this policy or other applicable law.
- B. Contracts awarded to a person or firm that tried to influence the award of such contract by offering something of value to any District employee, officer, or Director.
- C. Contracts awarded by an official or employee circumventing the requirements of this chapter or other applicable statute.
- D. A contract, which was bid or awarded under circumstances prohibited under Section 12.1.6.

The Board hereby declares its intent that such contracts would not have been entered into on behalf of the District if the misconduct had been discovered prior to the execution of the contract. The Board further states that no District officer or employee has authority, either actual, apparent, or implied, to negotiate or execute any such contract, and that such contract shall, at the discretion of the Board, be voidable, unless the action of the District officers and employees in executing the contract is ratified by affirmative action of the Board after the misconduct was discovered and made known to the Board.

All persons or firms responsible for any misconduct prohibited by this chapter shall be liable for any losses incurred by the District as a result of the misconduct.

## **12.2 PURCHASE OF GOODS AND SERVICES**

### **12.2.1 Scope –**

This part shall apply to the purchase of goods and services, except as otherwise specified in Parts 3 and 4.

### **12.2.2 Competitive Process –**

Whenever the total price of a contract or purchase exceeds \$1,000, the contract shall be awarded through a competitive bidding or proposal process. Contracts may not always be awarded to the lowest bidder, as the bid price shall not be the sole determining factor when awarding contracts. At a minimum, the District shall give consideration to a bidder's ability to provide the required service(s), reference checks, history of prior or similar services, local community impact, and a history of prior services to the District. Effort will be made in all purchases for goods or services to source Paradise vendors whenever possible.

Competitive bids shall be secured and documented under the following conditions:

- A. For purchases totaling between \$1,000 and \$3,000, bids may be obtained verbally and recorded on a verbal quotation sheet. This verbal quotation sheet shall be available for review if requested by any director during board meetings.
- B. For purchases totaling between \$3,001 and \$5,000, bids shall be secured in writing and recorded.
- C. Authorization amounts without prior Board approval are as follows:

Approval of Management Staff	Up to \$1,000 for any item
Approval of General Manager	Up to \$5,000 for any item and up to \$25,000 for any expense necessary in the operation and maintenance of the water treatment and distribution system.

- D. For purchases in excess of \$5,000, written bids, prices, proposals or agreements shall be secured, and the Board shall award such contracts.
- E. The Manager is authorized to approve purchases in excess of \$5,000 in the case of an emergency that poses a threat to the public health, welfare, or safety. The Manager shall report these purchases at the next scheduled Board meeting.
- F. The Manager is authorized to approve purchases in excess of \$5,000 for equipment or facility repairs or materials that require immediate action to continue the daily operation of District business. The Manager shall report these purchases at the next scheduled Board Meeting.
- G. Prior to a Board meeting at which an award is to be considered by the Board, staff shall provide a summarized analysis of bids received, including some or all of the following information:
  - 1. A list of bidders
  - 2. Compliance with the work statement(s) and/or specifications
  - 3. Compliance with the schedule
  - 4. Compliance with stated terms and conditions and other administrative contract requirements

5. Compliance with risk management policy
6. Consideration of any alternative that may be offered
7. Cost
8. Any other pertinent data

**12.2.3 Budget Line Item –**

Funds designated for the purchase of goods or services under a particular budget line item may not be used for the purchase of goods or services under a different budget line item without the prior approval of the Manager.

**12.2.4 Designated Department Funds –**

Funds designated for a particular department's use within a budget line item may be utilized by a different department with the approval of the Manager.

**12.2.5 Reports –**

All expenses shall be reported to the Board within thirty (30) days following the end of the month of the date of expenditure by providing a complete listing of all general fund checks as described in Section 13.3(A)(1).

