

# RAWD FINANCIAL POLICIES & PROCEDURES MANUAL

APPROVED BY THE BOARD OF DIRECTORS

SEPTEMBER 17, 2025

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FINANCIAL POLICY

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I. PURPOSE AND GUIDELINES

The purpose of this policy is to provide guidelines for the financial transactions of Rio Alto Water District (District) and the protection of current and future assets. The Board of Directors formulates financial policies, delegates the administration of the financial policies to the General Manager and reviews operations and activities. The General Manager has management responsibilities, including financial management. Financial duties and responsibilities must be separated so that no one employee has sole control over cash receipts; payroll; bank reconciliation; etc. A blanket dishonesty coverage in the amount of \$100,000 per loss shall be maintained. These policies and procedures will be reviewed annually by the Auditor.

In addition to setting guidelines for transactions, this policy is to provide a financial framework for decision making to assure the financial viability of the District and to make rates equitable. It is the intent of management that this financial policy be used to guide the District's financial program over the long term.

## II. RATE STRUCTURES:

### A. Policy:

It is the intent of the Rio Alto Water District Board of Directors to establish rate structures that are fair, equitable and cost-based. All rate settings will be in compliance with Propositions 218 and 26, and any subsequent legislation that is enacted. Rates will be proposed to include increases to reserves and infrastructure replacement and repair. The District will endeavor to set rates in such a way that the rates for each service cover the ongoing cost of providing that service and allow for the maintenance of the reserves outlined in Section 16.

### B. Procedure:

- The District will endeavor to keep its rates current and to ensure that rates are adjusted to meet the District's financial requirements.
- If necessary and possible, rate increases will be staged over a 5-year period.
- In compliance with the goal of transparency, public outreach will be an included component of the rate setting procedure.
- All rate settings will be in conformance with legal requirements.
- Rate setting records will be retained in accordance with Item #'s 50, and 138, on the records retention schedule.

## III. BOOKS OF ORIGINAL ENTRY:

### A. Policy:

The District will utilize a double entry system for accounting for all funds. Adequate documentation will be maintained to support all journal entries. The General Manager will approve all journal entries. Guidelines as set forth in this financial policy will be followed for all transactions in accounts payable, accounts receivable, payroll and general ledger. The District will maintain its accounting records on the accrual basis in a manner that facilitates the preparation of audited financial statements conforming to generally accepted accounting principles.

### B. Procedures:

- At month end, the Bookkeeper will prepare a trial balance and audit the trial balance for accuracy.
- At month end, the Bookkeeper will prepare a balance sheet, statement of activities and statement of activities by project that will be reviewed by the General Manager.

- Quarterly, the Bookkeeper will conduct an internal audit of general ledger activity to review accuracy of posting of accounts.
- Income/Expenditure reports will include a comparison to the budget and will be presented to the Board of Directors quarterly.
- Annual reports will be internally audited for accuracy and audited by an independent auditor.
- General Ledgers and Financial Reports will be retained in accordance with Item #'s 10, and 84, on the Records Retention Schedule.

#### IV. RECEIPTS:

##### A. Policy:

The District receives cash, checks and credit card payments through the mail, in person and over the internet in payment of customer accounts receivables. Customers may also sign up for auto draft at no cost. In addition to utility payments, the District receives property tax revenues, delinquent assessments and the Special Tax Levy for CFD 2011-1 from Tehama County. The District receives miscellaneous receipts such as, reimbursements from vendors, retirees' health insurance contributions, rebates, Cell tower lease payments and miscellaneous income. It is the intent of this policy to assure the safeguarding of all receipts by maintaining segregated duties and adequate checks and balance systems. All receipts are deposited into the Investment Account. The Investment Account is a depository account only. There are no checks drawn off the Investment Account to limit exposure. Transfers are made from the Investment Account to the Working Account for payables to be disbursed through the Working Account. All Transfers from the Investment Account require source documentation (such as the payable register) which is signed by both Regulatory Officer and General Manager. The General Manager makes the transfer from the Investment Account.

##### B. Procedures for Customer Receipts:

###### 1. Procedure for Checks Received through the mail:

- The District Secretary opens any mail addressed to the District or without specific addressee. All checks received through the mail are stamped with the District Bank Endorsement Stamp by the Secretary upon receipt.
- The Secretary compares the check with the ticket stub for accuracy and confirms both for proper account application.
- All checks are retained in check box until payment posting by Secretary.

