



AMADOR WATER AGENCY

***ADMINISTRATIVE
POLICY MANUAL***

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SECTION I - GENERAL

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1010 PURPOSE OF BOARD POLICIES

1010.1 It is the intent of the Board of Directors of the Amador Water Agency to maintain an Administrative Policy Manual. Contained therein shall be a comprehensive listing of the Board's current policies, being the rules and regulations enacted by the Board from time to time. The Administrative Policy Manual will serve as a resource for Directors, staff and members of the public in determining the manner in which matters of the Agency business are to be conducted.

1010.2 If any policy or portion of a policy contained within the Administrative Policy Manual is in conflict with rules, regulations or legislation having authority over the Agency, said rules, regulations or legislation shall prevail.

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1020 AMADOR WATER AGENCY ENABLING ACT

1020.1 The Amador Water Agency Enabling Act is an act to create the Amador Water Agency, prescribing its powers and duties, providing for its organization, operation, and management, and authorizing the acquisition of property and works to carry out the purposes of the Agency, authorizing the incurrence of indebtedness, providing for issuance of bonds, providing for the levy and collection of taxes for the payment of such indebtedness, providing for the issuing of bonds payable solely from revenues of the Agency, and providing for the levy and collection of taxes for the payment of general agency expenses and for cooperation and contracts with any entity.

1020.2 The Enabling Act is shown in Appendix A.

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1030 AMADOR WATER AGENCY MISSION STATEMENT AND 5-YEAR STRATEGIC PLAN

1030.1. Mission Statement – “To enhance the quality of life in Amador County by providing safe reliable water, wastewater, conservation, and reclamation services. We will manage our resources with fiscal and environmental responsibility. We will accomplish this as a professional team, dedicated to public transparency, community partnerships and excellent customer service.

1030.2 5-Year Strategic Plan – The 5-Year Strategic Plan identifies goals, objectives and infrastructure improvements that the Agency plans to accomplish within a 5 year time frame. This plan is updated annually based on changing conditions. The current 5-Year Strategic Plan is shown in Appendix B.

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1050 MOU BETWEEN AMADOR COUNTY AND THE AGENCY

1050.1 A Memorandum of Understanding has been formulated between the Amador Water Agency and the County of Amador respecting the cooperative planning for long-term water needs in Amador County to meet existing and future water supply needs. The Memorandum of Understanding reads as follows:

“This Memorandum of Understanding is made this 28th day of April, 1994, in Amador County, California, between the County of Amador, a political subdivision of the State of California (hereinafter referred to as “County”) and the Amador (County) Water Agency, a public agency created by special act of the Legislature of the State of California (hereinafter referred to as “Water Agency”).

WITNESSETH:

WHEREAS, the County and the Water Agency each have the authority to plan for, acquire and develop water supplies to meet the existing and future water demands of the inhabitants of Amador County; and

WHEREAS, the County and the Water Agency each wish to formalize their cooperation in planning for the long-term water supply needs of the County in order to avoid future water shortages; and

WHEREAS, the County and the Water Agency have studied and pursued new water supply projects on the Mokelumne and Cosumnes Rivers; and

WHEREAS, the County and the Water Agency desire to enter into a joint effort to plan for and develop the necessary water supplies to meet the future water requirements for Amador County; and

WHEREAS; by establishing a cooperative relationship and combining the respective resources of the two entities, the Water Agency and the County will be able to more effectively and efficiently develop a cohesive and unified plan for the development of additionally needed water supplies and thereby better serve the County; and

WHEREAS, in order to begin the process of developing a cohesive and unified water plan, the County and the Water Agency recognize that it is necessary to arrive at an understanding concerning several critical issues, such as future water demand and

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supply sources to meet such demand, and that resolution of such key issues should be jointly pursued through this Memorandum of Understanding.

NOW, THEREFORE, the parties hereto have the following understandings:

1. Common Understanding Respecting Future Water Needs Within Amador County. The parties shall meet to address and determine the future water demands for Amador County, where and when those demands will occur in the County, and what additional water supplies will be needed to meet the identified demands. Such determinations shall be made on the basis of all the existing information available to the parties, together with any additional information which the parties determine is necessary. If it is concluded that additional information is needed, the parties shall determine who will prepare such additional information and how the cost of such preparation will be shared between them.
2. Assessment of Alternatives to Meet Future Water Supply Needs. The parties shall meet to assess the various water supply alternatives that may be available to meet the identified future water demands. Such assessment shall evaluate the realistic supply sources when considering environmental, water right, financial and other constraints. The assessment shall be based on all of the existing information available to the parties, together with any additional information which the parties decide is necessary. If additional information is warranted, the parties shall determine who will prepare such information and how the costs of such preparation will be shared between them.
3. Unified Development of New Water Projects. On and after the effective date of this Memorandum of Understanding, for any new project which would provide a new supply of water for Amador County over and above the existing water supplies of the parties, the parties shall first meet and confer to address how the project will be financed and operated.
4. Term of Memorandum of Understanding. This Memorandum of Understanding will take effect on the date first above written and shall continue in effect until terminated in writing by one of the parties.
5. Consolidation of Water Development Activities. The Joint Water Committees of the County Board of Supervisors and the Water Agency will develop a plan to consolidate all water development activities into a single entity.

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IN WITNESS WHEREOF, the parties have executed this Memorandum of Understanding on the date first written above.

COUNTY OF AMADOR

*Edward Bamert
Chairman, Board of Supervisors*

*ATTEST:
Catherine J Giannini
Clerk of the Board of Supervisors*

AMADOR COUNTY WATER AGENCY

*Dave Seppi
President, Board of Directors*

*ATTEST:
Kimberly A. Lewis
Clerk of the Board of Directors*

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1060 MOU BETWEEN AMADOR COUNTY AND CALAVERAS COUNTY

1060.1 A Memorandum of Understanding has been formulated between Amador County and Calaveras County concerning water planning and development within the Counties. The Memorandum of Understanding reads as follows:

“This Memorandum of Understanding is made this 20th day of September, 1994, among the County of Amador, the Amador County Water Agency, County of Calaveras, Calaveras County Water District, and Calaveras Public Utility District, all local agencies of the State of California (hereinafter referred to as “Parties”).”

WITNESSETH:

WHEREAS, the Parties each have the authority to plan for, acquire, and develop water supplies to meet the existing and future water demands of the inhabitants of Amador and Calaveras Counties; and

WHEREAS, the Parties each wish to formalize their cooperation in planning for the long-term water supply needs of the Counties in order to avoid future water shortages; and

WHEREAS, the Parties have developed valuable expertise in the study and pursuit of new water supply projects on the Mokelumne River; and

WHEREAS, the Parties now desire to enter into a joint effort to plan for and develop the necessary water supplies to meet the future water requirements for each County; and

WHEREAS, by establishing a cooperative relationship and combining the respective resources of the two Counties, the Parties will be able to more effectively and efficiently develop a cohesive and unified plan for the development of additionally needed water supplies and thereby better serve the Counties; and

WHEREAS, the Parties wish to protect the existing water rights for the current and future residents of each County; and

WHEREAS, in order to begin the process of developing a cohesive and unified water plan, the Parties recognize that it is necessary to arrive at an understanding concerning several critical issues, such as future water demand and supply sources to meet such demand, and that resolution of such key issues should be jointly pursued through this Memorandum of Understanding.

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NOW, THEREFORE, the Parties hereto have the following understanding:

1. Common Understanding Respecting Future Water Needs Within Amador and Calaveras Counties.

The Parties shall meet to address the future water demands for each County, and what additional water supplies will be needed to meet the identified demands.

2. Assessment of Alternatives to Meet Future Water Supply Needs.

The Parties shall meet to assess the various water supply alternatives that may be available to meet the identified future water demands. Such assessment shall evaluate supply sources when considering environmental, water rights, financial and other constraints. The assessment shall evaluate supply sources when considering environmental, water rights, financial and other constraints. The assessment shall be based on all of the existing information which the Parties decide is necessary. If additional information is warranted, the Parties shall determine who will prepare such information and how the costs of such preparation will be shared between them.

3. Unified Development of New Water Projects.

On and after the effective date of this Memorandum of Understanding, for any new project which would provide a new supply of water from the Mokelumne River Watershed for Amador and/or Calaveras Counties over and above the existing water supplies of the Parties, the Parties shall first meet and confer to address how the project will be financed and operated.

4. Term of Memorandum of Understanding.

This Memorandum of Understanding will take effect on the date first above written and shall continue in effect for each entity that is party to this Memorandum of Understanding, until an entity terminates its participation in writing.

IN WITNESS WHEREOF, the Parties have executed this Memorandum of Understanding on the date first written above.

COUNTY OF AMADOR

Edward T. Bamert
Chairman, Board of Supervisors

ATTEST:
Catherine J. Giannini
Clerk of the Board of Supervisors

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COUNTY OF CALAVERAS

*Michael R. DelOrto
Chairman, Board of Supervisors*

ATTEST:

*Karen Varni
Clerk of the Board of Supervisors*

CALAVERAS PUBLIC UTILITY DISTRICT

*Charlie Moore
Chairman, Board of Directors*

ATTEST:

*Melinda Williams
Clerk of the Board of Directors*

AMADOR COUNTY WATER AGENCY

*Bill Bardin
President, Board of Directors*

ATTEST:

*Kimberly A. Lewis
Clerk of the Board of Directors*

CALAVERAS COUNTY WATER DISTRICT

*D.G. Weinkle
President, Board of Directors*

ATTEST:

*Steve Felte
Secretary, Board of Directors*

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SECTION 2 - BOARD OF DIRECTORS

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2010 CODE OF ETHICS

2010.1 The Board of Directors is sworn to uphold the Constitution of the United States and the Constitution of the State of California. Board members will comply with applicable laws regulating their conduct, including conflict of interest, financial disclosure and open government laws. Board members will work in cooperation with other public officials unless prohibited from so doing by law or officially-recognized confidentiality of their work.

2010.2 The Board of Directors is committed to providing excellence in legislative leadership that result in the provision of the highest quality of services to its constituents. In order to assist in the government of the behavior between and among members of the Board of Directors, the following rules shall be observed.

2010.2.1 The dignity, style, values and opinions of each Director shall be respected.

2010.2.2 Responsiveness and attentive listening in communication is encouraged.

2010.2.3 The needs of the Agency's constituents should be the priority of the Board of Directors.

2010.2.4 The primary responsibility of the Board of Directors is the formulation and evaluation of policy. Routine matters concerning the operational aspects of the Agency are to be delegated to professional staff members of the Agency.

2010.2.5 Directors should commit themselves to emphasizing the positive, avoiding double talk, hidden agendas, gossip, backbiting, and other negative forms of interaction.

2010.2.6 Directors should commit themselves to focusing on issues and not personalities. The presentation of the opinions of others should be encouraged. Cliques and voting blocks based on personalities rather than issues should be avoided.

2010.2.7 Differing viewpoints are healthy in the decision-making process. Individuals have the right to disagree with ideas and opinions, in a respectful manner. Once the Board of Directors takes action, Directors should commit to

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supporting said action and not to create barriers to the implementation of said action.

2010.2.8 Directors should practice the following procedures:

2010.2.8.1 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 policy decision-making.

2010.2.8.2I In handling complaints from residents and property owners of the Agency, said complaints should be referred directly to the General Manager.

2010.2.8.3 In handling items related to safety, concerns for safety or hazards should be reported to the General Manager or to the Agency office. Emergency situations should be dealt with immediately by seeking appropriate assistance.

2010.2.8.4 In seeking clarification for policy-related concerns, especially those involving personnel, legal action, land acquisition and development, finances, and programming, said concerns should be referred directly to the General Manager.

2010.2.9 When approached by Agency personnel concerning specific Agency policy, Directors should direct inquiries to the General Manager or the appropriate staff supervisor. The chain of command should be followed.

2010.3 The work of the Agency is a team effort. All individuals should work together in the collaborative process, assisting each other in conducting the affairs of the Agency.

2010.3.1 When responding to constituent requests and concerns, Directors should be courteous, responding to individuals in a positive manner and routing their questions through appropriate channels and to responsible management personnel.

2010.3.2 Directors should develop a working relationship with the General Manager wherein current issues, concerns and Agency projects can be discussed comfortably and openly.

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2010.3.3 Directors should function as a part of the whole. Issues should be brought to the attention of the Board as a whole, rather than to individual members selectively.

2010.3.4 Directors are responsible for monitoring the Agency's progress in attaining its goals and objectives, while pursuing its mission.

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2020 BOARD MEETINGS

2020.1 Regular meetings of the Board of Directors shall be held on the 2nd and 4th Thursdays of each calendar month at 9:00 a.m. at the Amador Water Agency offices located at 12800 Ridge Road, Sutter Creek, California.

2020.2 Special meetings (non-emergency) of the Board of Directors may be called by the Board President.

2020.2.1 All Directors and the General Manager, and other desired staff shall be notified of the special Board meeting and the purpose or purposes for which it is called. Said notification shall be in writing, delivered to them at least 24 hours prior to the meeting.

2020.2.2 Newspapers of general circulation in Amador County and any radio stations, television stations, organizations, and members of the public who have requested notice of special meetings in accordance with the Ralph M. Brown Act (California Government Code §54950 through §54926) shall be notified by a mailing unless the special meeting is called less than one week in advance, in which case notice, including business to be transacted, will be given by e-mail delivery during business hours as soon after the meeting is scheduled as practicable.

2020.2.3 An agenda shall be prepared as specified for regular Board meetings in Policy #2025 and shall be delivered with the notice of the special meeting to those specified above.

2020.2.4 Only those items of business listed in the call for the special meeting shall be considered by the Board at any special meeting.

2020.3 Special Meetings (emergency). In the event of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities, the Board of Directors may hold an emergency special meeting without complying with the 24-hour notice required in 2020.2.1, above. An emergency situation means a crippling disaster which severely impairs public health, safety, or both, as determined by the General Manager, Board President or Vice President in the President's absence.

2020.3.1 Newspapers of general circulation in the Agency, radio stations and television stations which have requested notice of special meetings in accordance with the Ralph M. Brown Act (California Government Code §54950 through §54926)

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shall be notified by at least one hour prior to the emergency special meeting. In the event that telephone services are not functioning, the notice requirement of one hour is waived, but the General Manager, or his/her designee, shall notify such newspapers, radio stations, or television stations of the fact of the holding of the emergency special meeting, and of any action taken by the Board, as soon after the meeting as possible.

2020.3.2 No closed session may be held during an emergency special meeting, and all other rules governing special meetings shall be observed with the exception of the 24-hour notice. The minutes of the emergency special meeting, a list of persons the General Manager or designee notified or attempted to notify, a copy of the roll call vote(s), and any actions taken at such meeting shall be posted for a minimum of ten days in the Agency office as soon after the meeting as possible.

2020.4 Adjourned Meetings. A majority vote by the Board of Directors may terminate any Board meeting at any place in the agenda to any time and place specified in the order of adjournment, except that if no Directors are present at any regular or adjourned regular meeting, the General Manager may declare the meeting adjourned to a stated time and place, and he/she shall cause a written notice of adjournment to be given to those specified in 2020.2.2 above.

2020.5 Annual Organizational Meeting. The Board of Directors shall hold an annual organizational meeting at its first regular meeting in December following the first Friday of the month. At this meeting, the Board will elect a President, Vice President, and Clerk from among its members or staff to serve during the coming calendar year, and will appoint the General Manager as the Board's Secretary. At this meeting, the Board of Directors shall also approve a schedule of meetings for the calendar year.

2020.6 To the extent practical, the officer positions of the President and Vice President shall be rotated annually by Directors' Districts according to the following rotation: Districts 1,4,3,2, and 5, beginning 2010, provided that it is preferable that a Director have at least one year's experience as a Director and one year's experience as a Vice President before becoming the President. If for any reason the President's office becomes vacant, then the Vice President shall take that office, and the next Director in line shall move into the rotation as Vice President. If for any reason any of the District Directors decides not to become an officer, or decides to skip his/her year as an officer, then the rotation continues, skipping that Director for one year or more, depending on the desires of the Director.

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2020.7 The Board President or Committee Chairperson of the meetings described herein, together with the General Manager, shall determine the order in which agenda items shall be considered for discussion and/or action by the Board.

2020.8 The Board President or Committee Chairperson and the General Manager shall insure that appropriate information is available for the audience at meetings and in accordance with Policy 3110, and that the physical facilities for said meetings are functional and appropriate.

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2025 BOARD MEETING AGENDA

2025.1 The General Manager, in cooperation with the Board President, shall prepare an agenda for each regular and special meeting of the Board of Directors. Any Director may call the General Manager and request any item to be placed on the agenda. Such request will be discussed with the Board President.

2025.2 Any member of the public may request that a matter directly related to Agency business be placed on the agenda of a regularly scheduled meeting of the Board of Directors, subject to the following conditions:

2025.1 The General Manager, in cooperation with the Board President, shall prepare an agenda for each regular and special meeting of the Board of Directors. Any Director may call the General Manager and request any item to be placed on the agenda. Such request will be discussed with the Board President.

2025.2 Any member of the public may request that a matter directly related to Agency business be placed on the agenda of a regularly scheduled meeting of the Board of Directors, subject to the following conditions:

2025.2.1 The request must be submitted to the General Manager on the Agency's Agenda Request Form, together with supporting documents and materials to be handed out for the proposed agenda item. The Agenda Request Form shall include, at a minimum, a description of the agenda topic, the requested Board action, relevance to Agency business, financial impacts, if any, to the Agency, date action is needed, and the contact information for requester. The Agenda Request Form and all supporting information, presentation materials and handouts, if any, shall be provided to the Agency at least ten business days prior to the date of the regular Board meeting at which the requestor desires the item to be considered.

2025.2.2 The General Manager, in cooperation with the Board President, shall review public agenda requests and determine if and when the requested item should be scheduled for a Board meeting, whether the item should be recommended to a Board committee, if additional information is needed, or if the Agency declines the request. The General Manager shall notify the requester in writing or by other method selected by the requester of the decision on the request and the date of the meeting at which the item will be considered if approved for scheduling. If the request is declined, the General Manager shall provide a written explanation for the denial.

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2025.2.3 No matter which is legally a proper subject for consideration by the Board in closed session will be placed on an agenda of a regular Board meeting, except as determined by the Board President or a majority of the Board of Directors.

2025.2.4 The Board of Directors may place limitations on the total time to be devoted to a public request issue at any meeting, and may limit the time allowed for any one person to speak on the issue at the meeting.

2025.3 This policy does not prevent the Board from taking comment at regular meetings of the Board on matters which are not on the agenda which a member of the public may wish to bring before the Board. However, the Board shall not discuss or take action on such matters at that meeting. Some matters may be referred to Board committees or staff, as deemed appropriate by the Board.

2025.4 At least 72 hours prior to the time of all regular meetings, an agenda, which includes but is not limited to all matters on which there may be discussion and/or action by the Board, shall be posted conspicuously for public review within the Agency office.

2025.4.1 The agenda for a special meeting shall be posted at least 24 hours before the meeting in the same location.

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2030 BOARD MEETING CONDUCT

2030.1 Meetings of the Board of Directors shall be conducted by the Board President in a manner consistent with the policies of the Agency.

2030.2 All Board meetings shall commence at the time stated on the agenda and shall be guided by same.

2030.3 The conduct of meetings shall, to the fullest possible extent, enable Directors to:

2030.2.1 Consider problems to be solved, weigh evidence related thereto, and make wise decisions intended to solve the problems; and,

2030.2.2 Receive input, and consider and take any needed action with respect to Agency operations.

2030.4 Provisions for permitting any individual or group to address the Board concerning any item on the agenda of a special or regular meeting, or to address the Board at a regular meeting on any subject that lies within the jurisdiction of the Board of Directors, shall be as follows:

2030.4.1 During that portion of the regular Board meeting for "Public Comment for Matters Not on the Agenda," each member of the public will have one opportunity to address the Board for a maximum of five (5) minutes with the provision that this time may be extended at the discretion of the Board President.

2030.4.2 Board Members and staff will not interrupt the speaker during his/her 5 minute maximum presentation.

2030.4.3 Following the presentation by the member of the public, the Board President will ask if any Board member or staff member has questions regarding the speaker's presentation.

2030.4.4 If questions are asked by the speaker, the Board Clerk will document them and when the speaker is finished, the Board President and/or the General Manager will determine how the questions/concerns will be addressed. This is not a discussion period.

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2030.5 Public Comment for matters on the Agenda:

2030.5.1 The General Manager or staff member presenting the topic for consideration will be heard first, after which the Board President will ask if there are any questions of the Board. The Board will proceed to discuss the agenda topic without interruption from the public. After such discussion, each member of the public will have one opportunity to address the Board with their questions and/or comments for a maximum of five minutes with a provision that this time may be extended by the Board President.

2030.5.2 Questions posed by members of the public in the course of their presentations on agenda items will be noted by the Board Clerk and/or the General Manager. Responses will be deferred until after the person posing the question(s) completes his/her presentation to the Board. Upon conclusion of such presentation, the Board President will direct the question(s) to a staff member or Board member, as appropriate, for a response, or, in the alternative, request that staff provide a written response.

2030.5.3 Neither Board members, nor staff should engage in a back-and-forth discussion with the public. If a response to a question is necessary, the Board President will defer to the General Manager, who may call on a staff member to respond. Staff members are not to speak to a question unless recognized by the Board President or the General Manager. If a staff member wishes to respond to a question or make a comment, they must be recognized and ask "may I respond to that?"

2030.5.4 Members of the public are not to speak from the audience without being recognized by the Board President and addressing the Board from the podium.

2030.5.5 No boisterous conduct shall be permitted at any Board meeting. Persistence in boisterous conduct shall be grounds for summary termination, by the Board President, of that person's privilege to address the Board.

2030.6 Willful disruption of any of the meetings of the Board of Directors shall not be permitted. If the Board President finds that there is in fact willful disruption of any meeting of the Board, he/she may order the room cleared and subsequently conduct the Board's business without the audience present.