**12.2.6 Petty Cash Account –**

Petty cash in an amount determined by the Manager may be established for the purposes of providing cash for miscellaneous cash purchases, front counter customer service transactions, and for Paradise Lake permit fee sales. Access to petty cash shall be limited to the Office Manager, an Accounting Technician, and a Utility Billing Technician. Petty cash funds may be used to purchase supplies, materials, equipment, and other services when the cost does not exceed \$50 and when written documentation of the purchase is maintained. Supplies, materials, equipment, and other services regularly purchased and available to the District through regular purchasing channels shall not be purchased using petty cash funds. Employees shall not be allowed to cash personal or payroll checks through petty cash.

**12.2.7 Purchases Without Competition –**

The Manager may purchase supplies, goods, or services, and the District may enter into construction contracts without the receipt or review of competitive bids or proposals, if any of the following occur:

- A. In the case of an emergency that poses a threat to the public health, welfare, or safety, or as determined by the Manager.
- B. When there is a sole source of supply as declared in writing by a staff member and acknowledged by the Manager.
- C. When the purchase or work is a continuation of previous purchases or work, and there exists a clear, potential economic benefit to the District to negotiate a contract directly with the firm that supplied the initial purchase or work.
- D. When the District does not receive a response to its announcements, requests, or invitations for bids or proposals.
- E. In the case of a small purchase or contract (less than \$1,000).
- F. When the Board determines that it is not in the best interest of the District to change legal, financial, or software services as described in Section 12.4.
- G. When the award to a specific supplier, service provider, or contractor is a condition of a contribution that will fund the full cost of the supply, service, or construction item.

## **12.3 CONSTRUCTION AND CAPITAL IMPROVEMENT CONTRACTS**

### **12.3.1 Procedure –**

Whenever the total price of a construction or capital improvement contract is for \$5,000 or less, the contract shall be handled as provided for under Section 12.2. If the contract exceeds \$5,000, the contract shall be awarded through a competitive bidding or proposal process.

### **12.3.2 Contract Formation –**

- A. Subject to the limitations of this section, any type of contract that will promote the best interests of the District may be used, provided that the use of a cost-plus-a- percentage-of-cost contract is prohibited. A cost-reimbursement contract may be used only when a determination is made in writing that such contract is likely to be less costly to the District than any other type or that it is impracticable to obtain the supplies, services, or construction required except under such a contract.
- B. Except with respect to firm fixed-price contracts, no contract shall be used unless it has been determined by the Manager, or waived, that:

1. The proposed contractor's accounting system will permit timely development of all necessary cost data in the form required by the specific contract type contemplated.
2. The proposed contractor's accounting system is adequate to allocate costs in accordance with generally accepted accounting principles.

### **12.3.3 Bid Security –**

- A. When the General Manager determines the need for bid security, such bid security in an amount equal to at least 10% of the amount of the bid shall be required. Bid security shall be a bond provided by a surety company authorized to do business in the State of California, the equivalent in cash or certified cashier's check, or any other form satisfactory to the District.
- B. When a bidder fails to comply with the requirement for bid security set forth in the invitation for bids, the bid shall be rejected unless, pursuant to Federal, State, or District rules, it is determined by the Board that the failure to comply with the security requirements is nonsubstantial.
- C. After the bids are opened, they shall be irrevocable for the period specified in the invitation for bids. If a bidder is permitted to withdraw a bid before award, no action shall be taken against the bidder or the bid security.

### **12.3.4 Bonds –**

- A. When a construction contract is awarded under this chapter, the contractor to whom the contract is awarded shall deliver the following bonds or security to the District, which shall become binding on the parties upon the execution of the contract, except when deemed unnecessary for the protection of the District by the Board:
  1. A performance bond satisfactory to the District that is in an amount equal to 100% of the total contract amount specified in the contract and is executed by a surety company authorized to do business in the State of California, or other form satisfactory to the District.
  2. A payment bond satisfactory to the District that is in an amount equal to 100% of the total contract amount specified in the contract and is executed by a surety company authorized to do business in the State of California, or any other form satisfactory to the District, which is for the protection of each person supplying labor, service, equipment, or material for the performance of the work provided for in the contract.