###### 2. Procedure for Customer Cash and Checks Received at the Counter:

- Both Secretary and Bookkeeper receive cash and check payments at the counter.
  - All cash must receive a written receipt.
  - Cash is deposited in cash drawer with a receipt indicating customer name and account number, amount paid, and receipt number. Cash remains in the cash drawer until General Manager removes for deposit. General Manager records the deposit date in receipt book.
  - Cash is locked in a secure location until taken to the bank.
  - Checks received at the counter by either Secretary or Bookkeeper are stamped with the District endorsement stamp and placed immediately in check box for deposit by the Secretary.
3. Procedure for Customer Credit Card and Debit Card Payments Received from CUSI/bluefin:

Customers have the option of paying their bill on-line through the website or in the office assisted by RAWD personnel.. All payments are processed through CUSI/Bluefin. Internal procedures for accessing CUSI/Bluefin payments are:

- Log on to RAWD.org.
- Select Green Button "Bill Payment".
- Select pay your bill now.
- Enter the account number and system will populate with A/R due.
- Enter amount to pay, card number, expiration date, enter security code.
- Confirm that address that auto populated is the same address where credit card statement is sent.
- Select submit and a receipt will appear on screen.
- Print or email the receipt
- Never save credit card information on system.

Internal CUSI/bluefin payment batching and posting

- Bookkeeper & General Manager will receive batch notices by email.
- Payments by credit/debit card are directly applied to accounts at time of deposit but not batched until midnight Arkansas time.
- Bookkeeper accesses Gateway prints out to balances with email batches.
- Bookkeeper prints out cash receipts journal the next morning to balance with the batch totals and when in balance posts.
- Bookkeeper enters payment in check register.

4. All Accounts Receivable Deposit Procedures:

- All customer receipts will be deposited through the accounts receivable program CUSI by Secretary. Cash Receipts Journals and payment stubs are balanced before the deposit is completed and posted.
- Deposits are recorded in a monthly register by the Bookkeeper.
- Deposits are delivered to the bank in a timely fashion. The individual delivering the deposit is not the same person who prepared the deposit.
- All receipts will be deposited intact. No disbursements will be made from cash or check receipts prior to the deposit being delivered to the bank.
- Customer receipts, journals, deposit slips and payment stubs will be retained in accordance with Item #'s 4, 20, and 42, on the Records Retention Schedule.

C. Tehama County Tax Revenue Receipts:

The District receives property tax revenue from Tehama County in the form of three warrants received in January, May and July respectively. The July checks are accrued. The tax revenue warrants include delinquent water/sewer assessments which have been turned over to the County for collection through the tax rolls.

1. Procedure for Depositing Tehama County Tax Warrants:

- Warrant is received by mail which is opened by the Secretary.
- Secretary endorses the warrant and forwards the warrant to the Bookkeeper and a copy of the warrant to General Manager.
- Bookkeeper deposits warrant in Investment Account through General Journal entry applying to appropriate revenue accounts.
- With documentation provided by Tehama County, the Bookkeeper applies all delinquent assessment County payments to corresponding County receivables.
- When delinquencies are paid in full, the account detail is printed, lien releases prepared by the Bookkeeper, signed by General Manager, and forwarded to Tehama County Recorder with a lien release check.
- Records will be retained in accordance with Item #'s 4, 42, and 105, on the Records Retention Schedule.

D. Special Tax Levy Warrant:

In tax year 2012/2013, the District began assessing an annual Special Tax Levy on all taxable lots and homes with Sewer within Community Facility District 2011-1 in accordance with Ordinance No. 100-1, approved by the Board of Directors

on May 23, 2012. Special tax levies are collected through the annual tax rolls by Tehama County Tax Collector. Tehama County forwards those collections to the District in separate warrants in January, May and July. July receipts are accrued.

1. Procedure for Deposit of Tax Levy Revenue:

- Warrants will be received by mail which is opened by Secretary.
- Secretary forwards to the Bookkeeper along with a copy to the General Manager.
- Bookkeeper deposits warrant into CFD Bank Account at TriCounties Bank.
- General Manager initiates, through the Regulatory Officer, a transfer of the specified amount of receipt to the Special Tax Fund held at LAIF. (Note: LAIF will only accept deposits in even \$1,000 increments. Transfers will be rounded up to the nearest thousand dollar, and the excess funds will be credited to the savings account held at LAIF).
- Records will be retained in accordance with Item #'s 4, 42, and 148, on the Records Retention Schedule.