2030.6.1 In such an event, only matters appearing on the agenda may be considered in such a session.

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2030.6.2 After clearing the room, the Board President may permit those persons who, in his/her opinion, were not responsible for the willful disruption to re-enter the meeting room.

2030.6.3 Duly accredited representatives of the news media, whom the Board President finds not to have participated in the disruption, shall be admitted to the remainder of the meeting.

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2040 COMMITTEES OF THE BOARD

2040.1 The Board President shall appoint such ad hoc committees as may be deemed necessary or advisable by himself/herself and/or the Board. The duties of the ad hoc committees shall be outlined at the time of appointment, and the committee shall be considered dissolved when its final report has been made.

2040.2 The Board of Directors, in an effort to more efficiently meet their roles and responsibilities, will establish various standing committees of the Board. These committees will be responsible to provide guidance and recommendations to the full Board of Directors based on the committees' work with Staff. The establishment and utilization of the committees are intended to focus on policy and other "big picture" issues identified in their listed purpose. The General Manager is responsible and accountable for the implementation of the goals and objectives of the Agency, as well as the day-to-day operational and resources allocation issues. The Board and the General Manager shall work together as a team to accomplish these goals and objectives and the referral of issues to Committees and Staff will be made by consensus of the Board and the General Manager. The following shall be standing committees of the Board:

- 2040.2.1 Budget & Finance Committee;
- 2040.2.2 Engineering & Planning Committee;
- 2040.2.3 Personnel Committee;
- 2040.2.4 Policies Committee;
- 2040.2.5 Community Outreach Committee
- 2040.2.6 Joint Water Committee

2040.3 The Board President shall appoint and publicly announce the members of the standing committees for the ensuing year no later than the Board's regular meeting in January.

2040.4 The Board's standing committees may be assigned to review Agency functions, activities, and/or operations pertaining to their designated concerns, as specified below. Said assignment may be made by the Board President, a majority vote of the Board, or on their own initiative. Any recommendations resulting from said review should be submitted to the Board via a written or oral report.

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2040.4.1 All meetings of standing committees shall conform to all open meeting laws (e.g., "Brown Act") that pertain to regular meetings of the Board of Directors.

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2050 GUIDELINES FOR DIRECTOR COMPENSATION

2050.1. The Board of members are authorized to receive compensation for meeting attendance while conducting Agency related business. In accordance with law, the Director is entitled to be compensated for each day's services rendered as a director, not exceeding a total of 10 days per month. On January 13, 2011 the Board of Directors unanimously approved a reduction of compensated meetings to 7 days per month for Directors and 10 days per month for the Board President. The Board has adopted Resolution No. 96-22 which specifically states the types of meetings for which a Board member may request compensation. It is the responsibility of the Board President to periodically review Director Expense reports for compliance with this Policy. Director expenses are also subject to annual review by the Agency's Auditor. The types of compensable meetings are as follows:

2050.1.1 Bi-monthly and special meetings of the Board of Directors

2050.1.2 Amador Water Agency standing committee meeting assignments

2050.1.3 City meetings (City Council, City Planning Commission, City Committee meetings, etc.) within the Director's district in which Amador Water Agency business or closely related issues are scheduled for discussion; City Council meetings outside the Director's district require prior approval from the Board President or his/her designee

2050.1.4 Special District meetings within the Director's district in which Amador Water Agency business, or closely related issues, are scheduled for discussion; Special District meetings outside the Director's district require prior approval from the Board President his/her designee

2050.1.5 Educational seminars and conferences related to Amador Water Agency business with compensation to include travel days to and from, if not reasonably within commutable distance, attendance and estimated costs that exceed \$100.00 requires approval by a majority vote of the full Board.

2050.1.6 County of Amador business meetings (Board of Supervisors, Planning Commission, Committee meetings, etc.) in which Amador Water Agency business, or closely related issues, are scheduled for discussion, with prior approval from the Board President or his/her designee

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2050.1.7 General meetings with the public in which Amador Water Agency representation has been requested, with prior approval from the Board President or his/her designee.

2050.1.8 Special meetings for Amador Water Agency business such as (LAFCO, PGandE, EBMUD, other County Water District meetings, Mokelumne River Association, Mountain Counties Water Resources Association), with prior approval from the Board President or his/her designee.

2050.1.9 Participation in specially assigned duties/organizations which are approved by the Board each year (i.e., Ad-Hoc Committee meetings, special authorities, Association of California Water Agencies, California Association of Sanitation Agencies, California Special Districts Association, etc.), with prior approval from the Board President or his/her designee.

2050.1.10 A maximum of two meetings per month for the Board President to meet with Staff in preparation for Board meetings

2050.1.11 A maximum of one meeting per month for the Chairman of the Budget Committee, or his/her designee, to review claims for Board approval

2050.2 Meetings that are considered not compensable include, but are not limited to, retirement, anniversary and holiday celebrations, social mixers and Chamber of Commerce functions.

2050.3 The Board of Directors has determined that mileage costs in connection with approved Amador Water Agency business activities will be paid by the Agency when the use of private vehicles is necessary. The reimbursement for mileage shall be in accordance with the maximum non-taxable allowance set by Internal Revenue Service Code. This amount shall be amended and adjusted, based on said IRS Code, on January 1 of each year.

2050.4 Members of the Board of Directors shall be reimbursed for all legitimate expenses incurred in attending any meetings or in making any trips on official business of the Board when so authorized in accordance with Policy 2070.

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2070 DIRECTOR TRAINING, EDUCATION AND CONFERENCES

2070.1 Members of the Board of Directors are encouraged to attend educational conferences and professional meetings when the purposes of such activities is to improve Agency operation. Hence, there is no limit as to the number of Directors attending a particular conference or seminar when it is apparent that their attendance is beneficial to the Agency.

2070.1.1 "Junkets" (a tour or journey for pleasure at public expense), however, will not be permitted.

2070.2 It is the policy of the Agency to encourage Board development and excellence of performance by reimbursing expenses incurred for tuition, travel, lodging and meals as a result of training, educational courses, participation with professional organizations, and attendance at local, state and national conferences associated with the interests of the Agency.

2070.2.1 The Executive Secretary is responsible for making arrangements for Directors for conference and registration expenses, and shall include reimbursement of expenses for meals, lodging, and travel. All expenses for which reimbursement is requested by Directors, or which are billed to the Agency by Directors, shall be submitted to the Executive Secretary, together with validated receipts.

2070.2.2 Attendance by Directors of seminars, workshops, courses, professional organization meetings, and conferences shall be approved by the Board President prior to incurring any reimbursable costs.

2070.2.3 Expenses to the Agency for Board of Directors' training, education and conferences should be kept to a minimum by utilizing recommendations for transportation and housing accommodations put forth by the General Manager and by:

2070.2.3.1 Utilizing hotel(s) recommended by the event sponsor in order to obtain discounted rates.

2070.2.3.2 Directors traveling together whenever feasible and economically beneficial.

2070.2.3.3 Requesting reservations sufficiently in advance, when possible, to obtain discounted air fares and hotel rates.

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2070.3 A Director shall not attend a conference or training event for which there is an expense to the Agency, if it occurs after they have announced their pending resignation, or if it occurs after an election in which it has been determined that they will not retain their seat on the Board. A Director shall not attend a conference or training event when it is apparent that there is no significant benefit to the Agency.

2070.4 Upon returning from seminars, workshops, conferences, etc., where expenses are reimbursed by the Agency, Directors will either prepare a written report for distribution to the Board, or make a verbal report during the next regular meeting of the Board. Said report shall encompass what was learned at the session(s) that will be of benefit to the Agency. Materials from the session(s) may be delivered to the Agency office to be included in the Agency library for the future use of other Directors and staff.

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2080 ANNUAL FACILITIES INSPECTION

2080.1 To keep abreast of Water Agency facility needs, and to have a better understanding of the Agency's water and wastewater systems, the Directors of the Agency will review the Agency's facilities on an annual basis.

2080.2 The Annual Inspection may take place during the month of April to allow for proper planning of any recommendations to coincide with the annual budget process. It is left to the discretion of the Board and the General Manager as to the extent of the facilities that will be reviewed.

2080.3 The intent of the Annual Facilities Inspection is to inspect all major facilities within the Agency's systems.

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2090 DELEGATION OF AUTHORITY

2090.1 The Board of the Agency sets the policy for the Agency. The Agency's General Manager (a) has full charge and control of the construction, maintenance and operation of the water, wastewater and other facilities of the Agency, (b) has full power and authority to employ and discharge employees and assistants, consistent with Agency policy and other provisions of law, (c) prescribes the duties of employees and assistants, consistent with Agency policy, and (d) alters the compensation of employees and assistants, subject to approval by the Board. The Agency's General Manager serves at the pleasure of the Board. The Board will provide policy direction and instructions to the General Manager on matters within the authority of the Board by majority vote of the Board during duly-convened Board and Board committee meetings. Members of the Board will deal with matters within the authority of the General Manager through the General Manager, and not through other Agency employees.

2090.2 In an effort to establish and maintain clear delegation of authority, the Agency Directors authorizes the following powers to the General Manager.

2090.2.1 Easements: To develop easement values and acquire easements up to a cash value of \$20,000 in accordance with Agency Policy 4050, the services of a land appraiser, or other prudent methods.

2090.2.2 Claims: To investigate and resolve third party claims against the Agency up to and including a value of \$5000. Claimants may appeal decisions to the Board of Directors. (Also refer to Section 3, Policy No. 3180)

2090.2.3 Professional Service Contracts: To authorize execution of professional service contracts up to \$50,000 within the approved budget and up to \$5,000 not specifically itemized in the approved budget.

2090.2.4 Budget Expenditures: To authorize approval of contracts and purchases up to the amount included in the annual adopted budget.

2090.2.5 Project Expenditures: To authorize approval of project overruns of 10% of the project or \$10,000 whichever is greater, not to exceed \$100,000. The General Manager will confer with the Board President for any expenditure over \$20,000.

2090.2.6 Change Orders: To approve change orders on projects as long as the increase does not exceed the approved budget.

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2090.2.7 Emergency Expenditures: To declare emergencies and to authorize emergency expenditures up to \$100,000.

2090.2.7.1 An emergency is an unexpected occurrence that significantly impacts the Agency's ability to provide continuous clean, safe and reliable water and wastewater services.

2090.2.7.2 The General Manager shall concur with the Board President in the declaration of an emergency.

2090.2.8 Employees:

2090.2.8.1 The General Manager is authorized to fill vacant existing positions, add temporary employees, and use Agency/contract personnel.

2090.2.8.2 The Board of Directors has the authority to approve new regular full-time and part-time positions in the Agency.

2090.3 In order for the normal progression of events to continue in the absence of the General Manager, Department Heads have full authority to make decisions affecting their departments. Should any event occur that transcends one department's authority, then the affected Department Heads shall confer, and between them, agree to the proper solution and enact the appropriate measures. The General Manager may designate a person in authority during his absence.

2090.4 The General Manager is fully accountable for the proper performance of these responsibilities.

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2100 DEFENSE OF AGENCY EMPLOYEES AND ELECTED OFFICIALS IN CRIMINAL AND ADMINISTRATIVE PROCEEDINGS

2100.1 The Agency owns and operates several water treatment and distribution systems and wastewater treatment and disposal systems. Employees or elected officials of the Agency, while in the performance of their duties, could accidentally or unknowingly violate state and/or federal statutes governing the operation of the Agency's facilities for which criminal penalties may be imposed. The risk of such criminal or administrative proceedings could be significant to both the accused employee or elected official and the Agency, and the costs of defense could exceed the personal financial resources of such employee or elected official. It is both lawful and in the best interests of the Agency to support and protect all employees and elected officials performing their jobs while acting in good faith and in the apparent interest of the Agency. The Board of Directors of the Agency has adopted a resolution providing for the defense of its employees and elected officials in connection with criminal or administrative proceedings with respect to alleged violations of environmental laws, as long as certain findings can be made as follows.

2100.1.1 The criminal action or proceeding or administrative proceeding is brought on account of an act or omission in the scope of the employee's employment or elected official's duties at the Agency.

2100.1.2 The Agency determines that such defense would be in the best interest of the Agency.

2100.1.3 The Agency determines that the employee or elected official acted, or failed to act, in good faith without actual malice, and in the apparent interest of the Agency.

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**SECTION 3 - ADMINISTRATIVE BUSINESS
OPERATIONS**

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3010 AMADOR WATER AGENCY WATER CODE

3010.1 The Amador Water Agency Water Code is the Agency's water service rules and regulations.

3010.2 The Water Code is shown in Appendix D.

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3020 WASTEWATER REGULATIONS, RATES AND RULES

3020.1 The Amador Water Agency Wastewater Regulations, Rates and Rules is the Agency's wastewater service rules and regulations.

3020.2 The Wastewater Regulations, Rates and Rules are shown in Appendix E.

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3030 SECURITY

3030.1 Incident Investigations

3030.1.1 A prompt and thorough investigation of any incident or threat of violence will help diffuse potentially hostile situations and protect employees. Consequently, it is vital that employees immediately report any incidents or threats of violence to their supervisor.

3030.1.2 The General Manager is responsible for insuring that all reported events are thoroughly investigated.

3030.1.3 The General Manager will review initial findings and, if necessary, consult with Department Heads to determine any needed response.

3030.2 Reporting Events and Hazards

3030.2.1 Every employee is responsible for reporting security hazards or incidents or threats of violence to his or her immediate supervisor. Supervisors must report all incidents or threats of violence to their immediate supervisor.

3030.2.2 For broken or malfunctioning security devices, notify their immediate supervisor.

3030.2.3 For job-related employee injuries, including those caused by acts of violence, the injury must be reported immediately.

3030.2.4 At the request of any employee who reports an incident or threat of violence, the Agency will attempt to keep the employee's identity confidential to protect the employee from retaliation by the person causing the violence or making the threat. However, in some instances, it will not be possible to maintain confidentiality and still undertake effective measures to address the violence or threat of violence.

3030.2.5 In those instances where the Agency is forced to disclose the employee's identity to address the threat effectively, the Agency will take whatever legal measures it deems reasonable to protect the threatened employee.

3030.3 Hazard Assessment and Correction

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3030.3.1 Supervisors shall perform periodic hazard inspections for workplace security. In addition, inspections shall be performed in the following circumstances:

3030.3.1.1 When previously unidentified hazards are recognized

3030.3.1.2 When occupational injuries occur as a result of workplace violence

3030.3.2 As part of the Annual Physical Plant Audit Program, all staffed facilities will be inspected for workplace security hazards on an annual basis.

3030.3.2.1 Periodic and annual inspections for security hazards consist of identification and evaluation of workplace security hazards and changes in employee work practices.

3030.3.2.2 While corrective action is in progress, appropriate precautions will be taken to the extent reasonably practical, to protect employees from exposure to the hazard or threatening situation.

3030.3.3 Supervisors are responsible for correcting workplace security hazards reported to them by employees or discovered during the periodic or annual inspections. The California Department of Health Services Public Water System Inspection Checklist for Security may be used as a guideline (as shown in Appendix F).

3030.4 Training and Instruction

3030.4.1 All Agency employees shall receive training on security practices pursuant to the following schedule:

3030.4.1.1 To new employees and to other employees for whom training has not previously been provided.

3030.4.1.2 To employees and supervisors given new job assignments for which specific workplace security training for that job assignment has not previously been provided.

3030.4.1.3 To all affected personnel whenever the Agency is made aware of new or previously unrecognized security hazards.

3030.5 Recordkeeping

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3030.5.1 The following records will be maintained by the Human Resource Coordinator

3030.5.1.1 Copies of Incident Reports of assault or threats

3030.5.1.2 Other documentation pertaining to incidents or threats of violence, i.e., notes of violence investigations, supplemental investigation reports, police reports, etc.

3030.5.1.3 Documentation of training for each employee, including the employee's name, training dates, type(s) of training, and training providers.

3030.5.1.4 If any lawsuit or administrative proceeding is pending in regard to an incident or threat of workplace violence, the records to that incident or threat shall not be destroyed until the matter has been completely resolved.

3030.6 Responding to Threats

3030.6.1 If you are threatened or injured by a customer, another employee or anyone else, the following guidelines should be utilized:

3030.6.1.1 Alert Agency personnel, including your supervisor.

3030.6.1.2 Do not try to defend Agency property or money. The Agency is much more concerned about your safety than the Agency's property.

3030.6.1.3 If you are in the field, attempt to flee the scene as quickly as possible.

3030.6.1.4 If possible, without endangering your personal safety, attempt to alert security or law enforcement (911) of the criminal act during the commission of the criminal act, i.e., by pushing silent alarms buttons, etc.

3030.6.1.5 If not possible during the criminal act, report the incident to security and law enforcement (91) as soon as possible after the incident.

3030.7 Hostile Behavior or Violence

3030.7.1 If a person is exhibiting hostile or threatening behavior, use the following tips to prevent escalation of the behavior:

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3030.7.1.1 Listen to what the person has to say without showing anger or fear.

3030.7.1.2 Do not raise your voice or argue with the person.

3030.7.1.3 Maintain eye contact and limit body movements.

3030.7.2 Notify your immediate supervisor as soon as possible, if unavailable, any supervisor, the Human Resources Department or the General Manager.

3030.7.3 Dial 911 in any situation that threatens you with physical harm.

3030.7.4 After the incident is over, remember to follow-up with Agency reporting procedures.

3030.8 Assault and Battery on Agency Employees

3030.8.1 The immediate supervisor shall be notified immediately of all assaults and/or batteries on Agency employees and will respond to the report. This includes verbal threats of violence made by an employee, contactor, or customer against an employee, customer or contractor.

3030.8.1.1 Generally, an assault is where one person intentionally places another person in apprehension of their personal safety, or an attempted battery. A battery is an offensive touching of another.

3030.8.2 If the victim requires medical attention, employees trained in first aid should provide first aid as need and summon emergency assistance by calling 911.

3030.9 Bomb Threats

3030.9.1 All bomb threats are to be considered serious until an investigation proves otherwise.

3030.9.2 Report suspicious packages or letters to your supervisor.

3030.9.3 Make thorough notes during the call. Keep the following in mind:

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3030.9.3.1 Keep the caller on the line as long as possible. Ask the caller to repeat the message. Try to note every word spoken by the person.

3030.9.3.2 If the caller does not indicate the location of the bomb or the time of possible detonation, you should ask for this information.

3030.9.3.3 Inform the caller that the building is occupied and the detonation of a bomb could result in death to many innocent people.

3030.9.3.4 Pay particular attention to peculiar background noises such as motors running, music, and any other noise which may give a clue as to the location of the caller.

3030.9.3.5 Listen closely to the voice (male, female), voice quality (calm, excited), accents and speech impediments.

3030.9.4 Questions to ask the caller include:

3030.9.4.1 Where is the bomb?

3030.9.4.2 When will it explode?

3030.9.4.3 What does the bomb look like?

3030.9.4.4 What kind of bomb is it?

3030.9.4.5 What will detonate the bomb?

3030.9.4.6 Did you place the bomb? If so, why?

3030.9.4.7 What is your name? Address?

3030.9.5 Immediately after the caller hangs up, report to your immediate supervisor. Since the police will want to talk first hand with the person who received the call, you should remain available (in a safe place) until they appear.

3030.10 Responding to a Bomb Threat

3030.10.1 The General Manager, if available, or any supervisor if the General Manager is not available, is responsible for assuring the evacuation of all employees in the event of a bomb threat.

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3030.10.2 If time permits, open windows and doors.

3030.10.3 Establish routes of evacuation. Floors above and immediately below the danger point should be evacuated first.

3030.10.4 Evacuate employees to a designated meeting place in a safe area outside the building. This area should be at least 200 feet from the building.

3030.10.5 Account for all employees before letting anyone leave the designated meeting place.

3030.10.6 Designate 1 supervisor who will be responsible for authorizing reentry to the building once it has been declared safe by law enforcement authorities.

3030.10.7 Do not allow any employee to stand near the building, its entrances or any cars parked near the building.

3030.10.8 Ensure that no unauthorized persons enter or reenter the building.

3030.10.9 A search may be conducted by the police or fire fighters. However, the Agency may assist to the extent possible. No radio system or cellular phone should be used by any employee as radio signals are capable of detonating an electrical blasting cap.

3030.10.10 If a suspicious object is found, do not touch it. Report the location and description.

3030.11 Suspicious Letters/Mail

3030.11.1 A suspicious letter/mail's outward appearance is limited only by the imagination of the sender. However, mail bombs or other contaminated mail typically have unique characteristics that may assist you in identifying a suspect mailing, i.e., restricted endorsements such as "Personal" or "Private"; addressee's name or title is inaccurate or misspelled; or return address is missing or fictitious.

3030.11.2 If you receive a letter or parcel that is suspicious, do not touch or open the package, immediately report the incident to security, and contact law enforcement (911) and the local postal inspector for assistance.

3030.12 Building Security Procedures

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3030.12.1 The Agency has developed a comprehensive procedure for the issuance of keys and padlocks for the Agency's locking systems to maintain security of Agency facilities. All Agency keys should be protected and secure. Keys should not be left in unattended vehicles. Employees are not permitted to duplicate or reproduce Agency keys.

3030.12.2 The Agency has security alarms at the critical facilities (Administration Building, Tanner Office/Warehouse, Tanner Water Treatment Plant, Lone Water Treatment Plant and Buckhorn Water Treatment Plant). Alarm codes should not be shared with non-Agency employees or transmitted over the two-way radio system.

3030.12.3 Alarms at the Administration Building, Tanner Office/Warehouse and the Treatment Plants should be tested quarterly.

3030.12.3 If employees are called out due to a building security alarm activation or if the employee reports to work and the alarm is sounding, the employee should not enter the building without contacting law enforcement for assistance.

3030.12.4 All gates and doors shall be locked and alarms set when the last employee leaves the premises. The gate at the Tanner Office/Warehouse shall be locked after 5:00 p.m. or when no one is in the yard after normal close of business.

3030.13 Employee Home Addresses

3030.13.1 No employee shall provide the home addresses or phone number of another employee without authorization from the affected employee.