- B. A performance bond and/or a payment bond may not be required under Section 12.3.4.A if the construction does not exceed \$10,000 when awarded.

#### **12.3.5 Capital Expenses Constructed By District Personnel –**

A line item budget may be approved by the Board for capital projects constructed by District personnel in lieu of presenting each item over \$5,000 for approval.

#### **12.3.6 Other Capital Fund Expenditures –**

- A. The District shall negotiate all contracts in excess of \$5,000 in a format approved by legal counsel. The contract shall be approved and signed by the Manager as the District’s representative.
- B. Capital projects or expenditures, which are up to \$5,000, may be authorized by the Manager. All capital projects and expenditures in excess of \$5,000 shall be submitted to the Board for approval.
- C. Construction “change orders” representing the lesser of \$10,000 or 10% of the contract amount, may be approved by bearing both the Manager and Treasurer’s signature. Each such approval shall be reported to the Board for ratification at its next regular Board meeting.
- D. “Change orders” for more than \$10,000 or more than 10% of the contract amount shall be submitted to the Board for approval.
- E. Upon completion of each project, a final summary of costs shall be submitted to the Board for review.

### **12.4 PROCUREMENT OF PROFESSIONAL SERVICES POLICY**

#### **12.4.1 Objective –**

It is the policy of the District to:

- A. Openly discuss and report all requests for professional services to the Board.
- B. Negotiate contracts for professional services on the basis of demonstrated competence and qualifications for the type of service required.
- C. Negotiate contracts for professional services at fair and reasonable prices.

#### **12.4.2 Definitions –**

“Professional Services” include:

- A. Architectural and engineering services.
- B. Legal services.
- C. Financial advice and/or bond underwriting services (“Financial Services”).
- D. Auditing services.
- E. Consulting services, including software/hardware support, as needed and identified from time to time by the Board.

**12.4.3 Proposals/Notification Process For Qualified Candidates –**

A. Architectural and Engineering Services –

When the District requires these types of professional services, requests for proposals or requests for a Statement of Qualifications (SOQ) shall be prepared requesting firms to submit to the District a proposed SOQ and/or a SOQ update. The request will state the types of professional work anticipated by the District and contain a statement that selection of consultants and professional services will be made in accordance with District policy.

B. Legal Services –

As a matter of practice, the District will retain the services of its existing outside counsel unless the Board determines otherwise. Prior to retaining an alternative law firm, the Board shall evaluate whether the District should consider a law firm different than that currently being used. Factors to consider are:

1. Lapse of time between projects
2. Adequacy of performance on prior projects
3. The proposed law firm’s areas of expertise
4. Investigation of capabilities and client recommendations
5. Comparisons between the District’s then current law firm’s quotes for legal services with market quotations as determined by an informal telephonic survey.

In the event the Board determines it is in the best interest of the District to consider additional services or a change in services, proposals shall be prepared requesting firms to submit a SOQ to the District. In addition, a copy



of the announcement will be mailed to professional firms who have, in writing, expressed an interest in providing professional services to the District. The proposal will state that the selection of legal services will be made in accordance with District policy. The District desires to maintain continuity in the provision of legal services so long as the quality and cost of such services are maintained at a level acceptable to the District.

C. Financial Services –

The District will retain a financial advisor on a continuing basis to provide on-going advice pertaining to proposed and existing bond issues, investment of District funds, and related matters. The District's financial advisor shall be prepared to provide certain services that shall include, but will not necessarily be limited to, the preparation and presentation of information to rating agencies and bond insurance companies, bond issue structuring, official statement preparation, recommendations pertaining to the selection of underwriter(s), coordination of the particulars of issuing bonds, interface with bond counsel, investment of reserves and funds, and related matters. The District desires to maintain continuity in the provision of financial services so long as the quality and cost of such services are maintained at a level acceptable to the District.

D. Auditing Services –

Every three years as required under Section *13.2* (B), the District shall prepare requests for proposals requesting a SOQ for performing the District's annual financial audit and/or such other audits as designated by the Board. The proposal will state that the selection of consultants and professional services will be made in accordance with District policy.