E. Other Receipts:

The District receives other checks for items such as: retiree employee's co-insurance payments, cell tower lease income, reimbursement from vendors, rebates and miscellaneous income.

1. Policy for Depositing "Other Receipts":

- Checks are received through the mail opened by Secretary.
- Secretary endorses the check and delivers to the Bookkeeper with a copy to the General Manager.
- Bookkeeper deposits the check into the Investment Account through General Journal entry with a credit to either income or expense account.
- Records will be retained in accordance with Item #'s 4, 17 and 42, on the Records Retention Schedule.

V. CASH DISBURSEMENTS

A. Policy:

In conjunction with the cash receipts policy, it is necessary to segregate duties within cash disbursements to ensure funds are not misappropriated. The individual who issues the checks is not allowed to sign the checks. Invoices are reviewed

independently of the Bookkeeper prior to issuance of checks. The preparer of checks will not be responsible for assembly and mailing. To limit exposure, all receipts are deposited in the Investment Account. The minimum required amount is maintained in the all accounts to avoid bank charges and accrue interest. A transfer is initiated from the Investment Account to the Working Account by the General Manager for the amount of payables on the day the payables are issued.

B. Procedures:

- All invoices are forwarded to the General Manager for review of mathematical accuracy, validity, conformity to the budget (or other board authorization) and compliance with bid requirements prior to forwarding to the Bookkeeper.
- Reimbursed expenses will be paid in accordance with the Personnel Policies and Procedures Manual.
- The Bookkeeper will ensure that all conditions and specifications on a contract or order have been satisfactorily met, including inventory of items received against packing slips. The Bookkeeper is responsible for timely follow-up on discrepancies and payment. It is the Bookkeeper's responsibility to take advantage of discounts and avoid late charges.
- Prior to payment, encoded invoices will be forwarded to the Regulatory Officer for second review, initialing and returned to the Bookkeeper for check preparation.
- Approved invoices will be entered into the accounting system using the CYMA accounts payable module, by the Bookkeeper.
- The Bookkeeper forwards prepared checks to the Regulatory Officer for signature.
- Authorized signers on the Working Account include, the Regulatory Officer, the Lead Water Operator, Board President, the Board Vice President.
- Regulatory Officer delivers signed checks to the Secretary for assembly and mailing.
- Bookkeeper files invoices.
- Voided checks will have "VOID" written boldly in ink on the face of the check and filed with bank reconciliations.
- In no event will:
  - Invoices be paid unless approved by an authorized signer;
  - Blank checks (checks without a date or payee designation) be signed in advance;
  - Checks be made out to "cash", "bearer", etc.;
  - Checks be prepared on verbal authorization, unless approved by the General Manager.

- Records will be retained in accordance with Item #'s 3, 31, and 83, on the Records Retention Schedule.

## VI. CONSTRUCTION ACCOUNT:

### A. Policy:

Bank account set up to receive project loan proceeds and disburse all construction costs. All funds in the account will be secured by a collateral pledge equal to at least 100% of the highest funds expected to be deposited in the construction account any one time. Federal purchasing requirements will be provided by the Federal Agency and complied with by the District.

### B. Procedures:

- All procedures will be done in accordance with the requirements of the lenders and incorporated within this policy and procedures manual.
- Records will be retained in accordance with Item #'s 18, 19, 30, 31, 83 and 92, on the Records Retention Schedule.

## VII. BANK RECONCILIATIONS

### A. Policy:

Bank Statements are not to be opened or reconciled by the bookkeeper to maintain the policy of segregation of duties. Review and reconciliation includes verifying that checks issued are recorded as paid and not altered in any fashion.

### B. Procedures:

- Bank statements will be forwarded, unopened, to the Regulatory Officer for the first review.
- Because the Payroll Account does not issue paper checks, the Bookkeeper will provide Regulatory Officer with payroll transfer documents and semi-monthly payroll registers to ensure disbursements equal payroll.
- The General Manager will reconcile the bank accounts monthly, then forward to the bookkeeper for filing.
- The Board of Directors will receive monthly statements of checks paid in the form of the disbursement report prepared by the Bookkeeper.
- The Bookkeeper will take appropriate action on all outstanding checks over 90 days.
- The bank statements will be filed, copied and emailed to the auditor each year.