3030.13.2 If a written list of employee home addresses and phone numbers is prepared, it must be marked as follows: "Confidential – Do Not Copy – Do Not Distribute"

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3040 FIXED-ASSET ACCOUNTING

Currently being developed.....

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3050 INVESTMENT OF AGENCY FUNDS

3050.1 Introduction

3050.1.1 The purpose of this document is to identify various policies and procedures that enhance opportunities for a prudent and systematic investment process and to organize and formalize investment-related activities. Related activities, which comprise sound cash management, include accurate cash flow projections, control of disbursements, expedient collection of revenues, cost effective banking relations and a short term borrowing program, which coordinates investment opportunity with working capital requirements. The ultimate goal is to enhance the economic status of the Amador Water Agency while protecting its pooled cash resources.

3051.2 The investment policies and practices of the Amador Water Agency are based on state law and prudent money management. All funds will be invested in accordance with the Agency's Investment Policy and the authority governing investments as set forth in the California Government Code, Sections 53601 through 53659. The investment of bond proceeds are restricted by the provisions of relevant bond documents.

3050.2 Scope

3050.2.1 It is intended that this policy cover all short-term operating funds and investment activities of the Agency. These funds are accounted for in the annual audit report, and include.

3050.2.1.1 General Fund

3050.2.1.2 Water and Wastewater Enterprise Fund

3050.2.1.3 Capital Improvement Funds

3050.2.1.4 Debt Service Funds

3050.2.2 This investment policy applies to all Agency transactions involving the financial assets and related activity of the above-mentioned funds. Any additional funds that may be created from time to time shall also be administered with the provisions of this policy and comply with current State Government Code.

3050.3 Prudence (Standard of Care)

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3050.3.1 The Amador Water Agency operates its pooled idle cash investments under the prudent man rule (Civil Code Section 2261, et. seq.). In addition, Government Code Section 53600.3 provides that those persons to whom investment decisions have been delegated are trustees with a fiduciary responsibility to act as a prudent investor.

3050.3.2 Investments shall be made with judgment and care - under circumstances then prevailing - which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. This affords a broad spectrum of investment opportunities as long as the investment is deemed prudent under current law.

3050.3.3 The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. All persons investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds shall act with care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Agency.

3050.3.4 It is the Agency's intent at the time of purchase to hold all investments until maturity to ensure the return of all invested principal dollars but sales before maturity are permitted.

3050.4 Objectives

3050.4.1 Investment Criteria

3050.4.1.1 Government Code Section 53600.5 states: "When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objective of the trustee shall be to safeguard the principal of funds under its control. The secondary objective shall be to meet the liquidity needs of the depositor. The third objective shall be to achieve a return on the funds under its control".

3050.4.1.2 Simply stated, safety of principal is the foremost objective, followed by liquidity and return on investment (known as yield). Each investment transaction shall seek to first ensure the capital losses are avoided, whether they are from market erosion or security defaults.

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3050.4.1.3 The primary objectives, in priority order, of the Agency's investment activities shall be:

- Safety - Safety of principal is the foremost objective of the investment program. The Agency's investments shall be undertaken in a manner that seeks to ensure preservation of capital in the portfolio. The Agency shall seek to preserve principal by mitigating the two types of risk, credit risk and market risk. Investment decisions should not incur unreasonable credit or market risks in order to obtain current investment income.
 - a. Credit Risk: Defined as the risk of loss due to failure by the issuer of a security
 - b. Market Risk: Defined as the risk of market value fluctuations due to overall changes in the general level of interest rates.
- Liquidity - The Agency's investment portfolio will remain sufficiently liquid to enable the Agency to meet its cash flow requirements. An adequate portion of the portfolio should be maintained in liquid short term securities which can be converted to cash and guarantee the Agency's ability to meet operating expenditures.
- Return on Investment (Yield) - The Agency's investment portfolio shall be designed with the objective of attaining a market rate of return on its' investments consistent with the constraints imposed by its safety objective and cash flow considerations. Yield is to be a consideration only after the basic requirements of adequate safety and liquidity have been met.

3050.4.2 Market Rate of Return - The investment portfolio shall be managed to attain a market average rate of return throughout budgetary and economic cycles. This takes into account the Agency's cash flow requirements and investment risk constraints, state and local laws and ordinances or resolutions that restrict the placement of short term funds.

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3050.4.3 Performance Standards - The investment portfolio shall be managed with the objective of producing a yield meeting or exceeding the average return on the one year U.S. Treasury. This index is considered a benchmark for low to moderate risk investment transactions. Therefore, they comprise a minimum standard for the portfolio's rate of return. The investment program shall seek to augment returns above this threshold, consistent with risk limitations identified herein and prudent investment principles. This benchmark will be reviewed thoroughly and may be adjusted as required by market conditions to prevent incurring unreasonable risks to attain yield.

3050.4.4 Diversification - The investment portfolio shall be diversified to prevent incurring unreasonable and avoidable risks regarding specific security types, individual financial institutions or maturity segments.

3050.4.5 Public Trust - All participants in the investment process shall act responsibly as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust.

3050.5 Delegation of Authority

3050.5.1 The management and oversight responsibility for the investment program is hereby delegated to the Controller who shall monitor and review all investments for consistency with this investment policy. The General Manager and Controller shall jointly establish procedures to implement and monitor this investment policy. Such procedures shall include explicit delegation of persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the limits of this policy.

3050.6 Ethics and Conflict of Interest

3050.6.1 Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program, or that could impair their ability to make impartial decisions.

3050.7 Selection of Authorized Financial Institutions and Broker/Dealers

3050.7.1 To provide for the optimum yield in the Agency's portfolio, the Agency's procedures shall be designed to encourage multiple bids and offers on

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investment transactions from an approved list of broker/dealers. The Controller shall maintain a list of authorized broker/dealers and financial institutions, which are approved for investment purposes, in the State of California, and it shall be the policy of the Agency to purchase securities only from authorized institutions or firms. The investment guidelines and procedures shall identify the criteria under which brokers and dealers may qualify to conduct business with the Agency.

3050.7.2 In order to assist in identifying qualified financial institutions, the Controller shall forward copies of the Agency's investment policy to those financial institutions with which the Agency is interested in doing business and will require written acknowledgment of the policy. In addition, all dealers approved to do business with the Agency shall receive a copy of the Investment Policy annually. Confirmation of receipt of this policy shall signify that the dealer understands the Investment Policy and intends to present only appropriate investments.

3050.8 Permitted Investment Instruments

3050.8.1 Allowable investment instruments are defined in the California Government Code Section 53600 et. seq., as amended. If the Code is further revised to allow additional investments or is changed regarding the limits on certain categories of investments, the Agency is authorized to conform to these changes, excluding those changes that may be prohibited by this policy. Where Government Code Section specifies a percentage limitation for a particular category of investments, that percentage is applicable only at the date of purchase.

3050.8.2 Allowable investment instruments are defined in the California Government Code Section 53600 et. seq., as amended. If the Code is further revised to allow additional investments or is changed regarding the limits on certain categories of investments, the Agency is authorized to conform to these changes, excluding those changes that may be prohibited by this policy. Where Government Code Section specifies a percentage limitation for a particular category of investments, that percentage is applicable only at the date of purchase.

3050.8.2.1 Government obligations pledged by the full faith and credit of the United States for the payment of principal and interest.

3050.8.2.2 Obligations issued by Agencies or Instrumentalities of the U.S. Government.

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3050.8.2.3 Repurchase Agreements used solely as short term investments not to exceed one year.

3050.8.3 The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities will be acceptable collateral. All securities underlying Repurchase Agreements must be delivered to the Agency's custodian bank versus payment. The market value of securities that underlay a Repurchase Agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be reviewed on a regular basis and adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investment in repurchase agreements shall be in compliance if the value of the underlying securities is brought back to 102 percent no later than the next business day.

3050.8.4 Banker's Acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System, the short term paper of which is rated in the highest category by Moody's Investors Services or by Standard & Poor's Corporation.

Purchases of Banker's Acceptances may not exceed 180 days maturity or 40 percent of the Agency's surplus money. However, no more than \$1,000,000 of the Agency's surplus funds may be invested in the Banker's Acceptance of any one commercial bank.

3050.8.5 Commercial paper rated in the highest short term rating category, as provided by Moody's Investors Service, Inc. (P-1) or Standard & Poor's Corporation (A-1) provided that the issuing corporation is organized and operating within the United States, has total assets in excess of \$500 million, and has an "A" or higher rating for its long term debt, (if any, as provided by Moody's or Standard & Poor's).

Purchases of eligible commercial paper may not exceed 270 days maturity nor represent more than \$1,000,000 from an issuing corporation.

Purchases of commercial paper may not exceed 15 percent of the Agency's surplus money that may be invested.

3050.8.6 Medium term corporate notes of a maximum of five years maturity issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Medium term corporate notes shall be rated in a rating

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category of "A" or its equivalent or better by a nationally recognized rating agency.

Investments will be limited to a maximum of 30% of the Agency's portfolio. The maximum principal amount in any one company will not exceed \$1,000,000.

3050.8.7 FDIC insured or fully collateralized time certificates of deposit in financial institutions located in California, including United States branches of foreign banks licensed to do business in California. The maximum maturity of a time deposit shall not exceed 180 days. All time deposits must be collateralized in accordance with California Government Code section 53651 and 53652, either using:

- a) 150% of promissory notes secured by first mortgages and first trust deeds upon improved residential property in California eligible under Section 53601 (m), or
- b) 110% of eligible marketable securities listed in subsections (a) through (l) and (n).

3050.8.8 Negotiable certificates of deposit or deposit notes issued by a nationally or state chartered bank or a state or federal savings and loan association or by a state licensed branch of a foreign bank; provided that the senior debt obligations of the issuing institution are rated "AA" or better by Moody's or Standard & Poor's.

Purchase of negotiable certificates of deposit may not exceed 30 percent of the Agency's surplus money.

3050.8.9 State of California's Local Agency Investment Fund. (LAIF) - Investment in LAIF may not exceed limits as set forth by the LAIF Board and adjusted from time to time. The current per account limit is \$20 million per account.

3050.8.10 CLASS - the California Pooled Investment Authority - a statewide joint powers authority (JPA), locally controlled by municipal finance professionals. CLASS is a program provided through MBIA Municipal Investors Service Corporation, backed by a letter of credit, and limited to investment practice consistent with California State Government Code Section 53600 et. al.

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3050.8.11 Shares of beneficial interest issued by diversified management companies (Money Market Mutual Funds) investing in the securities and obligations authorized by sections a through l of Government Code section 53601. To be eligible for investment pursuant to this subdivision these companies shall either: (1) attain the highest ranking letter or numerical rating provided by not less than two of the three largest nationally recognized rating services or (2) have an investment advisor registered with the Securities and Exchange Commission with not less than five years experience investing in securities and obligations authorized by Government Code Section 53601 and with assets under management in excess of \$500,000,000.

The purchase price of shares shall not exceed 10 percent of the Agency's surplus money.

Table A summarizes the maximum percentage and maturity limits, plus other constraints, by instrument, established for the Agency's total pooled funds portfolio.

No investment shall be made in any permitted investment instruments listed above (outside of State of California's Local Agency Investment Fund-LAIF, FDIC-insured accounts in a bank or savings and loan association, and Intra-Agency fund loans and transfers authorized by Agency resolution) unless the Board of Directors of the Agency has granted express authority to make that investment either specifically or as part of an investment program.

3050.9 Safekeeping of Securities

3050.9.1 To protect against fraud or embezzlement or losses caused by collapse of an individual securities dealer, all securities owned by the Agency shall be held in safekeeping by a third party bank trust department. Designated third party's shall act as agent for the Agency under the terms of a custody agreement or PSA agreement (repurchase agreement collateral). All trades executed by a dealer will settle delivery vs. payment (DVP) through the Agency's safekeeping agent. Original copies on non-negotiable certificates of deposit and confirming copies (safekeeping receipts) of all other investment transactions must be delivered to the Agency. Investment officials shall be bonded to protect the public against possible embezzlement or malice.

3050.9.2 Securities held in custody for the Agency shall be independently audited on an annual basis to verify investment holdings.

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3050.10 Maximum Maturity

3050.10.1 Investment maturities shall be based on a review of cash flow forecasts. Maturities will be scheduled so as to permit the Agency to meet all projected obligations.

3050.10.2 Investments that mature more than five years from the date of purchase cannot occur without prior approval of the Agency Board of Directors. As defined in Government Code Section 53601, "no investment shall be made in any security... that at the time of investment has a term remaining to maturity in excess of five years, unless the legislative body has granted express authority to make that investment either specifically or as a part of an investment approved by the legislative body no less than three months prior to the investment."

3050.11 Ineligible Investments

3050.11.1 Certain investments are prohibited under Government Code Sections 53601.6 and 53631.5. Security types, which are prohibited, include, but are not limited to the following.

3050.11.1.1 "Complex" derivative structures such as range notes, dual index notes, inverse floaters, leveraged or deleveraged floating rate notes, or any other complex variable rate or structured note.

3050.11.1.2 Interest only strips that are derived from a pool of mortgages or any security that could result in zero interest accrual if held to maturity.

3050.11.1.3 Reverse Repurchase Agreements.

3050.11.2 Purchasing these types of instruments does not coincide with this Policy's objectives and would require a thorough review and monitoring of the underlying security. Although some of these transactions are legal under Government Code, they do not meet the objectives contained herein.

3050.11.3 By virtue of the allowable investment in the State or CLASS Pools, the Agency is investing idle cash with a large number of government agencies. The Pools are managed by outside administrators and are subject of the Government Codes as well as policies put in place by their governing boards. Either Pool's investment policy may allow for investment in some of the prohibitions noted above for Amador Water Agency. Investment in the State and County Pools is permitted; assuming a diminutive portion of their portfolio's (10% or less) is tied to the high-risk

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products noted above. The Controller is responsible to monitor and review the Pooled funds portfolios on an ongoing basis. The Agency shall take any necessary action should either Pool exceed the allowable 10% limit.

3050.12 Reporting Requirements

3050.12.1 Pursuant to Government Code Section 53646, the Controller shall render to the Agency Board of Directors a separate quarterly investment report, which shall include, at a minimum, the following information for each individual investment:

3050.12.1.1 Type of investment instruments (i.e. treasury Bill, medium term note).

3050.12.1.2 Issuer names (i.e. General Electric)

3050.12.1.3 Purchase date (trade and settlement date)

3050.12.1.4 Maturity date

3050.12.1.5 Par value

3050.12.1.6 Current rate of interest

3050.12.1.7 Purchase price

3050.12.1.8 Current market value and the source of the valuation

3050.12.1.9 Overall portfolio yield based on cost

3050.12.1.10 Weighted average days to maturity

3050.12.2 The quarterly report also shall (i) state compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance, (ii) include a description of any of the Agency's funds, investments or programs that are under the management of contracted parties, including lending programs, and (iii) include a statement denoting the ability of the Agency to meet its expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.

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3050.12.3 Market value adjustments, as required under Government Accounting Standards Board (GASB) Statement No. 31, are treated as year-end accounting adjustments to the financial records of the Agency. Quarterly investment reports will demonstrate market fluctuations and continue to compare purchase price versus market value status. Accounting adjustments under GASB Statement No. 31, which compare changes to beginning and ending par market value in each fiscal year, are not included as part of quarterly investment reports.

3050.12.4 This quarterly report shall be submitted to the Agency Board of Directors within 30 days following the end of the quarter cover by the report. The Amador Water Agency will comply with CDIAC or any other oversight agency reporting requirements.

3050.13 Policy Adopting Changes and Updates

3050.13.1 The Controller shall annually render to the Board a statement of investment policy, which the Board shall consider at a public meeting. The policy shall be reviewed annually by the General Manager and Controller to ensure its consistency with the global objective of preservation of investment principal, sufficient liquidity, rate of return and relevance to current laws and financial trends. The Board of Directors must approve any modifications to the policy.

3050.14 Internal Controls

3050.14.1 The Controller shall operate under a system of internal controls. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets or imprudent actions by employees and officers of the Agency. Internal controls include:

- Segregation of duties
- Board approval for Investments other than LAIF, FDIC-insured bank accounts, and Intra Agency fund loans.

3050.15 Depositories

3050.15.1 The Controller shall establish selection criteria for pre-approval of institutions that do business with the Amador Water Agency. To qualify for consideration, an institution must have an office in California and that office must perform the transactions with the Agency.

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3050.16 Risk Tolerances

3050.16.1 The Agency recognizes that investment risk can result from issuer defaults, market price changes or various technical complications leading to temporary liquidity. Portfolio diversification is employed as a way to minimize and control these risks.

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Glossary of Terms

Bankers' Acceptances - negotiable time drafts or bills of exchange drawn on and accepted by a commercial bank. Acceptance of the draft obligates the bank to pay the bearer the face amount of the draft at maturity. In addition to the guarantee by the accepting bank, the transaction is identified with a specific commodity. The sale of the underlying goods will generate the funds necessary to liquidate the indebtedness. Banker's Acceptances are usually created to finance the import and export of goods, the shipment of goods within the United States and the storage of readily marketable staple commodities. Banker's Acceptances are sold at a discount from par and the amount and maturity dates are fixed. Bankers' Acceptances have the backing of both the bank and the pledged commodities with no known principal loss in over 70 years. State law permits cities to invest up to 40% in bankers' acceptances.

Certificate of Deposit - A deposit insured up to \$100,000 by the FDIC at a set rate for a specified period of time.

Collateral - Securities, evidences of deposit or pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposit of public moneys.

Corporate Medium Term Notes - Unsecured promissory notes issued by corporations operating within the United States. The notes mature in one to five year periods. Purchase of these notes may not exceed 30% of the Agency's portfolio and the notes must have at least an "A" rating by a nationally recognized rating service.

Commercial Paper - An unsecured promissory note of industrial corporations, utilities and bank holding companies having assets in excess of \$500 million and an "A" or higher rating for the issuer's debentures. Interest is discounted from par and calculated using the actual number of days on a 360-day year. The notes are in bearer form, mature from one to 270 days and generally start at \$100,000. There is a secondary market for commercial paper and an investor may sell them before maturity. Unused lines of credit back commercial paper from major banks. State law permits agencies to invest up to 30% in commercial paper.

Credit Risk - Defined as the risk of loss due to failure of the issuer of a security. This loss shall be mitigated by investing in investment grade securities and by diversifying the investment portfolio so that the failure of any one issuer does not unduly harm the Agency's capital base and cash flow.

Current Yield - The interest paid on an investment expressed as a percentage of the current price of the security.

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Custody - A banking service that provides safekeeping for the individual securities in a customer's investment portfolio under a written agreement which also calls for the bank to collect and pay out income, to buy, sell, receive and deliver securities when ordered to do so by the principal.

Delivery vs. Payment (DVP) - Delivery of securities with a simultaneous exchange of money for the securities.

Fannie Mae - Trade name for the Federal National Mortgage Association (FNMA), a United States sponsored corporation.

Federal Reserve System - The central bank of the United States which consists of a seven member Board of Governors, 12 regional banks and 5,700 commercial banks that are members.

Federal Deposit Insurance Corporation (FDIC) - Insurance provided to customers of a subscribing bank that guarantees deposits to a set limit (currently \$100,000) per account.

Freddie Mac - Trade name for the Federal Home Loan Mortgage Corporation (FHLMC), a United States sponsored corporation.

Ginnie Mae - Trade name for the Government National Mortgage Association (GNMA), a direct obligation bearing the full faith and credit of the United States Government.

Interest Rate - The annual yield earned on an investment, expressed as a percentage.

Liquidity - Refers to the ability to rapidly convert an investment into cash.

Local Agency Investment Fund (LAIF) Demand Deposit - Was established by the state to enable treasurers to place idle funds in a pool for investment. Each agency is currently limited by LAIF to an investment of \$30 million plus any bond proceeds.

Market Risk - Defined as market value fluctuations due to overall changes in the general level of interest rates. Adverse fluctuation possibilities shall be mitigated by limiting the maximum maturity of any one security to five years, structuring the portfolio based on historic and current cash flow analysis, and eliminating the need to sell securities prior to maturity. In addition, avoiding the purchase of long-term securities for the sole purpose of short-term speculation mitigates market risk.

Market Value - The price at which a security is trading and could presumably be purchased or sold.

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Maturity - the date the principal or stated value of an investment becomes due and payable.

Portfolio - Collection of securities held by an investor.

Purchase Date - The date in which a security is purchased for settlement on that or a later date.

Rate of Return - The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

Repurchase Agreement (REPO) - Are contractual arrangements between a financial institution or dealer and an investor. The investor puts up their funds for a certain number of days at a stated yield. In return, they take title to a given block of securities as collateral. At maturity, the securities are repurchased and the funds are repaid with interest.

Reverse Repurchase Agreement (Reverse REPO) - A transaction where the seller (Agency) agrees to buy back from the buyer (bank) the securities at an agreed upon price after a stated period of time.

Sallie Mae - Trade name for the Student Loan Marketing Association (SLMA), a United States sponsored corporation.

Treasury Bills - United States Treasury Bills which are short term, direct obligations of the United States Government issued with original maturities of 13 weeks, 26 weeks and 52 weeks; sold in minimum amounts of \$10,000 in multiples of \$5,000 above the minimum. Issued in book entry form only. T-bills are sold on a discount basis.

United States Government Agencies - Instruments issued by various United States Government Agencies most of which are secured only by the credit worthiness of the particular agency.