E. All Other Professional Services –

Each time the District undertakes a project wherein the District anticipates the cost of other professional services will exceed \$10,000, including software and hardware requirements, the Manager shall determine whether competing professional service firms are available for use by the District. In the event the Manager determines they are available, the District shall issue a request for proposal to firms to provide professional services to the District. In addition, a copy of the proposal will be mailed to professional firms who have, in writing, expressed a desire to furnish the District the requested professional services. The request for proposal shall contain a short description of the project and a statement that selection of consultants and professional services will be made in accordance with District policy.

**12.4.4** Statement of Qualifications – Content –

The District will request the following information to be included in “Statements of Qualifications”:

- A. Name of the firm, location of all offices, and specifically the location of the principal place of business in California.
- B. Age of the firm and the average number of employees over the past five years in the California office.
- C. Education, training, qualifications and availability of key employees of the firm, specifically those in the California office, pertaining to the types of work anticipated by the District.
- D. Experience, special technical capabilities and expertise of the firm, and available equipment necessary or useful in pertinent types of professional work.
- E. References from at least five clients and previous projects, including two from the preceding twelve-month period.
- F. Any other relevant information as determined from time to time by the District.

**12.4.5 Proposal For Professional Services –**

Proposals for professional services shall include the following:

- A. The information contained in an SOQ.
- B. Description of the project.
- C. Work plan for accomplishing the project, including descriptions of the tasks to be performed.
- D. Schedule for completing the tasks.
- E. Description and estimate of direct and reimbursable costs to be paid by the District.

**12.4.6 Selection Committees –**

A selection committee shall review and rank submitted proposals. Each committee shall include at least the Manager and one other staff member. The review process may include an additional review by at least two Board members from one of the existing Board designated committees or a designated ad-hoc committee.

#### **12.4.7 Selection Methods –**

##### **A. Architectural and Engineering Services –**

The selection committee shall select and rank at least three firms from the SOQs. Requests for proposals shall be sent to the selected firms. After receipt of the proposals, the selection committee shall review the proposals and may request interviews and/or samples of previous work. The selection committee shall then rank the firms and present its recommendations to the Board.

##### **B. Legal Services –**

The Manager will rank the professional firm(s) based on their SOQs. The Manager and selection committee may request an interview with the ranked firm(s). When a particular need for legal services occurs, the Board, in consultation with the Manager, shall select the law firm to perform such particular legal services.

##### **C. Auditing Services –**

The Manager and Treasurer shall rank the firms based on their proposals and interviews, if any, held by the District. The selection committee will present its recommendations to the Board. Notwithstanding the foregoing, the same auditor shall not perform the District's annual financial audit for more than six (6) consecutive years.

##### **D. All Other Professional Services –**

The Manager may or may not interview the prospective consultants. The Manager and staff member shall rank the firms based on the proposals received from the firms and interviews, if any, conducted by the District. The selection committee will present its recommendations to the Board.

#### **12.4.8 Selection Criteria –**

The criteria for selection to be applied to all SOQs and proposals are:

- A. Appropriate level of training, experience, expertise, and availability of key project personnel.
- B. Ability to perform the work, with respect to personnel availability, adequacy, present workload, available equipment and facilities.

- C. Firm resources and expertise available to the project.
- D. Quality of work plan and project schedule, if required.
- E. Past performance on similar projects for other parties and for the District in particular.
- F. Local office, local firm presence, and availability of project personnel for meetings and communications with District personnel.
- G. Estimated costs of the professional firm.
- H. Other special requirements for the projects, as determined by the District.

**12.4.9 Contract Negotiations –**

- A. The Manager shall present the ranking and recommendations of the proposals to the Board. After finding that the process has complied with policy, the Board shall approve the Firm recommended by the Manager, or the Board may select a Firm other than the recommendation and shall report its reasons for doing so.
- B. The District shall commence negotiations for a contract with the consultant approved or selected by the Board.
- C. The contract shall be negotiated for fair and reasonable prices. Legal counsel shall review the contract.
- D. If negotiations fail with the approved consultant, the District shall terminate negotiations and may begin negotiations with the next highest ranked consultant approved by the Board.