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Permitted Investments

Table A

Permitted Investments	State Code Legal Limit (% or \$)	Agency Policy Legal Limit (% or \$)	Maximum Maturity Constraints	Agency Policy Other Constraints
U.S. Government Obligations	Unlimited	Unlimited	5 years *	None
U.S. Government Agencies & Instruments	Unlimited	Unlimited	5 years *	None
Repurchase Agreements	Unlimited	Unlimited	1 year	102% Market value on underlying securities
Bankers Acceptances	40%	40%	180 days	No more than \$1,000,000 invested in any one commercial bank
Commercial Paper	30%	30%	270 days	U.S. Corporations with assets in excess of \$500,000,000; "A" debt rating; maximum of \$1,000,000 from an issuing corporation
Medium Term Corporate Notes	30%	30%	5 years	U.S. Corporations; "A" debt rating maximum of \$1,000,000 per issuing company
Certificates of Deposit	Unlimited	Unlimited	5 years *	Must be collateralized to 110% of the CD value by other eligible securities or 150% by promissory notes secured by California Deeds & Mortgages
Negotiable Certificates of Deposit	30%	30%	5 years *	State and Federally chartered banks and savings institutions "AA" rating by one agency
LAIF State Pool	\$30,000,000 **	\$30,000,000 **	N/A	Limited to 10 transactions per month, per account, per State Policy - last changed 7/1/98
CLASS (a California Pooled Investment Authority JPA)	Unlimited***	Unlimited***	N/A	None
Mutual Funds	15%	10%	N/A	Funds invested as defined in Section 53601 (a) to (l); high debt rating from 2 of top 3

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				national rating services OR investment advisor registered with SEC for at least 5 years assets under management in excess of \$500,000,000.
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* Maximum terms unless the Board of Directors expressly authorizes longer maturities and within the prescribed time frame for said approval.

** Not set by Government Code, but instead by LAIF Governing Board.

*** Investment limits set by California Pooled Investment Authority & MBIA Municipal Investors Services

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3060 PURCHASING

3060.1 Purpose

3060.1.1 The purpose of this policy is to provide the Amador Water Agency a means of assuring continuity and uniformity in its purchasing operation, and to define the responsibilities for purchasing supplies, services and equipment for the Agency. These guidelines are not intended to address every issue, exception, or contingency that may arise in the course of purchasing activities. The basic standard that should always prevail is to exercise good judgment in the use and stewardship of Agency resources, including keeping within the budget authorized by the Board of Directors.

3060.2 Policy Statement

3060.2.1 The Purchasing Clerk/Designee is charged with the responsibility and authority for coordinating and managing the procurement of the Agency's supplies, services and equipment according to this policy.

3060.2.2 The policy outlined herein is to be adhered to by the Purchasing Clerk and all departments when procuring supplies, services and equipment. This Policy strives to define decision making with prudent review and internal control procedures and to maintain departmental responsibility and flexibility in evaluating, selecting, and purchasing, supplies equipment and services.

3060.2.3 The Amador Water Agency desires to purchase supplies, equipment and materials locally when possible and responsible to do so. The Agency shall strive to purchase supplies, equipment, and materials within the County for equipment items that do not exceed 5% of the costs to purchase items outside the County of Amador (including shipping).

3060.3 Responsibilities of the Purchasing Clerk

3060.3.1 The Purchasing Clerk is responsible for 1) the procurement of general supplies, services and equipment; 2) the administration of the purchasing policy; and 3) assist in the management of surplus Agency property. To perform these functions efficiently and assist departments, the Purchasing Clerk shall:

3060.3.1.1 Be charged with the responsibility and authority for coordinating and managing the procurement of the Agency's general

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supplies, services and equipment from the lowest responsive and responsible bidder when required by this policy.

3060.3.1.2 Ensure full and open competition on all purchases as required by this policy.

3060.3.1.3 Identify, evaluate and utilize purchasing methods, which best meet the needs of the Agency (i.e., cooperative purchases, blanket accounts, contractual agreements, etc.).

3060.3.1.4 Assist all departments with research and recommendations in developing specifications; review specifications for completeness of information to ensure specifications are not unnecessarily restrictive.

3060.3.1.5 Coordinate vendor relations, locate sources of supply, and evaluate vendor performance.

3060.3.1.6 Recommend revisions to purchasing procedures when necessary and keep informed of current developments in the field of public purchasing.

3060.3.1.7 Prescribe and maintain all forms and records necessary for the efficient operation of the purchasing function.

3060.3.1.8 Act as the Agency's agent in the transfer and disposal of surplus equipment and materials.

3060.4 Responsibilities of Departments

3060.4.1 Departments are charged with the following responsibilities in the purchasing process:

3060.4.1.1 To anticipate requirements sufficiently in advance to allow adequate time to obtain goods in accordance with the best purchasing practices.

3060.4.1.2 To communicate and coordinate purchases with the Purchasing Clerk, as necessary.

3060.4.1.3 To provide detailed, accurate specifications to ensure goods obtained are consistent with requirements and expectations.

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3060.4.1.4 To prepare requisitions in accordance with instructions to minimize the processing effort.

3060.4.1.5 To inform the Purchasing Clerk of any vendor relations problems, shipping problems (i.e., damaged goods, late delivery, wrong items delivered, incorrect quantity delivered, etc.) and any situations, which could affect the purchasing function.

3060.4.1.6 To minimize urgent and sole source purchases and to provide written documentation when such purchases may be necessary.

3060.4.1.7 To notify vendors of purchase award when authorized by Purchasing Clerk.

3060.4.1.8 To not "split" orders for the purpose of avoiding procurement requirements. See Definitions.

3060.5 Vendor Relations

3060.5.1 It is to the Agency's advantage to promote and maintain good relations with vendors. The Purchasing Clerk and department staff shall conduct their dealings with vendors in a professional manner and shall promote equal opportunity and demonstrate fairness, integrity, and courtesy in all vendor relations. When feasible to do so, vendors within the County of Amador should be utilized for supplies, services and equipment.

3060.6 Purchasing Methods

3060.6.1 Purchases of Less than \$500 – (Over-the-Counter) – For purchases of materials, equipment, and services less than \$500, comparative pricing is not required but shall be used when practical and consideration will be given to purchase locally. Prudent judgment shall be used at all times. All departments may purchase supplies, equipment, and services, of less than \$500 without competitive bidding and without a purchase order. A purchase order may be requested by the department if required by the vendor or if the department wishes to use the purchase order as a mechanism to encumber funds. A check request form may be used for purchases less than \$500 and forwarded to Accounts Payable. The department must obtain a valid general ledger account number for all purchases.

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3060.6.2 Purchases Between \$500 - \$2,500 – (Open Market) – For single item purchases of between \$500 - \$2,500, comparative pricing is not required but shall be used when practical and shall be approved by the Supervisor. Purchasing locally should be considered. Prudent judgment shall be used at all times. Purchases can be completed without competitive bidding and without a purchase order. A purchase order may be requested by the department if required by the vendor or if the department wishes to use the purchase order as a mechanism to encumber funds. A check request form may be used for purchases less than \$2,500 and forwarded to Accounts Payable. The department must obtain a valid general ledger account number for all purchases.

3060.6.3 Purchases Between \$2,500 - \$12,500.00 – (Open Market) – For single item purchases of between \$2,500 - \$12,500.00, the authority to award is the Manager of each department. Staff shall not award purchases for \$2,500 or more without the approval of the Purchasing Clerk, the Department Manager, General Manager or G.M. designee, except in the event of an emergency purchase (see Policy 2090). All departments shall obtain three (3) written quotations. The Amador Water Agency desires to purchase supplies, equipment and materials locally when possible and responsible to do so. The Agency shall strive to purchase supplies, equipment, and materials within the County, if the costs of such items do not exceed 5% of the costs to purchase the items outside the County of Amador (including shipping). The Purchasing Clerk may be requested to assist in this process. The department shall submit a purchase requisition, which includes the recommended vendor, with all supporting documentation to the Accounts Payable Department. Supporting documentation shall include competitive price quotes obtained, names of vendors contacted, description of the items required, and certificates of insurance as applicable.

3060.6.4 The Purchasing Clerk, Department Manager, General Manager or G.M. designee may award a purchase to the lowest responsive and responsible bidder whose quote fulfills the intended purpose, quality, and delivery needs of the solicitation, provided that an unencumbered appropriation for that item exists. Provisions from 3060.2.3 shall be considered when determining the lowest responsive bidder. The Amador Water Agency desires to purchase supplies, equipment and materials locally when possible and responsible to do so. The Agency shall strive to purchase supplies, equipment, and materials within the County, if the costs of such items do not exceed 5% of the costs to purchase the items outside the County of Amador (including shipping). In lieu of awarding the purchase, the Department Manager, General Manager or designee may reject bids, or may negotiate further to obtain terms more acceptable to the Agency.

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The department must obtain a valid general ledger account number for all purchases. (3060.1 – 3060.6.4 Revised 9/12/12)

3060.6.5 Purchases of \$12,500 or More – (Written Bid) – Purchases that exceed \$12,500.00 require a Written Bid Process, and the General Manager is authorized (see Policy 2090) to approve contracts and purchases up to the amount included in the annual adopted budget. The written bids shall be attached to the authorization request form. The department must obtain a valid general ledger account number for all purchases.

3060.6.6 Blanket Purchase Orders - A Blanket Purchase Order is an agreement whereby the Agency contracts with a vendor to provide equipment or supplies on an as-needed and often over-the-counter basis. Blanket Purchase Orders provide a mechanism whereby items, which are uneconomical to stock, may be purchased in a manner that allows field operations timely access to necessary materials. Blanket Purchase Orders shall not be used to purchase services, capital assets or items maintained in stock.

3060.6.7 The Purchasing Clerk shall request confirmation of Blanket Purchase Orders annually, before the beginning of the fiscal year. Requests for Blanket Purchase Orders may also be submitted to the Purchasing Clerk on an as-needed basis. The Purchasing Clerk shall review Blanket Purchase Order requests based upon the following criteria:

- Geographic location.
- Responsiveness and capabilities.
- Average dollar value and type of items to be purchased.
- Frequency of need.

3060.6.8 Cooperative Purchases – The Purchasing Clerk may participate in purchases and contracts established by other political jurisdictions, provided the cooperative agreement is established following a competitive bid process.

3060.6.9 Annual Service Contracts – Annual Service Contracts may be used for services and supplies. Examples of Annual Service and Supply Contracts are gasoline purchases, car wash services, pest control, chemical supplies, vehicle service, cell phone service, rock supplies and laundry services. The Agency shall periodically request comparative pricing for these services and evaluate geographic location, responsiveness and capabilities, average dollar value and type of items/services to be acquired, and frequency of need when renewing annual service/supply contracts.

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3060.6.10 Sole Source Purchases – Commodities and services, which can be obtained from only one vendor, are exempt from competitive bidding. Sole source purchases may include proprietary items sold directly from the manufacturer, items that have only one distributor authorized to sell in this area or a certain product has been proven to be the only product that has proven to be acceptable. All sole source purchases shall be supported by written documentation signed by the appropriate Department Head and forwarded to the Purchasing Clerk. Final determination that an item is a valid sole source purchase will be made by the Department Head, General Manager or G.M. designee.

3060.6.11 Emergency Purchases - Emergency purchases may be made without competitive bidding when time is of the essence, and shall be made only for the following reasons:

- to preserve or protect life, health or property; or
- upon natural disaster; or
- to forestall a shutdown of essential services.

3060.6.12 Since emergency purchases do not normally provide the Agency an opportunity to obtain competitive quotes or properly encumber funds committed, sound judgment shall be used in keeping such orders to an absolute minimum. In addition, the following requirements shall apply:

3060.6.12.1 The Purchasing Clerk shall be contacted as soon as possible. If unable to contact the Purchasing Clerk, place the order and contact the Purchasing Clerk the next workday.

3060.6.12.2 A completed purchase requisition shall be submitted to the Purchasing Clerk within two working days, or as soon as the information is available. All purchase requisitions for emergency purchases shall be signed by the appropriate Department Head.

3060.6.12.3 Documentation explaining the circumstances and nature of the emergency purchase shall be submitted by the appropriate Department Head as follows:

- Purchases less than \$500: Use standard purchasing procedures.

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- Purchases less than \$2,500: Use standard purchasing procedures.
- Purchases in the amount of \$2,500 - \$12,500.00: Report to the General Manager by processing requisition within one week.
- Purchases of \$12,500.00 or more: 1) Report to General Manager within two working days, and 2) Report to the Board of Directors at its next scheduled meeting for ratification if outside the General Manager's authority level.

3060.6.12.4 If the emergency purchase causes any budget line item to exceed the approved budget, it shall be the responsibility of the department requesting the purchase to obtain subsequent Board of Director approval for an additional appropriation or to make a transfer to cover the purchase.

3060.7 Purchase Award

3060.7.1 Lowest Responsive and Qualified Bidder - Bids shall be awarded to the "responsive" and "qualified" bidder who submits the lowest bid. In determining the lowest "responsive" bid, the following elements shall be considered in addition to price:

3060.7.1.1 A responsive bid is one which is in substantial conformance with the requirements of the invitation to bid, including specifications and the Agency's contractual terms and conditions. Bidders who substitute terms and conditions or who qualify their bids in such a manner as to nullify or limit their liability shall be considered non-responsive bidders.

3060.7.1.2 Conformance with the requirements of the invitation to bid may also include providing proof of insurance, completing all forms, including references, and all other information as requested in the bid document.

3060.7.1.3 The successful bidder must demonstrate the ability to successfully fulfill a contract, including rendering of subsequent and continuing service. Staff may request proof of a prospective bidder's reliability. Prospective bidders may be requested to furnish proof of financial resources, a list of current or previous customers,

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and other pertinent data. Such action may also be taken after receipt of bids.

3060.7.1.4 A bidder may be determined to be non responsive if a prospective bidder fails to furnish proof of qualifications when required.

3060.7.2 In determining the lowest “qualified” bidder, the following elements shall be considered in addition to price:

3060.7.2.1 That the products offered provide the quality, fitness, and capacity for the required usage.

3060.7.2.2 That the bidder has the ability, capacity and skill to perform the contract satisfactorily and within the time required.

3060.7.2.3 That the bidder’s experience(s) regarding past purchases by the Agency or other public agencies demonstrates the reliability of the bidder to perform the contract.

3060.7.3 When a bid is recommended to be awarded to other than the low bidder, written justification is required. The written statement, signed by the appropriate Department Head, shall be attached to the purchase requisition.

3060.7.4 Rejection of Bids - The Purchasing Clerk or the requesting department may recommend rejection of any or all bids if it is determined to be in the best interests of the Agency. Reasons for rejection may include, but are not limited to, the following: a bid is determined to be non-responsive, the number of bids received is inadequate, bids received are not reasonably uniform in price, or the lowest bid received is deemed to be too high. The Purchasing Clerk may, in any given case, reject all bids with or without cause and submit the supplies, equipment or service involved to a new bidding process. If all bids are rejected, the Purchasing Clerk or requesting department may be authorized to re-solicit bids, negotiate a contract for the purchase, or abandon the purchase.

3060.7.5 Tie Bids - If two or more bids are received which are in all respects equal, the Purchasing Clerk or requesting department may accept the one deemed to be in the best interests of the Agency.

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3060.7.6 Change Orders – Any substantial change to a contract or agreement shall be documented as a change order. Change orders shall be reviewed by the Purchasing Clerk or requesting department and shall be approved by the General Manager. Authorization of project overruns/adjustments (change orders) may not be increased by more than 10% of the project or \$10,000, whichever is greater. The General Manager is authorized to approve change orders on projects as long as the increase does not exceed the approved budget (see Delegation of Authority Policy).

3060.8 Informal Bid Process

3060.8.1 Except as otherwise exempted in the policy, supplies, services and equipment with an estimated value of \$2,500 to \$12,500.00 shall be purchased following an Informal Bid Process and purchases \$12,500.00 or more shall be made following a Written Bid Process.

3060.8.2 To initiate the informal/written bid process, the department making the request shall provide specifications for the item to be purchased and documentation showing the existence of an unencumbered appropriation for the item in the current approved budget. The Purchasing Clerk or requesting department shall solicit informal/written bids.

3060.8.3 Informal bids may be posted at Agency Administration Building, mailed, faxed to prospective bidders, or solicited over the phone. Bids shall be reviewed for compliance with specifications by the requesting department. All deviations from the specifications shall be fully documented by the requesting department and the impact of the deviations on the performance or suitability of the bid item shall be detailed. Staff will prepare and forward a recommendation for approval of purchase. Informal bids shall be approved by the Purchasing Clerk, Department Head, General Manager or G.M. designee. Written bids shall be approved by the General Manager.

3060.9 Credit Card Usage

3060.9.1 Under certain circumstances, the use of an Agency credit card may be the most appropriate method for certain purchases. The following policies and procedures are established to insure internal control and timely payment of charges.

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3060.9.1.1 Agency credit cards shall be available to the Board of Directors and staff for the conduct of official Agency business, included, but not limited to the following purposes:

- Authorized travel expenses and hotel charges, which shall subsequently be documented on the statement reconciliation report.
- To charge the cost of meals when required in the conduct of official business, except when an employee is traveling on a per diem basis.
- Other circumstances where the use of a credit card best meets the Agency's purchasing needs as determined by the Purchasing Clerk, Department Head or appointed designee.

3060.9.1.2 All receipts must be turned in when credit card statements are received by Accounts Payable.

3060.9.1.3 Cardholders must still follow the Agency's purchasing policy. If the single item purchase is between \$2,500 - \$12,500.00 then department staff shall not purchase the item without the approval of the Department Head, General Manager or G.M. designee, except in the event of an emergency purchase (see Policy 2090). A signed purchase requisition shall be used to obtain approval.

3060.10 Specifications

3060.10.1 It is the responsibility of each department to provide detailed, accurate specifications when requisitioning supplies, equipment and services. Accurate specifications are essential for effective bidding.

3060.10.1.1 Sole Source Specifications - Sole source specifications shall be avoided whenever possible, as they minimize or eliminate competition. The appropriate authority (General Manager) may waive bidding requirements if sufficient written justification for a sole source purchase exists. An example of sole source is where equipment or supplies are required in order to be compatible with existing equipment or to perform a complex or unique function. Written documentation signed by the appropriate Department Head shall accompany the requisition for any sole source request.

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3060.10.1.2 Standardization - Standardization of specifications for items common to several divisions and/or departments can facilitate the purchasing process. The Purchasing Clerk and departments shall work together to establish standard specifications for such items.

3060.10.1.3 Brand Name, or Equal, Specifications - In purchasing equipment or supplies needed to be compatible with existing equipment, or to perform complex or unique functions, the Purchasing Clerk or Department Head may limit bidding to a specific product type or a brand name product.

3060.10.1.4 Use of brand names in specifications shall be for the purpose of describing the standard of quality, performance, and characteristics the Agency desires and not be intended to limit or restrict competition. If a brand name is incorporated into a specification, a minimum of two acceptable brands shall be listed whenever possible and shall be followed by the statement "or approved equal" unless the sole source rule applies.

3060.10.1.5 Using specifications provided by a specific manufacturer should be avoided, however, if used, the name of the manufacturer, model number, etc., should be indicated. The bid document shall clearly state that the use of the manufacturer's specifications is for the sole purpose of establishing the level of quality desired. The Purchasing Clerk or Department Head reserves the right to determine and approve any product submitted as an "or equal."

3060.9.1.6 Vendor Assistance in Writing Specifications - There may be occasions when vendor assistance is required to develop a specification. Such specifications shall be written in general terms and the vendor shall be informed that the information they provide may be used to develop specifications for a competitive bid process. The vendor shall be allowed to submit a bid, but will not be given any preference over the other bids.

- 3060.11 Professional Consultant Selection - See Policy 4030.
- 3060.12 Public Works Contracting – See Policy 4010.
- 3060.13 Definitions

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AGENCY	Agency shall mean the Amador Water Agency or agencies as may be governed by the members of the Board of Directors.
AGREEMENT	An understanding or arrangement between two or more parties. Also see "Contract" and "Purchase Order".
APPROPRIATION	Board of Directors authorization to expend public funds for a specific purpose.
AS IS	A term indicating that goods offered for sale in existing condition are without Warranty or Guarantee.
AWARD	The acceptance of a Bid or Proposal.
BID	The executed document submitted by a Bidder in response to a Notice Inviting Bids (NIB), a Proposal, or a Request for Quotations.
BIDDER	A person or legal entity who submits a bid in response to a solicitation. Proposer. See Bid or Proposal.
BLANKET PURCHASE ORDER	An Agreement of no more than one year between the Agency and a Vendor allowing authorized Agency employees to charge repetitive Purchases of supplies, equipment or services at pre-arranged prices, dollar limits and/or other terms and conditions.
BRAND NAME	A trade name which serves to identify a product or particular manufacturer.
CHANGE ORDER	Written modification or addition to a Purchase Order or Contract/Agreement authorized by the appropriate authority.
COMPETITIVE BIDDING	The submission of prices by individuals or firms competing for a Contract, privilege, or right to supply merchandise or services.
CONTRACT	A verbal or written, legally binding mutual promise between two parties, e.g., an accepted Purchase Order.
DESIGNEE	A duly authorized and appointed representative of an employee that holds a superior position to the person appointed to represent him

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or her.

DIRECTORS	Shall mean and include the Board of Directors of the Amador Water Agency. It shall also mean the governing boards of such other districts, authorities, or agencies as may be governed by the Board of Directors of the Amador Water Agency.
EMERGENCY PURCHASE	Shall mean a purchase when time is of the essence, and shall be made only for the following reasons: to preserve or protect life, health or property; upon natural disaster; or to forestall a shutdown of essential services.
ENCUMBRANCE	Committing budgeted funds prior to receiving supplies, equipment or services; funds are shown as an encumbrance until supplies, equipment or services are received, at which time funds are actually expended.
EQUIPMENT	Personal property necessary to conduct the Agency's business, including, but not limited to furnishings, machinery, vehicles, rolling stock, and other property used to conduct the Agency's business.
GENERAL MANAGER	Shall mean and include the General Manager of the Amador Water Agency.
GUARANTEE	A pledge or assurance that something is as represented and will be replaced or repaired if it fails to meet the stated Specifications.
INFORMAL BID	Written or verbal Quotations for supplies, equipment and services, which pursuant to this policy are not required to meet the written, bidding requirements. Informal Bids include unsealed written quotes, verbal quotes and quotes received via fax.
LOWEST (RESPONSIVE AND) RESPONSIBLE BIDDER	The Bidder submitting the lowest price and capable of performing the proposed Contract. See also "Responsive Bidder" and "Responsible Bidder".
NON-RESPONSIVE BID	A Bid that does not conform to the essential requirements of the Notice Inviting Bids. Non-Conforming Bid. Unresponsive Bid.

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PROFESSIONAL SERVICES	Any work performed by an auditor, attorney, doctor, architect, engineer, land surveyor, construction project manager, appraiser, expert, or consultant, for example.
PROPOSAL	The executed document submitted by an offer or in response to a Request for Proposals (and the basis for subsequent negotiation).
PUBLIC CONTRACT CODE	Shall mean the Public Contract Code of the State of California.
PUBLIC PROJECT (definition is from State of California Public Contract Code)	A project for the erection, improvement, painting, or repair of public buildings and works. Work in or about streams, bays, waterfronts, embankments, or other work for protection against overflow. Street or sewer work except maintenance or repair. d) Furnishing supplies or materials for any such project, including maintenance or repair of streets or sewers.
PUBLICLY OWNED, LEASED or OPERATED FACILITY	Any plant, building, structure, ground facility, utility system, real property, streets and highways or other capital improvement, which the project is to be undertaken by the Agency.
PURCHASE	Renting, leasing, purchasing, licensing or a trade of Equipment or Supplies.
PURCHASE ORDER	A Purchaser's document to formalize a Purchase transaction with a Vendor. Acceptance of a Purchase Order constitutes a Contract; a Purchaser's written offer to a supplier stating all terms and conditions of a proposed transaction.
PURCHASING OFFICER	The General Manager or his/her designated representative.
QUALIFIED BIDDER	A "qualified" bidder, is a bidder that demonstrates the following characteristics:

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- (1) can provide product quality, fitness, and capacity for the required usage.
- (2) has the ability, capacity, and skill to perform the contract or provide the service required.
- (3) has demonstrated character, integrity, reputation, judgment, experience, and efficiency, particularly with reference to past purchases by the Agency or other public agencies.
- (4) has the ability to perform within the time required.
- (5) has shown quality of performance and/or of products provided in previous contracts or services with the Agency or other public agencies.
- (6) Note: Previous documented incidents of unsatisfactory performance and/or unsatisfactory delivery, materials, or services may also result in a determination of unqualified.

QUOTATION	A Bid. A statement of price, terms of sale, and description of goods or services offered by a prospective seller to a prospective Purchaser, usually for Purchases below the amount requiring Formal Bidding.
REQUEST FOR PROPOSAL (RFP)	All documents, whether attached or incorporated by reference, utilized for soliciting competitive Proposals. The RFP procedure permits negotiation of Proposals and prices as distinguished from Competitive Bidding and a Notice Inviting Bids. The procedure allows changes to be made after Proposals are opened and contemplates that the nature of the Proposals and/or prices offered will be negotiated prior to Award.
REQUEST FOR QUOTATION (RFQ)	The document generally used for seeking competition on small Purchases or on any Purchase that does not require competitive Sealed Bidding. Can be used for obtaining price and delivery information for Sole Source and emergencies. Also, see Quotation.
RESPONSIBLE BIDDER	A person who has the capability in all respects to perform in full the Contract requirements, and the integrity and reliability, which will assure good faith performance.
RESPONSIVE BIDDER	(1) A person who has submitted a Bid which conforms in all material respects to the Notice Inviting Bids (NIB) or (2) One whose Bid conforms in all material respects to the terms and conditions,

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Specifications and other requirements of the NIB.

SOLE SOURCE An Award for a commodity or service to the only reasonably known capable supplier due to the unique nature of the requirement, the supplier, or market conditions.

SPECIFICATIONS A description of what the *Purchaser* seeks to buy or accomplish, and consequently, what a *Bidder* must be responsive to in order to be considered for *Award of a Contract*. A *Specification* may be a description of the physical or functional characteristics, or the nature of a supply or service. It may include a description of any requirements for inspecting, testing, or preparing a supply or service item for delivery.

SPLIT To divide a *Purchase* into two or more parts in order to avoid the requirements of the Purchasing Policy. This action is prohibited by the Policy.

Example:

Split:

If a department knows it will use \$12,500 of a particular supply in one fiscal year and they place two orders six months apart to keep each order below the \$12,500 limit, the action is considered *Splitting* and is not allowed under the policy.

Not Split:

If a department hires ABC Engineering to prepare a fee study for \$8,000 and hires the same company to oversee a capital improvement project for \$9,000, the action is not considered splitting.

SUPPLIES Office *Supplies*, janitorial *Supplies*, materials, goods, tools, or other commodities used in the general conduct of the Agency's business, excepting *Supplies* or materials for a *Public Work* which is regulated under the *Public Contract Code* section 20160, et seq.

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SURPLUS
PROPERTY

Any Agency personal property that is no longer needed or usable by the holding department.

VENDOR

A supplier of goods or services.

WARRANTY

The representation that something is true. Not to be confused with “*Guarantee*”. A representation of utility, condition, and durability made by a *Bidder* or offerer for a product offered.

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3065 INVENTORY MANAGEMENT

3065.1 In general, inventory control is applied to movable assets, not land, buildings or other immovable assets. Also, the Agency will not apply inventory control to office supplies. Office supplies will be controlled for by the Agency's office manager through inspection. The Agency's inventory will be accounted for and inventoried at least once a year and on a more frequent basis if necessary. Inventory assets are made up of the below items.

3065.1.1 Non Fixed Asset Items:

Items that will be consumed within one year of being placed into service.

3065.1.2 Fixed/Capital Asset Items:

Items which will extend the life of an existing infrastructure asset or possess a standalone life of greater than one year. These items can reside in inventory until being placed into service as a fixed asset. Alternatively, these items can reside in a Construction In Progress account when purchased for an ongoing capital improvement project.

3065.1.3 Capitalization Policy:

Capitalization refers to the accumulation of all associated cost of an expenditure on the balance sheet. Depreciation is the charging of that capitalized item to an expenditure account because its useful life benefits a period greater than one year. Excluding land, capitalized fixed assets are depreciated which refers to the manner in which the asset is expensed on the revenue and expense statement. The Controller will determine the Generally Accepted Accounting Principal (GAAP) useful life for a given asset class as well as the depreciation method for expensing the asset which generally follow IRS determined guidelines.

3065.1.4 In general all fixed assets, including land, buildings, machinery and equipment, with an original cost of \$5,000 or more, will be subject to capitalization. Items with a dollar values less than \$5,000 and possess a useful life greater than one year will capitalized at the Controllers's discretion. All costs associated with a purchase or construction should be considered, including ancillary costs such as freight and transportation charges, site preparation, professional fees and legal claims directly attributable to asset acquisition.

3065.1.4.1 Examples:

The capitalization threshold and/or useful life criteria can be applied to individual units of fixed assets or similar groups of fixed assets. For example, ten desks purchased through a single purchase order, each with

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a cost of \$1,000, will qualify for capitalization even though the single item cost is only \$1,000. The reasoning is that the combined cost is greater than \$5,000 and its useful life is greater than one year. However, a single desk replacement purchase of \$1,000 will not get capitalized because of threshold value even though the desk useful life is greater than one year.

3065.1.4.2 Also, certain computer components such as a monitor or keyboard with a cost less than the threshold will not be capitalized. However, even though the computer component, such as a central processing unit, would not be capitalized based on its below-threshold cost, its' useful life of greater than one year could cause the asset to be capitalized.

3065.1.4.3 Repairs:

Repairs made to existing assets, will generally not be subject to capitalization unless the repair extends the useful life of the asset. In this case, the repair represents an improvement and is subject to the requirements described below.

3065.1.4.4 Improvements:

A capital improvement is a repair or augmentation that is made to an existing fixed asset, the cost of which meets or exceeds the capitalization threshold or extends the life of that asset for greater than one year. The Controller will determine through collaboration with operations if the expenditure should be capitalized or not.

3065.1.4.5 Capital Projects:

Immovable fixed assets being requisitioned for capital projects will be capitalized as Construction-In-Progress until completed. Note: it is extremely important that the proper account-numbering scheme is followed when charging the asset. Costs to be capitalized include direct costs, labor and materials, as well as ancillary costs and any construction-period interest costs as required by Government Accounting Standards Board (GASB) Statement No.34.

3065.2 Purchasing & Receiving:

The purchasing function will serve to replenish the Agency's inventory stock and ensure operations continue. Proper purchasing will serve to maximize the Agency's cash position by minimizing idle inventory, avoiding unnecessary purchases, capitalizing on supplier quantity discounts, and using trade credit when

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appropriate. Also, the purchasing Agent will strive to utilize local vendors when appropriate. The Agency is encouraged to take a Just-In-Time (JIT) philosophy when purchasing all items to enhance cash flow. A key aspect of inventory control and reporting is properly relieving the items through requisitions. Without accurate requisitioning the responsible system and/or project within the Agency will not be properly charged.

3065.2.1 Purchasing:

All inventory purchasing will be conducted through the Agency's purchasing agent in full compliance with the existing purchasing policy. No inventory will be purchased by any means (e.g. Agency credit card, cash, etc.) other than a purchase order through the purchasing agent. The exception to the purchase order is for emergency purposes such as an Information Technology (IT) pickup or other critical system purchase, which may be secured by alternate means. All new purchases will be received in the Agency's Inventory Control (CMMS) system before being placed into service.

3065.2.2 Emergency Purchases:

An emergency purchase is defined as the purchase of an item that requires immediate installation or use. As soon thereafter as is practicable the purchaser/buyer shall follow the below requisitioning procedure. In addition, if the item qualifies as a fixed asset, it will require following the below tagging procedures and proper coding to a fixed /capital asset expense account allowing the Controller to capitalize the asset at year end. The purchaser will ensure the purchasing agent and Controller/Administrative Department is involved on these items.

3065.2.3 Purchasing Agent Approval:

All inventory items, including emergency purchases shall be reviewed (verbal or written) by the purchasing agent and at all times due diligence shall be employed by the purchaser regarding cost. If the purchaser is advised by the purchasing agent that the item is not within the budget, then the General Manager must authorize the purchase.

3065.2.4 Receiving & Inspecting:

Upon receipt of inventory items not purchased on an emergency basis, the purchasing agent and/or designee will have the responsibility to ensure the item are properly inspected, received in the system, invoices are properly coded and signed and forwarded to administration for payment. All initial inventories that are not for immediate consumption will be received to the Amador Water System (04) using account code 01 14300.04. Inventory items that are for immediate

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consumption such as chemicals will flow through the CMMS and are expensed directly to that water or waste water system. Inventory items that are for immediate consumption and will benefit the entire Amador Water Agency such as truck parts will flow through CMMS and are expensed to Fund 05. Fund 05 expenses fall into the Controller's monthly expense allocation process.

3065.3 Controlling & Reporting:

3065.3.1 The Agency is responsible for safeguarding its' fixed assets from theft or loss and management does recognize its responsibility to establish and maintain systems and procedures that enable employees to properly safeguard the Agency's assets. High dollar items will be subject to additional inventory tracking through tagging.

3065.3.2 Tagging:

The purpose of tagging assets is to provide an efficient mechanism for inventorying fixed assets. The tag should be placed in a visible and accessible place on the asset. Tagging gives auditors a mechanism to verify that the Agency is in control of fixed assets and provide accurate records of capital expenditures. The Purchasing Agent will be responsible for maintaining a signout sheet to control moveable fixed assets which have been tagged. Below are guidelines to determine if an asset should be tagged.

3065.3.3 Should the Asset Be Tagged?

Generally yes, if cost of the asset is greater than or equal to \$5,000 or the useful life is greater than one year, unless it is not physically possible or practical to tag. Generally no, if the asset cost is less than \$5,000 or it will be used up within one year.

3065.3.4 However, the Controller may, for control purposes, choose to tag an item that does not meet either criterion. For example: Yes, if it is an asset that is handled frequently and has a high cost. Yes, if the asset has a high likelihood of theft, misplacement or borrowing. If the purchaser is unsure if the item should be tagged, please contact the Controller.

3065.3.5 Who is Responsible for Tagging?

The purchasing agent or emergency purchaser who places the inventory into service is responsible for the proper tagging of that inventory. However, it is the ultimate responsibility for the inventory specialist to ensure that this process is properly completed.

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3065.3.6 Initial Policy Impementaion: Inventory Not in Service & Not in CMMS (None Project Related):

For control purposes, Agency inventory that has not been entered into the CMMS system and not in service (e.g. is at a warehouse location within a vehicle, etc.) must be placed within the CMMS system. The Agency expensed this inventory when purchased and has not consumed these items. Therefore, this inventory must be placed back on the General Ledger. Note: Within **120 days** of acceptance of this policy, all inventory shall be valued and placed within CMMS. The purchasing agent shall ensure that the Controller receives a general item description, quantity, location, and cost of the material.

3065.3.7 Project Related Inventory:

All inventory related to a specific project code has already been charged to that particular project at the time of purchase. If the inventory is not consumed during or after the project is completed, it will be placed in the CMMS under a unique identifier such as "Returned Project Inventory or Project Inventory". This inventory will not have a value placed against it in the CMMS system as it has been valued on the Agency financial statements as Construction in Progress or Fixed Asset. However for control purposes, this inventory will be physically counted during the annual inventory process.

3065.3.8 Requisitioning:

Proper use of CMMS will be employed to manage inventory items through an established work or stock order. The below procedure will ensure that all Agency inventory is under the control of the CMMS system.

3065.3.8.1 Step 1:

A work order will be the mechanism to requisition inventory material being placed in service from CMMS. The requestor will open a work order, which is assigned to a particular water or waste water system, add inventory items for that particular order and include a project code if applicable. While prioritizing operational needs, the requestor should strive to schedule work in a logical manner.

3065.3.8.2 Step 2:

The requestor should retrieve only necessary items from inventory. Often times an employee might not understand the necessary material to complete a work order, therefore, the employee should document the necessary material while on the site prior to retrieving the items from inventory.

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3065.3.8.3 Step 3:

The requester will retrieve only items out of inventory that have been included on the work order processed through CMMS. Important note: This will allow the Controller to properly charge the water system and/or project code that is consuming the inventory. Without this step, the proper water system will not be properly charged.

3065.3.8.4 Step 4:

Upon completion of the work order, the requester will process any unused items back into CMMS and close the work order. The requestor will have the ultimate responsibility to ensure unused material is returned to CMMS.

3065.3.9 Stock orders can be used to replenish and transfer inventory from one location to another location within the CMMS system. However, these orders will not be included in the Controller's quarterly report that identifies which system has consumed the items.

3065.3.10 Reporting:

It is critical to ensure proper expense reporting as water rates are developed based upon specific resource consumption. The Controller will generate a quarterly report listing the entire inventory consumed through work orders for a given system. This report will be used to expense or capitalize all inventory against the appropriate water or waste water system.

3065.3.11 Valuation:

The Controller has determined that the Agency's inventory will continue to be valued on the financial statements based on the actual cost of the item or historical cost. In addition, inventory will not get re-priced once it is initially recorded. Alternative inventory valuation methods such as Last-In-First-Out (LIFO), First-In-First-Out (FIFO) and Average Cost are used by companies to influence cost of sales thus impacting taxable income which is irrelevant for public agencies and non-profits. It is the responsibility of the Purchasing Agent to determine and revise appropriate inventory levels through collaborative discussions with other staff members.

3065.3.12 Physical Counting:

On an annual basis, and more frequently if necessary, a physical count of all the Agency's inventory (Project and Non-Project Inventory) and movable fixed assets will be counted and provided to the Controller within 60 days of the conclusion of a fiscal year or when requested. This includes inventory which has been

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requisitioned and not placed into service. The report will include the item description, quantity, location, and cost. The physical count shall be the responsibility of the Purchasing Agent or delegated employee. Variances between the Agency's physical count and inventory item record will need to be thoroughly explained by any staff requesting inventory.

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3070 COMMERCIAL CHECKING ACCOUNT OF AGENCY

3070.1 The Agency has a need for access to its funds to carry-out the operation of its business. A commercial checking account is established with the Bank of Amador, Amador County, to enable the Agency to withdraw funds by check and to perform on-line banking transactions.

3070.2 The authorizations for this commercial checking account consist of the following:

3070.2.1 One signature is required for funds withdrawn by check up to five thousand dollars (\$5,000).

3070.2.2 Two signatures are required for funds withdrawn by check in excess of five thousand dollars (\$5,000).

3070.2.3 The authorized Agency representatives on this commercial checking account for funds withdrawn by check shall be two members of the Board of Directors, the General Manager, the HR/Office Manager and the Executive Secretary/Clerk of the Board.

3070.2.4 The authorized Agency representatives on this commercial checking account to conduct matters such as wire transfers, stop payments, electronic fund transfers and effectively receiving and sending automated clearinghouse payments shall be the HR/Office Manager, the Controller, or their designated representatives.

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3080 USE OF PUBLIC FINANCING

3080.1 The following guidelines are set forth in an effort to support County and/or City approved development projects and encourage property planning for and coordinate installation of infrastructure facilities associated with residential and commercial development with Amador County.

3080.2 General Policy Statement

3080.2.1 While recognizing that public facilities proposed to be financed must meet a public need and must benefit properties directly or indirectly within the proposed development project, public benefit implies that a significant benefit will also result to the community at large. An example of significant public benefit is a public facility having regional impact such as a regional water or wastewater facility. An example of an indirect benefit is when additional customers are added thereby expanding the rate base of an existing water or wastewater system.

3080.2.2 The Agency recognizes that the availability of financing for major public improvements is limited and that such improvements are often required as a part of a specific plan or subdivision map approval. However, the Agency is not obligated to assist with infrastructure financing on behalf of an applicant, and reserves the right at the Agency's sole discretion, to allow or not allow public financing.

3080.2.3 The Agency recognizes that the public financing of major infrastructure improvements must be thoughtfully undertaken, that the investing public and the Agency's resources (credit, staff time, and reputation) be protected.

3080.2.4 Those improvements financed through the Agency by public financing methods will be limited to water and/or wastewater facilities to be owned and operated by the Agency.

3080.3 Specific Policy Guidelines – The specific policy guidelines contained herein are intended to further the Agency's general policy statements on these matters.

3080.3.1 The proposed development project must be consistent with the Cities or County's Comprehensive General Plan and have secured appropriate land use approvals from the City or County to allow for the implementation of the ultimate development of the area.

3080.3.2 No petition to initiate the formation of a land secured financing will be considered valid without the payment of a fee to compensate the Agency for all costs

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incurred to perform its analysis of the proposal and to pay for the costs of conducting the proceedings. An application to form a land secured financing must be completed in full before any action will be taken by the Agency to process a land secured financing. The applicant must submit a \$2,000 non-refundable application fee and an initial application to the Agency for review by its staff prior to presentation to the Board of Directors for approval.

Following approval of the application by the Board of Directors, all Agency and consultant costs incurred in the evaluation of proposed district formations and financing will be paid by the applicant by advance deposit. The amount of such deposit shall be established by the Board of Directors on a case-by-case basis. However, an amount equal to $\frac{1}{2}$ of 1% of the estimated par amount of the bonds to be issued is established as a minimum deposit. If the proponent fails to perform the stated terms and requirements of the financing within six (6) months, the deposit will be applied toward Agency and consultants costs and any remaining balance will be refunded to the proponent.

3080.3.3 The Agency reserves the right to appoint bond counsel, financial consultant, bond underwriter, the engineer of work, appraisers, and any other related professionals necessary to facilitate the proposed financing.

3080.3.4 All district formations and financings shall proceed in accordance with the appropriate provisions of the Municipal Improvement Act of 1913, the Improvement Bond Act of 1915, the Mello-Roos Community Facilities act of 1982, and the provisions governing the sale of Certificates of Participation.

3080.3.5 Unless otherwise authorized by the Agency, the acquisition provisions of the Municipal Improvement Act of 1913 or the Mello-Roos Community Facilities Act of 1982 shall be utilized. A Funding, acquisition and Disclosure Agreement shall be required and approved by the Board of Directors prior to the issuance of bonds.

3080.3.6 The Agency does not intend to advance any funds to cover any costs associated with a proposed financing unless otherwise provided. All statements and materials related to the sale of bonds shall emphasize and state that neither the full faith, credit nor the taxing power of the Agency is pledged to the repayment of the bonds, nor is there an obligation of the Agency to replenish the reserve fund from Agency revenue sources other than from Mello-Roos special taxes, annual assessments or proceeds from foreclosure proceedings.

3080.3.7 The Agency will define or approve the area of benefit of any such public financing and reserves the right/ability to determine the scope, size and type of

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facilities to be installed by proponent. If additional facilities are required to benefit properties or parties outside proponents project area, proponent will be required to construct such facilities at proponents expense. Any funds received from future connections outside the project area deriving a benefit from such additional facilities will be applied toward the outstanding principal balance of such public financing.

3080.4 Credit Considerations

3080.4.1 The Agency is concerned that any financing issued by the Agency and offered at public sale have a minimal risk of default. Therefore, each applicant will be considered on an individual basis by the Agency's Financial consultant who will recommend to the Board whether or not the proponents and successors of the public financing may be required to supply some type of credit enhancement to assure repayment of the financing.

3080.5 Agency Rights

3080.5.1 The Board of Directors has the right to waive or modify any of the policies included herein if, in the Board's judgment, benefit inures to the ultimate property owners, the Community Facilities District or Assessment District or to the Agency.

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3090 RECORDS RETENTION

3090.1 The purpose of this policy is to: provide guidelines to staff regarding the retention or disposal of Agency 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. Nothing in this policy shall permit the destruction of any record, including electronic files, where such record is required to be retained during the course of litigation in which the Agency is a party, or any litigation of which the Agency has knowledge in which the record could be required to be produced in response to a subpoena.

3090.2 The General Manager is authorized by the Board of Directors to interpret and implement this policy, and to cause to be destroyed any or all such records, papers and documents that meet the qualifications governing the retention and disposal of records, specified below. A process shall be established to ensure regularly recurring reviews of retained records to assure destruction of records that qualify under the criteria specified in Attachment C. Detailed lists of all documents destroyed shall be maintained indefinitely.