**12.4.10 Small Contract Method –**

If the estimated professional fees do not exceed \$5,000, the Manager shall select the firm, determine the scope of work, and authorize contract negotiations.

The selection committee under this method shall be the Manager and at least one staff member. The selection committee shall review any required SOQs or a list of potential consultants. The Manager shall approve the selection and scope of work and authorize any required contract negotiations. The firm shall submit a proposal, including a fee proposal. The District will prepare a contract for legal counsel review.

## **12.5 DISPOSAL OF SURPLUS PROPERTY**

### **12.5.1 Reporting Surplus Property –**

Any surplus property shall be reported to the Board. Surplus property may be sold to employees after the Board has authorized the sale of surplus property and the bidding process has formally taken place.

### **12.5.2 Authorization –**

After the Board is properly notified of surplus property, the Board shall then declare the property as surplus and authorize staff to dispose of it. After disposing of the surplus equipment and machinery, a description of the surplus equipment and machinery, together with a statement that reflects any consideration received for the surplus property, shall be provided to the Secretary and Treasurer.

## **12.6 FIXED ASSETS AND DEPRECIATION**

### **12.6.1 Fixed Assets and Depreciation –**

Single item purchases with at least an anticipated useful life of three years and exceeding \$10,000 each shall be capitalized as a fixed asset and depreciated over the asset's estimated useful life.

**CHAPTER 13**  
**BUDGET, AUDITS, ACCOUNTING AND FINANCE**

**13.1 BUDGET**

- A. By May 1st of each year, the Treasurer shall present to the Finance Committee an outline of concepts for the revenue, operating, and capital budget amounts. Final drafts of the budget shall be submitted for committee review prior to presenting to the Board.
- B. On or before the first regularly scheduled meeting of the Board in July, the Treasurer shall prepare for the ensuing year, and file with the Board, tentative revenue, operating, and capital budgets, together with specific District goals and work programs and any other supporting data required by the Board.
- C. The tentative budget shall be reviewed and considered by the Board at any regular meeting or special meeting called for that purpose. The Board may make any changes considered advisable in the tentative budget, pursuant to statute and generally acceptable accounting standards. The District will continue normal expenditures of funds during the period of time from the first day of each fiscal year through the date the Board adopts that fiscal year's budget, unless specifically instructed by the Board to do otherwise.
- D. After review, the Board shall adopt operating and capital budgets for the fiscal year period. Upon final adoption, the operating and capital budgets shall be in effect for the budget year, subject to any later amendment. During the budget year, and at a minimum during the mid-year review, the Board may, in any regular meeting or special meeting called for that purpose, review the operating and capital budget for the purpose of determining if the budget amounts need to be amended.
- E. During the budget process and at the mid-year budget review, the Treasurer shall discuss District reserving requirements for debt service obligations and short and long-term replacement, capital projects, connection fee requirements and other reserving obligations. This review shall also include any discussions regarding debt service bond covenant requirements impacting the District.
- F. Any department, with the approval of the Manager and Treasurer, may utilize funds designated for another department's use within a budget line item.

**13.2 INDEPENDENT AUDITOR**

- A. The independent auditor has the responsibility of reporting whether the District's financial statements are prepared in conformity with auditing standards accepted in the United States of America, the state Controller's Minimum Audit Requirements for California Special Districts, and the standards applicable to financial audits contained

in Government Auditing Standards, issued by the Comptroller General of the United States. Copies of the annual audit report shall be filed with the California State Controller's Office and shall be filed as a public document in the office of the District.

- B. Every three years, the District shall select its auditor by a competitive request for proposal process. Contracts shall be issued for three-year terms and in accordance with Section 12.4.5 of this manual. The District shall not retain the same auditor for more than six consecutive years.

### **13.3 ACCOUNTING AND FINANCE**

#### **A. General Fund and Payroll Check Signers**

Any two of the following individuals shall sign general fund and payroll checks: Treasurer, General Manager, Office & Customer Service Manager, District Secretary, Board President, Board Vice-President, or any other individual authorized by resolution of the Board of Directors.

##### **1. General Fund Checks**

On a day-to-day basis, the required signers shall be a combination of at least two of the following: Treasurer, Office & Customer Service Manager or General Manager, with the internal control preference being the Treasurer and Office & Customer Service Manager in accordance with the Procurement Policy.

A complete descriptive register of general checks issued in a given month shall be prepared by accounting personnel and provided in the agenda packet for Board review and acceptance by no later than the Board meeting of the following month.

##### **2. Payroll Checks**

On a day-to-day basis, the required signers shall be a combination of at least two of the following: Treasurer, Office & Customer Service Manager, District Secretary, and/or General Manager.

### **13.4 CAPITALIZATION VERSUS EXPENSE**

Single item purchases with at least an anticipated useful life of three years and exceeding \$10,000 each shall be capitalized as a fixed asset. The purchase of these fixed assets shall be included on the District's statement of net assets and depreciated over the asset's estimated useful life. The purchase of fixed assets for less than \$10,000 shall be expensed.

Other expenditures, for \$10,000 or more, which provided a significant increase in future service potential of a fixed asset shall also be capitalized as part of the existing asset. To meet the criteria for a capital expenditure, the purchase should extend the useful life of an asset, increase the quantity of service provided by an asset, or increase the quality of service by an asset. Capital expenditures may include the following: additions (enlargements, expansions or extensions of existing assets), replacements and improvements, and rearrangement and relocation of an asset.

Expenditures for normal repairs and maintenance shall not be considered as capital expenditures.

### **13.5 PETTY CASH**

A petty cash fund in the amount of \$1,000 will be maintained for the purpose of providing cash for miscellaneous cash purchases, front counter drawer customer transactions, certain employee reimbursements in accordance with Sections 11.2 and 11.13 of this Policy Manual, and for Paradise Lake permit fee sales. Access to petty cash shall be limited to the Office & Customer Service Manager, the Accounting Technician, and Utility Billing Technician.



## **CHAPTER 14 INVESTMENT POLICY**

### **14.1 INTRODUCTION**

It shall be the policy of the District to invest its cash assets in such a manner as to comply with the requirements of the California Government Code, to maintain the integrity of the principal of all investments, and to provide for necessary liquidity. Within those restrictions, the District shall attempt to obtain the highest return possible.

### **14.2 SCOPE**

This Investment Policy (Policy) covers all District funds.

### **14.3 OBJECTIVES**

The objectives of this investment policy include the following in order of importance:

A. Safety –

It shall be the primary duty and responsibility of those authorized to invest the District's funds to protect, preserve, and maintain cash and investments placed in trust on behalf of the citizens of the District. Diversification is allowed within the guidelines of California Government Code (CGC) § 53601 et seq.

B. Liquidity –

An adequate amount shall be maintained in liquid short-term securities, which can be converted to cash as necessary to meet disbursement requirements. Since all cash requirements cannot be anticipated, investments in securities with active secondary or resale markets will be used. Emphasis will be on marketable securities with low sensitivity to market risk.

C. Yield –

Yield shall be a consideration only after the basic requirements of safety and liquidity have been met.

## 14.4 POLICY

### A. Legal Investment Authority –

All available funds shall be invested in accordance with the provisions of the California Government Code (CGC) § 53601 et seq., and as authorized in accordance with GUIDELINES Section 14.5.A.