3090.3 In accordance with the policy outlined below, original documents may be converted to digital or photographic media and the original destroyed. To the extent permitted by the law, the Agency shall use technology solutions to minimize the creation of paper files and records and to minimize the future workload in digitizing paper files for archive purposes.

3090.4 Vital and important records, regardless of recording median, are those having legal, financial, operational, or historical value to the Agency. They are critical to the continuation of operations, the re-creation of legal and financial status of the Agency in the case of disaster and the fulfillment of obligations to stakeholders, customers and employees. Vital records may not be destroyed without the specific approval of the Board of Directors. Attachment A further defines vital records and provides a primary list of records considered vital to the Agency.

3090.5 Pursuant to the provisions of California Government Code §60200 through 60203 and the guidelines prepared by the State Controller's office and the Controller's Advisory Committee for Special Districts, the following qualifications will govern the retention and disposal of records of the Agency.

3090.5.1 Duplicate records, papers and documents may be destroyed at any time without the necessity of Board authorization as long as the original or a permanent

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photographic or digitized image of the record is in the files of any office or department of the Agency.

3090.5.2 Originals of non-accounting records, papers and documents more than three (3) years old that are no longer useful in conducting Agency business and that are not considered a vital record to the Agency and that were prepared or received in any manner other than pursuant to State or Federal statute may be authorized for destruction without the necessity of creating a medial copy. (Government Code § 60201)

3090.5.3 In no instances are records, papers or documents to be destroyed where there is a continuing need for such records for such matters as pending litigation, special projects, or similar matters etc.

3090.5.4 The General Manager may authorize the destruction of any record, paper or document that is not expressly required by law to be filed and if all of the following conditions are met:

3090.5.4.1 The record, paper or document is scanned into Laserfiche or any other medium that is a trusted system and is one that accurately reproduces the original thereof in all details and that does not permit additions, deletions, or changes to the original document image in compliance with the regulations adopted by the Secretary of State, as specified in Section 12168.7 for recording of permanent records or nonpermanent records. (Government Code § 60203); and,

3090.5.4.2 The storage media is placed in conveniently accessible files and provision is made for preserving, examining and using the files.

3090.5.5 Any accounting record except the journals and ledgers which was prepared or received in any manner other than pursuant to State statute may be authorized for destruction five (5) years from the end of the fiscal period to which it applies,, provided that:

3090.5.5.1 There is no continuing need for the record for long-term transactions, special projects, pending litigations, or similar matters, and that;

3090.5.5.2 There exists in a permanent file, an audit report or reports covering the inclusive period of said record, and that;

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3090.5.5.3 The audit report or reports were prepared pursuant to procedures outlined in Government Code Section § 26909 and other State or Federal audit requirements, and that;

3090.5.5.4 The audit report contains the expression of an unqualified opinion.

3090.5.6 Any accounting source document detailed in a register, journal, ledger or statement may be authorized for destruction five (5) years from the end of the fiscal period to which it applies.

3090.5.7 The following account documents may be destroyed at any time and without specific Board authorization:

3090.5.7.1 Duplicate records (the original for which is-subject to aforementioned requirements).

3090.5.7.2 Rough drafts, notes or working papers (except audit working papers).

3090.5.7.3 Cards, listings, nonpermanent indices, other papers used for controlling work or transitory files.

3090.5.8 Accounting journals and ledgers, which are older than five (5) years, may be converted to media copies for indefinite storage.

3090.5.9 All payroll and personnel records shall be retained indefinitely. Originals may upon authorization be destroyed after seven (7) years retention, provided the records qualify for destruction in Section 3090.5.4 above and a media copy has been created. Payroll and personnel records include the following:

- a. Accident reports, injury claims and settlements.
- b. Medical histories.
- c. Injury frequency charts.
- d. Applications (of hired employees), changes and terminations of employees.

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- e. Insurance and benefits records of employees.
- f. Earning records and summaries.
- g. Retirements

Time Sheets shall be retained for two (2) years after the close of the Fiscal Year. Applications, job descriptions, performance evaluations and changes in employment status shall be destroyed five (5) years after termination of employment.

3090.5.10 All assessing records may upon authorization be destroyed after seven (7) years retention from lien date; however, the records may be destroyed three (3) years after the lien date when a media copy is created as provided for in Section 3090.5.4 above.

3090.5.11 Records of proceedings for the authorization of long-term debt, bonds, loans, etc., after issuance or execution should be retained for a period of two (2) years and be destroyed if a media copy is created as provided for in section 3090.5.4, above. Terms and conditions of bonds, warrants, and other long-term agreements should be retained until final payment, and thereafter may be destroyed if a media copy is created as provided for in Section 3090.5.4 above and retained for ten (10) years Paid bonds, certificates and interest coupons may be destroyed after six (6) months if detailed payment records are kept for ten (10) years.

3090.5.12 Minutes of the meetings of the Board of Directors are usually retained indefinitely in their original form. However, they may upon authorization be destroyed if a media copy is created as provided for in Section 3090.5.4, above. Recording tapes (or other media) of Board meetings will be kept for a period of one (1) year from the date of the recorded meeting, after which they may be destroyed.

3090.5.13 Construction records, such as bids, correspondence, change orders, etc., shall be retained for seven (7) years unless they pertain to a project which includes a guarantee or grant and, in that event, they shall be kept for the life of the guarantee or grant plus seven (7) years. As-built plans for any public facility or work shall be retained as long as said facility is in existence. Upon completion of construction, record copies of construction records and as-built plans may be media copies provided the criteria of Section 3090.5.4 above is met.

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3090.5.14 Contracts should be retained for the life of the contract or agreement plus seven (7) years. Originals of a contract or agreement may be destroyed two (2) years after termination provided a media copy is created as provided for in Section 3090.5.4 above.

3090.5.15 The Board may authorize the destruction of any unaccepted bid or proposal for the construction or installation of any building, structure or other public work that is more than two (2) years old. (Government Code § 60202)

3090.5.16 Real property records, such as documents of title, shall be kept permanently in their original form until the property is conveyed, transferred, or otherwise no longer is owned by the Agency. After conveyance, transfer or other disposal of such real property, property-related records may be destroyed three (3) years after the date of conveyance, transfer or disposal as long as a media copy is created as provided in Section 3090.4 above.

3090.5.17 Proposition 218 protests and assessment district ballots shall be retained in their original form for at least two (2) years. After two (2) years, they may be destroyed if said protests and ballots are microfilmed or otherwise reproduced as provided for in Government Code section 60203.

3090.5.18. Copies of permits that are issued by the Agency and records related to water and sewer connection permits and related charges shall be retained indefinitely.

3090.5.19. Statements of economic interest and original campaign statements that are filed pursuant to the Political Reform Act shall be retained for seven (7) years after filing pursuant to Government Code section 81009(e). However, if more than two (2) years have passed after the filing of the statement, in order to save space, the statements may be destroyed if they are microfilmed or otherwise reproduced as provided for in Government Code section § 60203, pursuant to Government Code section § 81009(g)

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Attachments

Attachment A: Definitions for Records Retention and Disposal Policy

Attachment B: Record Retention and Disposal Schedule Legend

Attachment C: Record Retention and Disposal Schedule

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Attachment A Definitions for Records Retention and Disposal Policy

1. ARCHIVE. Indefinite storage of original documents in their native form.
2. AUTHORIZATION. Approval from the General Manager, as authorized by the Agency's Board of Directors.
3. ACCOUNTING RECORDS. Include but are not limited to the following:
 - a. SOURCE DOCUMENTS
 - (1) Invoices
 - (2) Purchase Orders
 - (3) Deposit Permits
 - (4) Warrants
 - (5) Vouchers
 - (6) Requisitions
 - (7) Receipts
 - (8) Claims
 - (9) Bank Statements
 - (10) Bank Deposits
 - (11) Checks
 - (12) Bills
 - (13) Various accounting authorizations taken from Board minutes, resolutions or contracts
 - b. JOURNALS
 - (1) Cash Receipts or disbursements book
 - (2) Note register
 - (3) Deposit permit register
 - (4) Accounts Receivable or Payable Register
 - (5) Check or Warrant Register
 - (6) General Journal
 - (7) Payroll Journal
 - c. LEDGERS
 - (1) Expenditure
 - (2) Revenue
 - (3) Taxes Receivable

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- (4) Accounts Payable or Receivable Ledger
- (5) Warrants Payable
- (6) Construction
- (7) Appropriation
- (8) General Ledger

d. TRIAL BALANCE

e. ADJUSTING ENTRIES

f. STATEMENTS (Interim or Certified - Individual or All Fund)

- (1) Balance Sheet
- (2) Analysis of Changes in Available Fund Balance
- (3) Cash Receipts and Disbursements
- (4) Expenditures
- (5) Revenues
- (6) Changes in bonded indebtedness
- (7) Profit and Loss
- (8) Changes in Fixed Assets

g. JOURNAL ENTRIES

h. CLOSING ENTRIES

i. REVERSING ENTRIES

j. PAYROLL AND PERSONNEL RECORDS (including but are not limited to the following):

- (1) Accident reports, injury claims and settlements
- (2) Medical Histories
- (3) Injury Frequency Charts
- (4) Applications, changes or terminations of employees
- (5) Insurance Records of Employees
- (6) Time Cards
- (7) Job Descriptions
- (8) Performance Appraisals
- (9) Earning Records and Summaries

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- (10) Retirements
- (11) Employment Agreements
- (12) Mileage and other Reimbursement Requests
- (13) Memoranda of Understanding

k. OTHER

- (1) Schedule of Investments
- (2) Long term Debt Records
- (3) Inventory Records
- (4) Capital Asset Records
- (5) Lease – Purchase Records
- (6) Depreciation Schedule
- (7) Cost Accounting Records
- (8) Budgets
- (9) Petty Cash Record

- 4. LIFE. The inclusive or operational or valid dates of a document.
- 5. MEDIA COPY: The image resulting when a record has been photographed, scanned into Laserfiche, micro photographed, reproduced by electronically recorded video images on magnetic surfaces, recorded in the electronic data-processing system, recorded on optical disk, reproduced on film or any other medium which does not permit additions, deletions, or changed to the original document.
- 6. RECORD. Any paper, bound book or booklet, card, photograph, drawing, chart, blueprint, map, tape, microfilm, or other document, issued by or received in a department, and maintained and used as information in the conduct of its operations.
- 7. RECORD COPY. The official Agency copy of a document or file whether it is an original or a media copy.
- 8. RECORD SERIES. A group of records, generally filed together, and having the same reference and retention value.
- 9. RECORDS CENTER. The site selected for storage of inactive records.

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10. RECORDS DISPOSAL. The planning for and/or the physical operation involved in the transfer of records into digitized format, or the authorized destruction of records pursuant to the approved Records Retention Schedule.

11. RECORDS RETENTION SCHEDULE. The consolidated, approved schedule list of all Agency records which provides the timetables for the life and disposal of all records.

12. RETENTION CODE. Abbreviation of retention action which appears on the retention schedule.

13. TRUSTED SYSTEM. A combination of techniques, policies and procedures for which there is no plausible scenario in which a document retrieved from or reproduced by the system could differ substantially from the document that is originally stored (California Government Code § 12168.7)

14. VITAL RECORDS. Records which, because of the information they contain, are essential to one or all of the following:

- a. The resumption and/or continuation of operations;
- b. The recreation of legal and financial status of the Agency, in case of a disaster;
- c. The fulfillment of obligations to bondholders, customers, and employees.

Vital records include but are not limited to the following:

- (1) Accounting and billing information less than three (3) years old
- (2) Accounting Registers, Journals, Ledgers less than five (5) years old
- (3) Agreements
- (4) Annexations and detachments
- (5) As-built drawings
- (6) Asset Records
- (7) Audits
- (8) Contract drawings
- (9) Customer statements
- (10) Deeds
- (11) Depreciation schedule
- (12) Disposal of surplus & excess property
- (13) Disposal of scrap materials
- (14) Employee accident reports, injury claims & settlements
- (15) Employee earning records

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- (16) Employee fidelity bonds
- (17) Employee insurance/benefit records less than five (5) years old
- (18) Encroachment permits
- (19) Facility improvement plans
- (20) Improvement districts
- (21) Individual water rights
- (22) Individual claims/settlements
- (23) Insurance Records
- (24) Inventory
- (245) Journal vouchers
- (23) Ledgers
- (27) Licenses & permits (to operate)
- (28) Loans & grants
- (29) Maps
- (30) Minutes of Board meetings
- (31) Payroll registers
- (32) Policies, Rules & Regulations
- (33) Purchase orders & requisitions
- (34) Restricted materials permits
- (35) Rights of ways & easements
- (36) Spray permits
- (37) Statements of Economic Interest
- (38) State surplus acquisitions
- (39) Unexpired Licenses & Permits to Operate
- (40) Warehouse requisitions
- (41) Warrant/Voucher register
- (42) Warrants (with backup)
- (43) Water rights history

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Attachment B Record Retention and Disposal Schedule Legend

- AA** - After Audit
- AC** - After Closure/Completion
- AD** - After Adoption
- AE** - After Expiration
- AT** - After Termination
- F** - Filing
- C** - Current
- CY** - Current Year
- L** - Life
- P** - Permanent
- S** - Supersede
- SA** - Sale

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Attachment C

Record Retention and Disposal Schedule

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3110 PUBLIC RECORDS GUIDELINES

3110.1 The Agency has declared that access to information concerning the conduct of the people's business is a fundamental and necessary right of every person in Amador County. The Agency has prepared the following guidelines/policy to ensure that members of the public fully understand and are afforded the opportunity to use their right to inspect public records.

3110.2 Public Records includes any writing containing information prepared, owned, used or retained by the Agency and relating to the conduct of the public's business.

3110.3 A "writing" for purposes of public access may be a handwriting, typewriting, printing, Photostatting, photography, and every other means of recording upon any form of communication or representation, including letters, words, pictures, sounds, or symbols or any combination thereof, and all papers, maps, magnetic or paper tapes, photographic films and prints, magnetic or punched cards, discs, drums, and other documents.

3110.4 Public records of the Agency are open to inspection at all times during the office hours of the Agency which are 8:00 a.m. to 5:00 p.m., Monday through Friday, excepting holidays. The Agency office is located at 12800 Ridge Road, Sutter Creek, California. Public records shall not be removed from the Agency office.

3110.5 The Agency has literally hundreds of files open to public inspection. To facilitate access to public records, the Agency urges members of the public to attempt to be as specific as possible when requesting documents. Specific information includes the subject matter involved, the inclusive dates within which the records were created, and the names of persons involved in correspondence. This information will enable the Agency to serve your interests as quickly as possible.

3110.6 The fee schedule for a copy of an identifiable public record or certified copy of such record, the reproduction of Engineering Maps, and the service of providing Agency Board meeting notifications and information packets shall be as described in Attachment A. Fees for other types of reproduction will be developed as the need arises. Where the Legislature has established a statutory fee for any given record, the statutory fee shall be charged.

3110.7 Upon a request for a copy of an identifiable public record, the Agency staff shall endeavor to promptly provide the copy upon payment of the fee. Nevertheless, staff in all cases shall have ten (10) days after receipt of the request to determine whether to comply with it and shall within such period notify the person making the request of such determination and the reasons therefore; provided that in unusual circumstances, as

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defined in Government Code Section 6256.1, the ten day time limit may be extended an additional ten days upon written notice to the person making the request which notice shall set forth the reasons for the extension and the date on which a determination is expected to be made.

3110.8 The Agency staff shall prepare and have available at public meetings, a sufficient number of copies of public meeting agendas to meet anticipated public demand. No fee shall be charged for these agendas.

3110.9 The Legislature in balancing the public's right to access to public records with the recognized individual right of privacy has determined that various documents are not required to be disclosed. The documents set forth below are illustrative of the categories of documents which are not subject to inspection. In all cases, the inspection of documents shall be subject to the provisions of the Public Records Act, Government Code Sections 6250, et seq.

3110.9.1 Preliminary drafts, notes, or interagency or intra-agency memoranda which are not retained by the Agency in the ordinary course of business, provided that the public interest in withholding those records clearly outweighs the public interest in disclosure.

3110.9.2 Records pertaining to pending litigation to which the Agency is a party, or to claims made pursuant to Division 3.6 of the Government Code (commencing with Government Code Section 810), until the pending litigation or claim has been finally adjudicated or otherwise settled.

3110.9.3 Personnel, medical, or similar files, the disclosure of which would constitute an unwarranted invasion of personal privacy.

3110.9.4 Test questions, scoring keys, and other examination data used to administer a licensing examination, examination for employment, or academic examination.

3110.9.5 The contents of real estate appraisals or engineering or feasibility estimates and evaluations made for or by the Agency relative to the acquisition of property, or to prospective public supply and construction contracts, until all of the property has been acquired or all of the contract agreement obtained. However, the law of eminent domain shall not be affected by this provision.

3110.9.6 Information required from any taxpayer in connection with the collection of local taxes which is received in confidence and the disclosure of the

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information to other persons would result in unfair competitive disadvantage to the person supplying the information.

3110.9.7 Records the disclosure of which is exempted or prohibited pursuant to provisions of federal or state law, including, but not limited to, provisions of the Evidence Code relating to privilege.

3110.10 The Agency also possesses the discretion to claim an exemption from public disclosure in those instances where the public interest served by not making the record public clearly outweighs the public interest served by disclosure.

3110.11 Whenever the Agency asserts that a requested document is exempt from disclosure, the Agency shall justify the claimed exemption by providing a written statement citing either the specific exemption involved or those facts that indicate the public welfare is best served by claiming an exemption.

3110.12 The Public Records Act, Chapter 3.5, Division 7 of the Government Code, provides judicial relief for persons seeking to enforce their right to inspect public records.

3110.13 If the information requested is not contained in an identifiable document, but needs to be compiled from documents, you will need to request in writing the compilation of such information. The Agency Board of Directors will consider your request based on the time required to fulfill it and the workload of the Agency staff, as well as any charges therefore. The ten (10) day time period in which to comply with the request for copies of public records will not apply in this case.

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Attachment A

Public Records Request Fee Schedule

The following fee shall be charged for copies of an Identifiable Public Record or Certified Copy of Such Record:

Black and White 8 ½ x 11:	\$0.10/ page
Black and White 11x14 legal:	\$0.14/ page
Black and White 11x17:	\$0.20/ page
Color 8 ½ x 11:	\$0.45/ page
Color 11x14:	\$0.70/ page
Color 11x17:	\$0.99/ page
Digital copy of documents on to CD	\$2.50 each
Digital copy of documents on to DVD	\$5.00 each
<u>Engineering Maps</u>	
24 x 36 (D size)	\$2.60/page
18 x 26 (C size)	\$2.60/page
11 x 17 (B size)	\$ 0.20/page

Any map larger than the above in color will be charged at: \$11.00 / sq ft

Agendas:

Regular Board Meeting Agendas on Annual Basis:

Mailed:	\$10.00/year
Faxed	\$5.00/year
Emailed	no charge

Regular and Special* Board Meeting Agendas on Annual Basis:

Faxed	\$7.50/year
Emailed	no charge

Minutes:

Unapproved Regular and Special Meeting Minutes (if mailed, will include regular meeting agendas)

Mailed	\$25.00/year
Emailed	no charge

Regular Board Meeting Agenda Packets

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Annual Basis – Packet available at the Office	\$100.00/year
Annual Basis – Mailed	\$150.00/year
Individual Board Meeting Basis – Packet available at the Office	\$5.00/packet

- * A Special Board meeting is a special meeting called for the full Board. Board Standing Committees meetings (2 members of the Board only) are considered special meetings.

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3120 DISPOSAL OF SURPLUS PROPERTY OR EQUIPMENT

3120.1 The General Manager is authorized to determine whether any item of Agency-owned property/equipment (not including real property – see 3120.6 below) is surplus to the present or future needs of the Agency and request the Agency Board to declare items surplus. The General Manager or his/her designee shall manage and approve all final purchases or sales under this program. The General Manager may require a periodic report showing all Agency property which is no longer used or has become obsolete.

3120.2 Items declared to be surplus shall be offered for sale, listed, and posted at the Agency Administration Building and the Tanner Shop Building. The Agency first shall solicit sealed bids from public agencies. If surplus items are not sold to public agencies, the Agency next shall publish a notice soliciting bids from the general public. If no bids on surplus items are received from the general public by the designated time frame, then sealed bids shall be solicited from employees of the Agency. Sealed bids must be submitted in writing to the General Manager or his/her designee within the time frame announced on the surplus property/equipment notice. No employee whose job responsibility includes the administration of such surplus property or who in any way was involved in the determination to sell it shall be permitted to bid on or purchase such surplus property.

3120.3 If surplus items remain after offering them for sale pursuant to Section 3120.2, the General Manager or his/her designee may dispose of the surplus property/equipment by donation to a non-profit public agency if it serves an Agency purpose. The General Manager also shall determine if there is a benefit to the Agency for such a donation.

3120.4 When, after a reasonable effort has been made to obtain bids, no bids have been obtained, and if a reasonable effort to do so produces no opportunity to sell the same for scrap, the General Manager or his/her designee may cause the property's destruction or make any other disposition thereof consistent with any applicable legal requirements.

3120.5 Any surplus Agency vehicles shall be sold in an "as is" condition without any warranty.

3120.6 Real property declared surplus by the Board shall be offered first to public agencies at the appropriate estimated value in accordance with Government Code sections 54221, et seq. (State law requires that certain public agencies have the opportunity to purchase surplus real property prior to advertisement to the general public).

3120.7 If surplus real property is not purchased by a public agency, it shall be advertised in the newspaper with a request that sealed bids be submitted to the Agency.

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3120.8 The General Manager or his/her designee shall take action to accept or reject the highest bid. Bidders will be notified of the General Manager or his/her designee's action.