1. The Board, as the legislative body of the District and in accordance with § 53607 of the CGC, delegates and authorizes the Treasurer to invest or reinvest funds of the District, to sell or exchange securities so purchased and to assume full responsibility for those transactions as described in this Statement of Investment Policy. Under the provision of CGC § 53600.3, the Treasurer is a trustee and a fiduciary subject to the prudent investor standard. Said authority shall be held at the pleasure of the Board, and shall be subject to renewal annually.
2. The Treasurer may delegate a portion of his/her investment authority to a Deputy Treasurer. Prior to the delegation of the investment authority to a Deputy Treasurer, the Treasurer shall notify the Board and request confirmation of the delegation. Delegation of investment authority will not remove or abridge the Treasurer's investment responsibility.
3. The Treasurer may engage the services of one or more external investment advisors to assist in the management of the District's investment portfolio in a manner consistent with the District's objectives and in accordance with this Policy. Such external managers may provide advice and effectuate trades in a discretionary capacity within the guidelines established in this Policy. Such managers must be registered under the Investment Advisors Act of 1940 and must have not less than five years' experience investing in the securities and obligations authorized by the CGC § 53601, and with assets under management in excess of five hundred million dollars (\$500,000,000).

### B. Those Authorized to Invest District Funds –

In accordance with Section 21187 of the California Water Code, the Treasurer has appointed the following as "Deputy Treasurers" to assist in handling the **investment practices of the District**. By approval of this document these appointments are hereby ratified by the Board. The Board shall review the appointment of Deputy Treasurers annually at the first Board meeting each January.

Manager  
Office Manager  
Finance Committee Board Members  
Investment Advisor

The Treasurer and Deputy Treasurers are authorized to direct and invest District funds in accordance with this Policy.

C. Reports –

Monthly: Report of Transactions. All transactions into, out of or between various investments will be monitored and summaries reported monthly.

Quarterly:

1. Procedure.

The Treasurer shall furnish a Quarterly Investment/Cash report to the Board within forty-five (45) days following the close of the preceding quarter.

2. Content of Report.

Shall include a statement of compliance with this policy, and, as necessary, liquidity versus forecasted cash flow for the next six (6) months.

Detail Reports

Description of each investment

Cost

Market value (identify source)

Rate of Return - face and current

Date purchased (except LAIF)

Earned interest accrued and received

Maturity Date

Identify holder of security

Identify any funds managed or controlled by outside parties (except LAIF)

Summary by Investment Type (i.e., Treasury Notes, GNMA, LAIF)

Summary by Maturity Date

0 – 90 days

90 – 365 days

1 – 2 years

2 – 3 years

Etc.

Summary of Beginning Balance, Transactions, and Ending Balance

Annually:

Prior to January 31st at a meeting of the Board, the Board shall review the Statement of Investment Policy (including the authorization of the Treasurer to assume full responsibility for investment transactions) and amend it as appropriate or otherwise ratify its continuance. The Board will also confirm the delegation of the Investment functions as provided in Section 4.A. of this Policy.

D. Selling Securities Prior to Maturity –

Except for investments with maturities of one year or less, sale transactions prior to maturity shall be made only to provide for cash requirements, to sell an investment which does not meet current Investment Policy or to restructure maturities to meet current goals. However, such sales prior to maturity may be made to secure higher yields provided the objectives of safety and liquidity are met first.

Sufficient written documentation to facilitate audit of the transaction must be maintained.

E. Interest –

Interest shall be accounted for on the accrual basis quarterly. Gains or losses on the sale of securities will be recorded on the transaction date.

## 14.5 GUIDELINES

The following Guidelines are established to direct and control investment activities and are a part of the above policies:

A. Investments –

The investment portfolio shall be reviewed periodically by one of the following: Treasurer, Manager, Office Manager or Finance Committee Board member to insure compliance with this Policy.

B. Pooled Cash –

Whenever practical District cash shall be consolidated and invested on a pooled concept basis. Interest earnings will be allocated according to specific Board designated reserve accounts and other non-designated funds at monthly intervals.

C. Competitive Bids –

Purchase and sale of securities should be made on the basis of competitive offers and bids when applicable.

D. Cash Forecast –

Treasurer shall prepare six-month cash forecast for basis of setting goals for investment maturities quarterly or annually, and when any significant changes take place that would materially revise the forecast.

E. Investment Limitations –

Security purchases and holdings will be maintained within statutory limits imposed by the CGC § 53601 et seq. and contractual agreements. Additionally, only investments listed below as Permitted Investments may be purchased or held:

<b>INVESTMENT TYPE</b>	<b>MAXIMUM MATURITY</b>	<b>MAXIMUM SPECIFIED % OF PORTFOLIO</b>	<b>MINIMUM QUALITY REQUIREMENTS</b>
LOCAL AGENCY BONDS	5 YEARS	— NONE —	— NONE —
U.S. TREASURY OBLIGATIONS	5 YEARS	— NONE —	— NONE —
STATE OBLIGATIONS —CA AND OTHERS (CA preference)	5 YEARS	— NONE —	— NONE —
CA LOCAL AGENCY OBLIGATIONS	5 YEARS	— NONE —	— NONE —
U.S. AGENCY OBLIGATIONS	5 YEARS	— NONE —	— NONE —
BANKERS' ACCEPTANCES	180 DAYS	40%	— NONE —
COMMERCIAL PAPER —SELECT AGENCIES	270 DAYS	25% OF THE AGENCIES MONEY	<i>"A-1/P-F-1"; if the issuer has issued long-term debt it must be rated "A" without regard to modifiers"</i>
COMMERCIAL PAPER —OTHER AGENCIES	270 DAYS	40% OF THE AGENCY'S MONEY	<i>"A-1/P-F-1"; if the issuer has issued long-term debt it must be rated "A" without regard to modifiers"</i>
NEGOTIABLE CERTIFICATES OF DEPOSIT	5 YEARS	30%	— NONE —
CD PLACEMENT SERVICE	5 YEARS	30%	— NONE —
REPURCHASE AGREEMENTS	1 YEAR	— NONE —	— NONE —
REVERSE REPURCHASE AGREEMENTS AND SECURITIES LENDING AGREEMENTS	92 DAYS	20% OF THE BASE VALUE OF THE PORTFOLIO	— NONE —
MEDIUM-TERM NOTES	5 YEARS	30%	"A" RATING
MUTUAL FUNDS AND MONEY MARKET MUTUAL FUNDS	N/A	20%	MULTIPLE
COLLATERALIZED BANK DEPOSITS	5 YEARS	— NONE —	— NONE —
MORTGAGE PASS-THROUGH SECURITIES	5 YEARS	20%	"AA" RATING
BANK/TIME DEPOSITS	5 YEARS	— NONE —	— NONE —
COUNTY POOLED INVESTMENT FUNDS	N/A	— NONE —	— NONE —
JOINT POWERS AUTHORITY POOL	N/A	— NONE —	MULTIPLE
LOCAL AGENCY INVESTMENT FUND (LAIF)	N/A	— NONE —	— NONE —

F. Liquidity –

The marketability (salability) of a security should be considered at the time of purchase, as the security may have to be sold at a later date to meet unanticipated cash demands. The portion of the portfolio which may have to be liquidated in order to meet cash requirements should, therefore, consist largely of securities with active secondary or resale markets. This would include short-term maturities to limit the effect of market risk on the market price of securities.

G. Long-Term Maturities –

Maturities over three years should be limited to those funds, which clearly will not be required before maturity (or one year before maturity). A line of credit collateralized by the investment portfolio shall be established for short term borrowing. Any use of this line of credit is subject to Board Approval prior to execution.

H. Broker / Dealers –

Broker / Dealers and investment advisors shall be provided with a copy of this Policy to assure that they are aware of what are designated as Permitted Investments as well as those investments which are specifically prohibited.

I. Diversification –

The purpose of diversifying is to reduce the overall portfolio risks while attaining a market rate of return. Therefore, it needs to be conceptualized in terms of maturity, instrument types and issuer. The portfolio should consist of a mix of various types of securities, issuers and maturities.