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3130 USE OF COMMUNITY WORK CREWS

3130.1 The Agency Board has determined that in an effort to save money and improve productivity, the use of community work crews and other not for profit organizations will be utilized whenever possible. Examples of these community work crews are Mule Creek State Prison, Preston School of Industry and Pine Grove CYA Camp and not for profit organizations such as the Boy Scouts of America, etc. These agencies provide services for little or no charge to the Agency.

3130.2 The Agency will make every effort to protect the public and their property while utilizing the services provided by these agencies. Should a complaint arise, the General Manager will be designated to investigate and determine that the proper safeguards are in place to protect the complainants property. Should the General Manager determine that there is an undue exposure or risk to the customer or public, the Agency will forgo the use of this type of labor force.

3130.3 The Agency will continue to work with these agencies to insure that only those individuals with minimal risk will be used in these situations.

3130.4 The goal of this program is to minimize the cost to the customer without exposing them to undue risk.

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3140 DRUG & ALCOHOL TESTING FOR OPERATORS OF COMMERCIAL VEHICLES

3140.1 To comply with regulations adopted by the United States Department of Transportation, Federal Highway Administration (FHWA), requiring employers who operate commercial motor vehicles (CMVs) to implement drug and alcohol testing policies, the Agency has adopted Resolution No. 96-11 which is attached hereto as Attachment A and incorporated into this policy by this reference.

3140.2 The purpose of this policy is to comply with the federal regulations and to prevent accidents and injuries resulting from the use of alcohol or drugs by Agency employees who operate CMVs.

3140.3 The policy shall apply to Agency employees in the following positions which involve operating CMVs and/or performance of other safety-sensitive functions for the Agency: Construction Superintendent, Construction Foreman, Utility III, Utility II and Wastewater Supervisor. These employees are subject to this policy as well as to the Agency's standard policies restricting drugs and alcohol in the workplace.

3140.4 Safety-sensitive functions performed for the Agency include, but are not limited to, the following activities: a) driving a CMV; b) riding in a CMV; c) assisting, supervising or attending the loading or unloading of a CMV; d) inspecting, servicing, repairing or conditioning a CMV; e) remaining on duty while waiting to operator a CMV; and f) repairing, obtaining assistance or remaining in attendance upon a disable CMV. (See 49 C.F.R. §§ 382.107 & 395.2, subds, (1)-(7).)

3140.5 Prohibited Conduct – Covered employees shall not engage in, and the Agency shall not knowingly permit a covered employee to engage in, the following conduct:

3140.5.1 Driving a CMV or performing other CMV safety-sensitive functions for the Agency while the covered employee has a blood alcohol concentration of 0.04 or greater. (See C.F.R. § 382.201.)

3140.5.2 Driving a CMV or performing other CMV safety-sensitive functions for the Agency while in possession of alcohol, while using alcohol or within four hours after using alcohol. (See 49 C.F.R. §§ 382.204, 382.205 & 382.207.)

3140.5.3 Using alcohol within eight hours following a CMV accident for which a post-accident alcohol test is required, if a post-accident test has not been administered. (See 49 C.F.R. § 382.209.)

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3140.5.4 Driving a CMV or performing other CMV safety-sensitive functions for the Agency when using any drug (except for drugs prescribed by the covered employee's physician and medically certified by the physician as safe for use while operating a CMV, or when the covered employee has tested positive for drugs. (See 49 C.F.R. §§ 382.209.)

3140.5.5 Refusing to submit to a test for drugs and/or alcohol required under the policy by failing to provide enough breath or urine sample for testing or by otherwise obstructing the testing process. (See 49 C.F.R. §§ 382.107 & 382.211.)

3140.5.6 Any covered employee who engages in conduct prohibited by the policy shall be removed from duties involving driving a CMV and other CMV safety-sensitive functions. The covered employee may also (a) be required to undergo alcohol/drug abuse evaluation and treatment, and (b) be subject to employee discipline, up to and including termination. (See 49 C.F.R. §§ 382.501 & 382.605, subd. (b)-(e).)

3140.5.7 Any covered employee found to have a blood alcohol concentration between 0.02 and 0.04 shall be prohibited from driving a CMV and performing other CMV safety-sensitive functions until the covered employee's next shift that is not less than 24 hours after the alcohol test. (See 49 C.F.R. § 382.505, subd. (a).)

3140.6 Mandatory Drug and Alcohol Tests – Every covered employee shall take all tests for drugs and/or alcohol administered by the Agency and its agents in accordance with federal law. These tests for drugs and/or alcohol shall be administered under the following circumstances:

3140.6.1 Pre-employment (Post-Offer) Testing. Before the covered employee first operates a CMV or performs other CMV safety-sensitive functions for the Agency, the covered employee shall undergo testing for drugs and alcohol in accordance with 49 C.F.R. Section 382.301.

3140.6.2 Post-Accident Testing. As soon as practicable following an accident involving an Agency's CMV, a covered employee, upon notice from the Agency shall take a test for alcohol if: (a) the covered employee was driving the CMV or performing other CMV safety-sensitive functions with regard to operation of the CMV and (b) a death resulted from the accident, or the covered employee received a traffic citation arising from the accident.

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3140.6.3 Random Testing. A covered employee, upon notice from the Agency, shall submit to random tests for drugs and/or alcohol in accordance with federal law.

3140.6.4 Reasonable-Suspicion Testing. A covered employee, upon notice from the Agency, shall take a test for drugs and/or alcohol if, based upon observations of the Agency's designated supervisor(s), there is a reasonable suspicion that the covered employee has violated the policy (except in cases of suspected possession of alcohol) and the designated supervisor(s) concludes testing is appropriate.

3140.6.5 Return-to-Duty Testing. If a covered employee violates the provisions of the policy, the covered employee, upon notice from the Agency, shall take unannounced tests for drugs and/or alcohol, as directed by the Agency's substance abuse professional.

3140.7 Other Duties of the Agency are as follows:

3140.7.1 The Agency shall ensure that all drug and alcohol testing conducted pursuant to the policy complies with the legal requirements.

3140.7.2 The Agency shall advise covered employees who violate policy of resources available for evaluating and resolving drug and alcohol problems.

3140.7.3 Upon request, the Agency shall provide to a covered employee available information concerning the effects of alcohol and controlled substances use on an individual's health, work and personal life; signs and symptoms of an alcohol or a controlled substances problem (the covered employee's or a coworker's); and available methods of intervening when an alcohol or a controlled substance problem is suspected, including confrontation, referral to any employee assistance program and/or referral to management.

3140.7.4 For further information regarding the Amador Water Agency Drug and Alcohol Testing Policy for Operators of Commercial Motor Vehicles, or for information regarding symptoms, effects and methods of intervention and treatment of drug and alcohol problems, please contact the Human Resources Department.

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3150 INTERNET, E-MAIL AND ELECTRONIC COMMUNICATION ETHICS, USAGE AND SECURITY

3150.1 The Agency believes that employee access to and use of the Internet, e-mail, and other electronic communications resources benefits the Agency and makes it a more profitable and successful local public agency. However, the misuses of these resources have the potential to harm the Agency's short and long-term success.

3150.2 The Agency has developed this ethics, usage, and security policy to ensure that all Agency employees use the computer resources, which the Agency has provided its employees, such as the Internet and e-mail, in an ethical, legal, and appropriate manner. This policy establishes the acceptable and unacceptable uses of the Internet, e-mail, and other electronic communications.

3150.3 This policy also establishes the steps the Agency may take for inappropriate use of the Internet and e-mail. All employees must read and adhere to the guidelines and policies established herein. Failure to follow this policy may lead to discipline, up to and including immediate termination.

3150.4 The following are the rules that govern the use of the Internet, E-mail, and Electronics Communication within the Agency and/or on Agency computer resources.

3150.4.1 Employees shall not use the Internet or e-mail in an inappropriate manner. Inappropriate use of the Internet and e-mail includes, but is not limited to:

3150.4.1.1 Accessing internet sites that contain pornography, exploit children, or sites that would generally be regarded in the community as offensive, or for which there is no official business purpose to access.

3150.4.1.2 Participating in any profane, defamatory, harassing, illegal, discriminatory, or offensive activity or any activity that is inconsistent in any way with the Agency's policies (i.e. policy on sexual harassment).

3150.4.1.3 Exploiting security weaknesses of the Agency's computing resources and/or other networks or computers outside the Agency.

3150.4.1.4 Internet access is to be used for Agency business purposes only. Use of the Internet should not interfere with the timely and efficient

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performance of job duties. Access to the Internet and e-mail is not a benefit of employment with the Agency.

3150.4.1.5 Employees do not have any right to privacy in any Agency computer resources, including e-mail messages produced, sent, or received by Agency computers or transmitted via the Agency's servers and network. Employee access to the Internet and e-mail is controlled by use of password. The existence of a password does not mean that employees should have any expectation of privacy. Employees must disclose their passwords to the Agency upon request, and the Agency will maintain a file of all passwords currently in use. The Agency may monitor the contents of all e-mail messages to promote the administration of the Agency, its business, and policies.

3150.4.1.6 Employees' access to and use of the Internet, e-mail, and other electronic communications will be monitored frequently. Failure to follow the policy may lead to discipline, up to and including immediate termination. Disciplinary action may include the removal of Internet and e-mail access from their computer or termination of employment with the Agency.

3150.4.1.7 The Internet and e-mail provide means by which employees of the Agency may communicate with its customers (general public). Messages to or from customers through the Agency's e-mail system may be considered part of the Agency's business records and should be treated as such.

3150.4.1.8 E-mail and any attachments are subject to the same ethical and legal concerns and standards of good conduct as memos, letters, and other paper-based documents. E-mail can be forwarded to others, printed on paper, and is subject to possible discovery during lawsuits in which the Agency may be involved.

3150.4.1.9 Intrusion is usually done by hackers having access to or easily predicting the user's name and password. For example, a user by the name Jane Doe will most likely have a user name such as "jdoe". Passwords are frequently children's names or birthdays, or even the word "password." People are not as protective of their passwords as they should be. Some tape their passwords on their computer monitor so they don't forget and some give passwords freely to official-sounding callers pretending to be a company network engineer.

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3150.4.1.10 Currently, all Agency e-mail being sent is not encrypted. Unencrypted electronic mail is not a secure way of exchanging information or files. Due to the way Internet data is routed, all messages are subject to “eavesdropping.” Messages may be “stolen” as they temporarily reside on host machines waiting to be routed to their destination, or they may be purposefully intercepted from the Internet during transfer to the recipient. It is possible for someone other than the intended recipient to capture, store, read, alter/or re-distribute your message. Do not transmit information in an electronic mail message that should not be written in a letter, memorandum, or document available to the public.

3150.4.1.11 Use of electronic mail or the Internet to distribute copyrighted materials is prohibited.

3150.4.1.15 Users should take the necessary steps to prevent unauthorized disclosure of confidential or privileged information. (This is especially important for law firms and accounting firms that have strict professional ethical obligations and duties toward their clients.)

3150.4.1.16 Use of electronic mail or the Internet to send offensive messages of any kind is prohibited.

3150.4.1.17 Use of electronic mail or the Internet for inappropriate or unauthorized advertising and promotion of the Agency is prohibited.

3150.4.1.18 When Agency employees communicate using electronic mail or other feature of the Internet, the employee must be extremely mindful of the image being portrayed of the Agency.

3150.4.1.19 Computer viruses can become attached to executable files and program files. Receiving and/or downloading executable files and programs via electronic mail or the Internet without express permission of the Systems Administrator is prohibited. This includes, but is not limited to, software programs and software upgrades. This does not include e-mail and/or documents received via e-mail and the Internet. All downloaded files must be scanned for viruses.

3150.4.1.20 Use of another user’s name/account, without express permission of the Systems Administrator, to access the Internet, is strictly prohibited.

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3150.4.1.21 Personal use of the Agency's computer resources for personal commercial activity or any type of illegal activity is strictly prohibited.

3150.4.1.22 Employees will only access the Internet through the Agency's network. Internet access through other methods (i.e. modems) will not be allowed, unless specifically authorized.

3150.4.1.23 Employees will respect all copyright and license agreements regarding software of publication they access or download from the Internet. The Agency will not condone violations of copyright laws and licenses and the employee will be personally liable for any fines or sanctions caused by the license or copyright infringement. Any hardware, software or publication, which is downloaded onto Agency computer resources, becomes the sole property of the Agency.

3150.4.1.24 All list subscriptions should be for business purposes only. The employee will make sure List Servers are notified when the employee leaves the Agency.

3150.4.2 General Rules

3150.4.2.1 Deleting an e-mail message does not necessarily mean the message cannot be retrieved from the Agency's computer system. For a specific period of time, the Agency retains backup copies of all documents, including e-mail messages produced, sent, and received on the Agency's computer system.

3150.4.2.2 Once inside the network, an intruder has the same rights of access and control over system resources as the person whose identity has been assumed. The intruder can destroy or alter information on the system or steal information that can be damaging to the Agency. In addition, intruders can plant sniffer software that can monitor traffic on the network and in the process, gain additional user names and passwords or they may plant time bombs, code that will cause destruction to files at a future date.

3150.4.2.3 To protect against intrusion, choose usernames and passwords that are at least 6 characters long that include both upper and

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lower case letters and at least one number. Passwords should be changed every three months. Do not use names that are easy for the intruder to know such as names of your children or pets. Memorize the user name and password. Do not write them down and leave them where other people can have access to them. Do not give your user name and password to anyone.

3150.4.2.4 E-mail, once transmitted, can be printed, forwarded, and disclosed by the receiving party without the consent of the sender. Use caution in addressing messages to ensure that messages are not inadvertently sent to the wrong person.

3150.4.2.5 It is advisable for all employees of the Agency to remind customers/clients/contractors of these security issues when sending confidential electronic mail and/or documents to the Agency via electronic mail. If applicable, our customer/clients/contracts should be reminded to implement a security policy and make sure their employees understand the ramifications of sending privileged information via electronic mail. (This is especially important for law firms and accounting firms that have strict professional ethical obligations and duties toward their clients.)

3150.4.2.6 The Agency will not be responsible for maintaining or payment of personal Internet accounts or related hardware/software.

3150.4.2.7 E-mail that users need to retrieve from their personal Internet account must be retrieved via that User's personal Internet account. Agency users shall not access such personal e-mail account using the Agency's network system, telephone system, modem pool, or communication server.

3150.4.2.8 Employees will only download information and/or publications for official business purposes.

3150.4.2.9 Employees are to virus scan all downloaded and external materials before using or opening them on their computers to prevent the introduction of computer viruses.

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3160 ADMINISTRATION OF EMPLOYER-EMPLOYEE RELATIONS

3160.1 The Board of Directors has adopted a Resolution establishing rules and regulations for the administration of employer-employee relations in matters that directly affect and primarily involve the wages, hours and other terms and conditions of employment of employees in appropriate units of the Agency. This resolution may be amended from time to time. The current Resolution is shown in Appendix G.

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3170 OUTREACH ISSUES AND POLICY PRINCIPLES

3170.1 The Association of California Water Agencies (ACWA) has requested the Agency to take positions on specific legislation. Due to the ever changing legislative environment, by the time the ACWA request is received and scheduled as a specific item on an Agency Board of Directors agenda, the legislative committees have acted on the issue. ACWA has developed Policy Principles to inform ACWA members about ACWA's positions on key legislative/regulatory issues. The Board of Directors of the Agency has adopted these Policy Principles to allow Agency Staff to quickly respond when ACWA requests letters of support or opposition to legislative matters. These Policy Principles are as shown in Appendix H and may be revised as necessary.

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3175 FACILITY TOUR POLICY

The Agency's policy is to ensure the safety of employees, visitors and facilities, as well as the continuous supply of safe, reliable service to our community. To accomplish this, the following rules apply:

- A list of attendees must be submitted five days prior to the tour, including phone numbers. If a visitor shows up for the tour and their name is not on the list, they must sign the list and provide required contact information.
- No backpacks, briefcases, cameras, video recording devices, etc. are allowed in any facility. Cell Phones shall be allowed, but shall be used for Emergency calls only and shall not disrupt the tour. Media shall be allowed use of cameras and/or video recording devices upon prior approval of the General Manager.
- Appropriate dress, which includes long pants, closed-toed walking shoes, and clothing/accessories for expected weather, is mandatory for all tours. Due to safety concerns, visitors with inappropriate dress will not be able to tour the entire operational facility. We provide additional safety equipment when required to tour a facility (i.e. hard hats, safety glasses, ear protection).
- The tour guide will discuss safety awareness with all participants prior to the commencement of the tour, including demonstration of use of any required protective equipment.
- All tour participants must remain under the control and guidance of the tour guide. Any person or group deviating from the guided tour will be escorted from the facility.
- Tour participants must adhere to all safety and site-specific requirements. Failure to follow safety requirements will terminate the tour.
- We reserve the right to cancel and/or deny any tour requests.
- All tours/events must be pre-approved by the Agency's insurance provider.

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3180 CLAIMS AGAINST THE AGENCY

3180.1 The purpose of this policy is to provide direction to Agency staff for processing and resolving (if possible) property damage claims against the Agency. Inherent in this policy is the recognition that every claim will be unique, and that guidelines cannot be written to accommodate every case. Therefore, staff must use discretion and good sense in handling each claim.

3180.2 Property (Land and Improvements) Damage Claims – In the course of the Agency operations, damage to land and improvements thereon occasionally occur due to the proximity of the Agency's facilities to private property. When Agency employees are aware that property has been damaged in the course of their work, restorative measures are to be taken to return the property as close to its original condition as possible.

When a property owner informs an Agency employee of damage to their property (by telephone or in person), the employee receiving the claim will document, in writing, the time and date, and a description of the stated circumstances and allegations. Employees should respond to questions, be cordial and respectful, but refrain from commenting on liability questions.

As soon as possible after information about the damage has been received, it shall be given to the Human Resources Department. The Human Resources Department, or his/her designee, shall investigate the property owner's allegations.

If the owner of damaged property informs a member of the Board of Directors, the information will be given to the General Manager. Directors should not independently investigate claims, but may go with staff to observe.

Investigations shall be done in a timely fashion and documented with a written report, including photographs and/or interviews, when appropriate. A copy of the report shall be submitted to the General Manager.

If the investigating staff person is convinced that the damage was caused by Agency personnel, equipment, or infrastructure, he/she shall prepare a work order to have the damage repairs, with a copy to the Human Resources Department, subject to the following conditions:

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- (a) Property owner agrees that the proposed repairs are appropriate and adequate;
- (b) Property owner agrees to allow Agency personnel access to their property to perform the repair work;
- (c) Agency personnel have the necessary tools, equipment, and expertise to perform the necessary work;
- (d) Repair work can be accomplished within a reasonable amount of time;
- (e) Cost of material for the repairs will not exceed \$1,000.

If the cost of material for repairs is stated by claimant or estimated by staff to exceed \$1,000, the owner will be asked to submit their claim in writing on an Agency claim form.

The General Manager shall review the damage claim and the proposed repair work. If he/she determines that the damage is the Agency's responsibility and that the proposed repair work is appropriate, he/she may authorize the work if the cost of material for the repairs will not exceed \$5,000.

If the cost of material for repairs is stated by claimant or estimated to exceed \$5,000, the claim will be submitted to the Agency's insurance company, the Association of California Water Agencies Joint Powers Insurance Authority (JPIA), and the Board will be briefed. The Board may consider the claim during a closed session of a regular or special meeting. Action to accept or reject the claim shall be taken in open session. The claimant shall be notified of the Board's action regarding their claim. Notification that a claim has been rejected shall be accompanied by proof of service.

Claims for personal injury/wrongful death shall not be investigated by Agency staff or directors but shall be immediately forwarded to the JPIA.

3180.3 Property (Vehicles and Unsecured Property) Damage Claims – All claims of damage to vehicles or other unsecured property shall be submitted to the General Manager. He/she shall review the damage claim and the requested restitution. If he/she determines that the damage is the Agency's responsibility, he/she may authorize repairs or reimbursement of expenses to an amount not to exceed \$5,000 or the insurance deductible.

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The claim will be processed as described above if the cost of material for repairs is estimated to exceed \$5,000.

3180.4 Property Damage Claims of Agency Form – Except for damage to land and improvements estimated to cost less than \$500, all damage claims must be submitted in writing on an Agency claim form. This will ensure that a claim is valid and protect important rights of the Agency.

If an individual does not wish to file a claim on the Agency form, he/she may present the claim by letter if it conforms to Section 910 and Section 910.2 , California Government Code. Section 910 specifies that a claim needs to show all of the following:

- (a) The name and post office address of the claimant;
- (b) The post office address to which the person presenting the claim desires notices to be sent;
- (c) The date, place, and other circumstances of the occurrence or transaction which gave rise to the claim asserted.
- (d) A general description of the indebtedness, obligation, injury, damage or loss incurred so far as it may be known at the time of presentation of the claim;
- (e) The name or names of the public employee or employees causing the injury, damage, or loss, if known.
- (f) The amount claimed if it totals less than ten thousand dollars (\$10,000) as of the date of presentation of the claim, including the estimated amount of any prospective injury, damage, or loss, insofar as it may be known at the time of the presentation of the claim, together with the basis of computation of the amount claimed. If the amount claimed exceeds ten thousand dollars (\$10,000), no dollar amount shall be included in the claim. However, it shall indicate whether the claim would be a limited civil case.

Section 910.2 of the California Government Code specifies the following:

The claim shall be signed by the claimant or by some person on his behalf. Claims against local public entities for supplies, materials,

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equipment or services need not be signed by the claimant or on his behalf if presented on a billhead or invoice regularly used in the conduct of the business of the claimant.

If the filed letter does not meet the requirements of the California Government Code Sections 910 and 910.2, then a letter shall be sent to the claimant informing them of this fact.

Agency staff shall provide no assistance to the claimant in filling out the claim form. Claimant must fill out the claim form in its entirety and submit it via mail, FAX, or personal delivery to the Agency office. Upon receipt, office staff shall date-stamp the document.

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3190 FIRE PROTECTION AGENCY COOPERATION

3190.1 The purpose of this policy is intended to provide direction to staff regarding the cooperative efforts with fire protection agencies which can enhance the Water Agency's ability to maintain a large number of various fire hydrants and fire protection facilities though out its systems, provide a means for information input for improved fire protection facilities owned by the Water Agency, and maintain excellent working relationships between fire protection agencies and the Water Agency.

3190.2 Water Agency staff shall provide maps showing fire hydrant and other fire protection facilities within the Water Agency service area to fire protection agencies responsible for those areas. These maps shall be periodically updated (but not less than every three years) and provided to fire protection agencies as changes occur that materially alter fire protection equipment owned by the Water Agency.

3190.3 Where fire protection agencies have adequate staffing levels and willingness to work cooperatively with the Water Agency, an inspection program shall be implemented for reviewing fire hydrants and other fire protection facilities owned by the Water Agency which provides mutually benefits for both the fire protection agency and the Water Agency while providing early warnings for possible needed maintenance of facilities.

(a) The inspection program shall include forms for the fire protection agency to fill out that include identification of the fire hydrant or other fire protection equipment (which may include items such as backflow devices for fire sprinkler system) along with various items to inspect both visually and physically. The form shall also have provisions to capture the general condition of the equipment such as missing caps, damaged exterior parts, access issues, identification of fire hydrant outlets, and apparent operation of facilities. Other provisions may be included as mutually agreed by the fire protection agency and Water Agency staff. A guidance document will be created to assist with inspection activities.

(b) The inspection shall include the momentary activation of fire hydrants only as a means to confirm that water flow is apparent. Specific guidelines shall be prepared which provide parameters for this flow confirmation and include notification to Water Agency personnel.

(c) A repair work order form shall also be included in this program which will be used to provide information to Water Agency staff to identify problems or concerns that was noticed during the inspection.

(d) It is recognized that forms may need to be tailored to specific fire protection agencies, but shall be standardized as much as possible.

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(e) Water Agency staff shall maintain a record for this inspection program that track facilities inspected, work orders, and other pertinent information which can be used for budgeting, refining preventative maintenance programs, repair programs, capital improvement programs, or similar activities.

3190.4 The Water Agency staff shall meet and collect information from fire protection agencies regarding potential areas for improvement or enhancement. This may include areas that need fire hydrants, replacement of current fire hydrants, need for improved fire flow, or other items which may provide better fire protection within Water Agency service areas or facility locations.

(a) Fire protection improvement information shall be used to assist staff in prioritizing projects where funding is available for fire protection replacement/improvements. This list or acceptance of this information is not a commitment to make improvements to the system.

SECTION 4 - ENGINEERING & CONSTRUCTION BUSINESS OPERATIONS

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4010 CONTRACT ADMINISTRATION POLICY & PROCEDURES

4010.1 The Agency, from time to time, requires the use of consultants and/or contractors to perform various work tasks as directed by the Board and the General Manager. The Delegation of Authority Policy (Policy Number 2090), authorizes the General Manager certain powers to administer such contracts. These procedures are designed to establish the appropriate oversight between the Board and the General Manager for these contracts.

4010.2 Authorization for the General Manager to enter into, or modify contracts is specified in Policy Number 2090. All authority over such levels mentioned in Policy Number 2090 is vested by the Board.

4010.3 The General Manager will review a monthly contract expenditure report. Projected variances will be brought to the Board's attention as appropriate. The General Manager or his/her designee will oversee all of the contracts and review these reports. The specific Project Manager will prepare a report for the review by the General Manager or his/her designee as requested.

4010.4 All contracts that are projected to exceed the contracted amount will require written modification, such as to the change in scope of work or contractual amount of such work. The approvals will be obtained consistent with Policy Number 2090.

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4020 CONTRACT CHANGE ORDERS

4020.1 The General Manager, or his/ her designee are authorized to approve contract change orders up to \$10,000 or five percent of the contract amount, whichever is greater, as long as the increase due to the change order does not cause the total project cost to exceed the approved budget.

4020.2 In the event of change orders which are deemed urgent due to emergencies, the need to avoid significant increases in construction cost which would result from delay in the issuing of a change order, or public health and safety, the General Manager, or her/her designee are authorized to approve contract change orders beyond the limits set forth in Policy 4020.1 and Policy 2090.2.7.

4020.3 The Board shall approve all other contract change orders.

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4030 PROFESSIONAL CONSULTANT SELECTION

4030.1 The Agency employs outside contractors or consultants for construction or engineering projects, or for auditing purposes. The Agency procedure is as follows.

4030.1.1 The Agency will select consultants on a qualification based process in accordance with California Government Code 4526.

4030.1.2 Staff shall prepare a Request for Proposal (RFP) which provides the opportunity for the consultant to demonstrate their experience, knowledge, and available staff to perform specific work.

4030.1.3 The number of consultants may be limited to those that the Agency staff feels are most qualified through a review of Statements of Qualifications submitted by consultants, and on file with the Agency, general knowledge by Agency staff regarding consultant qualifications, and project specifics.

4030.1.4 Compensation for consultant's work is requested to be placed in a sealed envelope and only opened after consultants have been ranked based on qualifications.

4030.1.5 Consultant selection ranking will be based on consultants experience, demonstrated knowledge and understanding of the requested work, qualifications of dedicated staff to complete the work, and presentation of proposal. In case of ranking ties, preference shall be given to consultants located in the County if applicable.

4030.1.6 Agency staff may negotiate with the #1 qualified consultant for changes in scope of work or compensation. If unsuccessful, Agency staff will negotiate with the #2 consultant, and so on until a mutually agreed upon scope of work and compensation package is reached. If necessary, Agency staff may re-submit the RFP to a wider selection of consultants and/or re-submit the RFP with a modified scope of work.

4030.1.7 Once Agency staff has selected the consultant of choice, a draft contract is then presented to the General Manager and/or the Board for approval, all in accordance with Policy Number 2090.

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4050 EASEMENT ACQUISITION PROCEDURES

4050.1 The Agency shall establish a value for easements and payment therefore. The fee paid by the Agency for acquisition of the easement in question will be based on a percentage of the fair market value of the land upon which the easement is to be taken. Should the landowner wish to receive Agency services for the easement value, this will be done on an equal dollar-for-dollar basis. The fees paid for easements are as follows and are based on easement impact.

4050.1.1 Road frontage value is 20% of fair market value.

4050.1.2 Side/back lot line value is 40% of fair market value.

4050.1.3 Bisecting lot value is 75% of fair market value.

4050.2 The General Manager is authorized to develop, negotiate and approve easement values in accordance with 4050.1, up to a cash value of \$20,000. The General Manager or his/ her designee may, at his/her discretion, engage the services of a land appraiser to value easements.

4050.3 The General Manager or his/her designee may develop and negotiate easement values greater than \$20,000, which easement values shall be approved by the Board unless delegated to the General Manager.

(9/12/12)

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4060 EASEMENT ACCEPTANCE

4060.1 The Board has authorized by Resolution No. 2007-35, adopted on September 13, 2007, its General Manager to accept easements on behalf of the Agency and consent to the recordation of such accepted easements pursuant to certificates of acceptance executed by the General Manager.

4060.2 Commitments to accept easements or assurances that easements will be accepted may be provided by Agency staff only after approval of same by the General Manager.

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4070 EASEMENT ABANDONMENT

4070.1 Abandonment by the Agency of its interest in public utility easements and other easements dedicated to the Agency for installation, maintenance, repair, etc., of facilities, shall require approval of the Board.

4070.2 Commitments to abandon easements or assurances that easements will be abandoned may be provided by Agency staff after approval of same by the Board.

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4080 ANNEXATIONS/DETACHMENTS

4080.1 Property owners wishing to annex or detach from a Water Agency Improvement District shall be financially responsible for costs incurred in processing such a request. A fee shall be established that represents the costs of such processing and said fee shall be modified from time to time, as necessary, to capture such costs in accordance with the Water Agency Act and Rules and Regulations. The fee shall be non-refundable, regardless of the public hearing outcome for approving the annexation/detachment. The General Manager has the discretion to waive the fee for extenuating circumstances.

4080.2 The fee for the annexation/detachment request shall include, but not be limited to, such expenses as staff time, public notices, legal reviews, preliminary field investigations for annexation, and field work for abandonment of detachments.

4080.3 Property owners wishing to annex to Agency facilities are responsible for the actual costs of extending and connecting to facilities. The Agency will provide an estimate of connection costs at the time of the annexation request if such capacity is available.

4080.4 In cases where a detachment will have a negative fiscal impact to an improvement district, a corresponding annexation must occur before the Board will consider the detachment. The purpose of this requirement is to maintain a consistent debt service to the balance of the property owners in the improvement district. The Board will, however, reserve the right to review, and consider detachment requests that have extenuating circumstances.

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4090 MAINLINE EXTENSION AGREEMENTS

*** Still being modified and reviewed***

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**POLICY TITLE: Rules of Order for Board and Committee Meetings
(Policy based on Rosenberg's Rules of Order)**

POLICY NUMBER: 5070

5070.1 This policy 5070 and Rosenberg's Rules of Order are supported by the following four principles:

5070.1.1 Rules should establish order.

5070.1.2 Rules should be clear.

5070.1.3 Rules should be user friendly.

5070.1.4 Rules should enforce the will of the majority while protecting the rights of the minority.

5070.2 The President is in charge of applying the rules of conduct. The President should be well versed in the rules, because the President, for all intents and purposes, makes the final ruling on the rules. All decisions are final unless overruled by the Board of Directors (Board) itself.

5070.2.1 Because the President conducts the meeting, it is common courtesy for the President to take a less active role than other members of the Board in debates and discussions. However, as a member of the Board, the President has full rights to participate in debates, discussions and decision making. The President should strive to be the last to speak at the discussion and debate stage.

5070.2.2 The President should not make or second a motion unless he or she is convinced that no other member of the Board will do so.

5070.3 Basic Format for Agenda Item Discussion: The meeting is governed by the agenda and the agenda constitutes the Board's agreed upon road map for the meeting. Each agenda item can be handled by the President in the following basic format:

5070.3.1 The President should clearly announce the agenda item number and should clearly state what the subject is. The President should also announce the format that will be followed.

5070.3.2 Following the agenda format, the President should invite the appropriate people to report on the item, including any recommendation they might have. The appropriate person may be the President, a member of the

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Board, a staff person or a committee chair charged with providing information about the agenda item.

- 5070.3.3** The President should ask members of the Board if they have any technical questions for clarification. (*The President should rotate the invitation for Board member questions and comments so that each has an opportunity to address the issue in an organized fashion*). At this point, members of the Board may ask clarifying questions to the people who reported on the item, and they should be given time to respond. (*A time limit for questions and responses should be indicated by the President, example would be 5 minutes*).
- 5070.3.4** The President should invite public comments. Each speaker shall be limited to 5 minutes on the agenda item, unless the President determines otherwise. At the conclusion of the public comments, the President should announce that public input has concluded, or if the agenda item is a public hearing, should call for a motion and a second to close the public hearing.
- 5070.3.5** If the agenda item calls for action on the item, the President should invite a motion from the Board members. The President should announce the name of the member who makes the motion.
- 5070.3.6** If a motion is made, the President then should determine if any member of the Board wishes to second the motion. The President should announce the name of the Board member who seconds the motion. It is normally good practice for a motion to require a second before proceeding with it, to ensure that it is not just one member of the Board who is interested in a particular approach. However, a second is not an absolute requirement, and the President can proceed with consideration and a vote on the motion even when there is no second. This is a matter left to the discretion of the President.
- 5070.3.7** When the motion is made and seconded, the President should make sure everyone understands the motion. This is done in one of three ways:
- 5070.3.7.1** The President can ask the maker of the motion to repeat it;
- 5070.3.7.2** The President can repeat the motion;

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- 5070.3.7.3** The President can ask the Clerk of the Board to repeat the motion.
- 5070.3.8** The President should now invite discussion of the motion by the members of the Board. If there is no desired discussion or the discussion has ended, the President should announce that the Board will vote on the motion. If there has been no discussion or a very brief discussion, the vote should proceed immediately, and there is no need to repeat the motion. If there has been substantial discussion, it is normally best to make sure everyone understands the motion by repeating it.
- 5070.3.9** The President takes a vote; simply asking for the “ayes” and then the “nays” is normally sufficient. If members of the Board do not vote, then they “abstain.” Unless the rules of the Board provide otherwise or unless a super-majority is required (as delineated later in these rules), a simple majority of the Board members present (assuming a quorum) determines whether the motion passes or is defeated.
- 5070.3.10** The President should announce the result of the vote and should announce what action (if any) the Board has taken. In announcing the result, the President should indicate the names of the Board members, if any, who voted in the minority on the motion.
- 5070.4** **Motions in General**
- 5070.4.1** Motions are the vehicles for decision-making. It is usually best to have a motion before the Board prior to discussing an agenda item, which will help everyone focus on the motion before them. Motions are made in a simple two-step process. First, the President recognizes the Board member. Second, the Board member makes a motion by preceding the Board member’s desired approach with the words; “I move.....”
- 5070.4.2** The President usually initiates the motion by:
- 5070.4.2.1** Inviting the Board members to make a motion:
- 5070.4.2.2** Suggesting a motion to the Board members:
- 5070.4.2.3** Making the motion: As noted, the President has every right as a member of the Board to make a motion, but normally should do so only if he or she wishes a motion to be made but no other Board member seems willing to do so.
- 5070.5** **The Three Basic Motions**

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5070.5.1 **The basic motion:** The basic motion is the one that puts forward a decision for consideration.

5070.5.2 **The motion to amend:** If a Board member wants to change a basic motion that is under discussion, he or she would move to amend it. A motion to amend takes the basic motion that is before the Board and seeks to change it in some way.

5070.5.3 **A substitute motion:** If a Board member wants to completely do away with the basic motion under discussion and put a new motion before the Board, he or she would “move a substitute motion”.

Motions to amend and substitute motions are often confused. But they are quite different, and so is their effect, if passed. A motion to amend seeks to retain the basic motion on the floor, but to modify it in some way. A substitute motion seeks to throw out the basic motion on the floor and substitute a new and different motion for it. The decision as to whether a motion is really a motion to amend or a substitute motion is left to the President. So that if a Board member makes what that member calls a motion to amend, but the President determines it is really a substitute motion, the President’s designation governs.

5070.6 **When Multiple Motions are Before the Board**

5070.6.1 Up to three motions may be on the floor simultaneously. The President may reject a fourth motion until the three that are on the floor have been resolved. When two or three motions are on the floor (after motions and seconds) at the same time, the first vote should be on the last motion made. *Depending on the action taken, each motion is addressed individually from the latest back to the original motion.*

5070.7 **To Debate or Not to Debate**

The basic rule of motions is that they are subject to discussion and debate. Accordingly, basic motions, motions to amend, and substitute motions are all eligible, each in their turn, for full discussion before and by the Board. The debate can continue as long as members of the Board

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wish to discuss an item, subject to the decision of the President that it is time to move on and take action.

- 5070.7.1** There are exceptions to the general rule of free and open debate on motions. The exceptions all apply when there is a desire of the Board to move on. The following motions are not debatable (that is, when the following motions are made and seconded, the President must immediately call for a vote of the Board without debate on the motion):
- 5070.7.1.1** **A motion to adjourn.** This motion, if passed, requires the Board to immediately adjourn to its next regularly scheduled meeting. This motion requires a simple majority vote of the Board members present.
- 5070.7.1.2** **A motion to recess.** This motion, if passed, requires the Board to immediately take a recess. Normally, the President determines the length of the recess, which may range from a few minutes to an hour. This motion requires a simple majority vote of the Board members present.
- 5070.7.1.3** **A motion to fix the time to adjourn.** This motion, if passed, requires the Board to immediately adjourn the meeting at the specific time set in the motion. This motion requires a simple majority vote of the Board members present.
- 5070.7.1.4** **A motion to table.** This motion, if passed, requires discussion of the agenda item to be halted and the agenda item to be placed on “hold”. The motion may contain a specific time in which the item can come back to the Board. A motion to table an item (or to bring it back to the Board) requires a simple majority vote of the Board members present.
- 5070.7.1.5** **A motion to limit debate.** The most common form of this motion is to say, “I call for the question.” When a member of the Board makes such a motion, the member is really saying: “I’ve had enough debate. Let’s get on with the vote.” When such a motion is made, the President should ask for a second to the motion, stop debate, and vote on the motion. This motion to limit debate requires a simple majority vote of the Board members present (assuming a quorum). Note that a motion to limit debate could include a time limit.
- 5070.7.1.6** **A motion to object to consideration of an item.** A motion similar to a motion to limit debate is a motion to object to consideration of an item. This motion is not debatable, and if passed, precludes the Board from

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even considering an item on the agenda. This motion requires a two-thirds vote of the Board members present.

5070.8 Majority and Super-Majority Votes

5070.8.1 In a democracy, decisions are made with a simple majority vote. A tie vote means the motion fails. So, a vote of 3-2 passes the motion. A vote of 2-2 with one abstention means the motion fails. If one member is absent and the vote is 2-2, the motion still fails.

5070.8.2 All motions require a simple majority, but there are a few exceptions. The exceptions occur when the Board is taking an action that effectively cuts off the ability of a minority of the Board to take an action or discuss an item. The following extraordinary motions require a two-thirds majority (a super-majority) of the Board members present to pass:

5070.8.2.1 Motion to close nominations. When choosing officers of the Board, such as the President, nominations are in order either from a nominating committee or from the floor of the Board. A motion to close nominations effectively cuts off the right of the minority to nominate officers and it requires a two-thirds vote to pass.

5070.8.2.2 Motion to object to the consideration of a question. Normally, such a motion is unnecessary, because the objectionable item can be tabled or defeated straight up. However, when members of a Board do not even want an item on the agenda to be considered, then such a motion is in order. It is not debatable; and it requires a two-thirds vote to pass.

5070.8.2.3 Motion to suspend the rules. This motion is debatable, but requires a two-thirds vote to pass. This motion allows the Board to suspend these rules for a particular purpose.

5070.9 The Motion to Reconsider. This is a special and unique motion. A tenet of parliamentary procedure is finality. After discussion, debate and vote, there must be some closure to the issue. After a vote is taken, the matter is deemed closed, subject only to reopening if a proper motion to reconsider is made. A motion to reconsider requires a simple majority vote of the Board members present to pass. There are two special rules that apply only to the motion to reconsider:

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- 5070.9.1** First, is the matter of timing. A motion to reconsider must be made at the meeting where the item was first voted upon or at the very next meeting of the Board. A motion to reconsider made at a later time is untimely. (The Board, however, can always vote to suspend the rules and, by a two-thirds majority, of the Board members present allow a motion to reconsider to be made at another time.)
- 5070.9.2** Second, a motion to reconsider may be made only by a Board member who voted in the majority on the original motion. Any other Board member may second the motion. If a Board member who voted in the minority seeks to make the motion to reconsider, it must be ruled out of order.
- 5070.9.3** If the motion to reconsider passes, then the original matter is back before the Board, and a new original motion is in order. The matter may be discussed and debated as if it were on the floor for the first time.
- 5070.10** **Courtesy and Decorum**
The rules of order are meant to create an atmosphere where the members of the Board and members of the public can attend to business efficiently, fairly and with full participation. And at the same time, it is up to the President and the members of the Board to maintain common courtesy and decorum. Unless the setting is very informal, it is always best for only one person at a time to have the floor, and it is always best for every speaker to be recognized by the President first before proceeding to speak.
- 5070.10.1** The President should always ensure that debate and discussion of an agenda item focus on the item and the policy in question, not on the personalities of the members of the Board or members of the public. Debate on policy is healthy; debate on personalities is not. The President has the right to cut off discussion by Board members or members of the public that is too personal, too loud, too crude, or is not focused on the issue at hand.
- 5070.10.2** Debate and discussion should be focused, but free and open. In the interest of time, the President may, however, limit the time allotted to speakers, including members of the Board. Can a member of the Board interrupt the speaker? The general rule is no. There are, however, exceptions. A speaker may be interrupted for the following reasons:

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- 5070.10.2.1 Privilege:** the proper interruption would be, “Point of privilege.” The President would then ask the interrupter to “state your point.” Appropriate points of privilege relate to anything that would interfere with the normal comfort of the meeting.
- 5070.10.2.2 Order:** The proper interruption would be, “Point of order.” Again, the President would ask the interrupter to “state your point.” Appropriate points of order relate to anything that would not be considered appropriate conduct of the meeting.
- 5070.10.2.3 Appeal:** If the President makes a ruling that a member of the Board disagrees with, that member may appeal the ruling of the President. If the motion is seconded and after debate, if it passes by a simple majority vote of the Board members present, then the ruling of the President is deemed reversed.
- 5070.10.2.4 Call for orders of the day:** This is simply another way of saying, “Let’s return to the agenda.” If a Board member believes that the Board has drifted from the agreed-upon agenda, such a call may be made. This call does not require a vote. If the President does not comply with the call, then the President’s determination may be appealed.
- 5070.10.2.5 Withdraw a motion:** During debate and discussion of a motion, the maker of the motion on the floor, at any time, may interrupt a speaker to withdraw his or her motion from the floor. The motion is immediately deemed withdrawn, although the President may ask the person who seconded the motion if he or she wishes to make the motion, and any other Board member may make the motion if properly recognized.

5070.11 Special Notes About Public Input

The rules outlined in this Policy 5070 are intended to make Board meetings very public-friendly. But in addition, and particularly for the President, it is wise to remember three special rules that apply to each agenda item:

- 5070.11.1 Rule One:** Tell the public what the Board will be doing.
- 5070.11.2 Rule Two:** Keep the public informed while the Board is doing it.
- 5070.11.3 Rule Three:** When the Board has acted, tell the public what the Board did.

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5070.12 Public input is essential to a healthy democracy; and community participation in public meetings is an important element of that input. The challenge for anyone chairing a public meeting is to accommodate public input in a timely and time-sensitive way, while maintaining steady progress through the agenda items. The rules presented in this Policy 5070 for conducting a Board meeting are offered as tools for effective leadership and as a means of developing sound public policy.

Should questions arise regarding Board meeting conduct, Rosenberg's Rules of Order should be consulted for resolution of the question raised.