- Bank reconciliations and statements will be retained in accordance with item #17, on the Records Retention Schedule.

## VIII. PAYROLL

### A. Policy:

Payroll will be prepared in compliance with labor laws and in accordance with the Personnel Policies and Procedures Manual. Current payroll periods are the 1<sup>st</sup> through 15<sup>th</sup> and 16<sup>th</sup> through last day of the month. Payroll is made through direct deposit. Any changes to payroll computations must be approved by the General Manager. Review, preparation and transfer duties are segregated.

### B. Procedures:

- Each hourly employee will be responsible for completing their time sheet on a daily basis.
- Completed time sheets are submitted to the Bookkeeper two days prior to the end of the pay period. No payroll EFT's will be issued with an incomplete time sheet.
- The Bookkeeper will verify the accuracy of the time sheets, calculate the vacation, sick leave, comp time etc. and forward to the General Manager for 1<sup>st</sup> review and signature then to lead water operator for 2<sup>nd</sup> review.
- On approval, the Bookkeeper will prepare direct deposit and forward the transfer of funds request to the General Manager.
- Copies of direct deposits with itemized deductions are affixed to approved time cards and returned to the employee for signature.
- Termination, whether voluntary or involuntary, will be paid on the day of separation or within three days as required by labor law.
- The Bookkeeper accounts for leave benefits for each pay period and prepares and maintains a quarterly reconciliation of payroll benefits earned and taken.
- Wage adjustments are provided to the Bookkeeper through:
  - (a) a copy of the minutes approving cola increases, or
  - (b) a copy of the last page of employee review form indicating merit increase and effective date, provided by the General Manager or in the case of the General Manager, provided by the Board President.
- Records will be retained in accordance with Item #'s 31, 59, 79, 83, 119-125, and 146, on the Records Retention Schedule.
- Bookkeeper will prepare and transmit the payroll tax reports, W-3 forms, and 1099 forms after final review from the General Manager.

## IX. CONSULTANTS:

A. Policy:

Consideration will be made of internal capabilities to accomplish services before contracting for them. Written contracts clearly defining work to be performed, terms and conditions will be maintained for all consultant and contract services. The qualifications of the consultant and reasonableness of fees will be considered in hiring consultants. Any consultant contracts exceeding \$1,000 will require Board approval. All independent contracts and consultants must provide the District with proof of liability insurance with adequate risk transfer. For contracts over \$25K, refer to the District Contract Guidelines (approved by the Board of Directors August 17, 2006). The District will check with the EPLS.gov website to ensure the entity is not suspended or disbarred. The District shall be cautious not to enter into contracts that create or could be viewed as creating a conflict of interest.

B. Procedures:

- Check references on all consultants.
- Secure Board approval when necessary.
- General Manager and/or Regulatory Officer or Lead Operators to review and approve all contracts, scope of work, and payment requirements. Consultant services will be paid for as work is performed or as delineated in the contract.
- Obtain a completed W-9 prior to start of work.
- The Bookkeeper will prepare 1099 returns at the end of the year.
- Records will be retained in accordance with Item #'s 3, 36 and 79, on the Records Retention Schedule.

X. CAPITALIZED PROPERTY/EQUIPMENT:

A. Policy:

Equipment will be defined as all items (purchased or donated) with a unit cost of \$1,000 or more and a useful life of more than one year. Any purchases of equipment over \$5,000 will require either approval through the budget process or approval of the Board of Directors. Where there is more than one provider of a product, a minimum of 3 proposals will be obtained and researched prior to recommendation to the Board.

B. Procedures:

- Obtain 3 proposals for all equipment purchases.
- Purchasing will be based on the lowest qualified proposal.

- The Bookkeeper will maintain an inventory log; which will include a description of the item, date of acquisition, price or fair market value of the item, and its location.
- The Bookkeeper will submit documentation to the insurance carrier when assets are acquired for inclusion on the property schedule.
- The Bookkeeper will record all equipment in the accounting system. An entry must be made whenever property is disposed of or acquired.
- A depreciation schedule will be prepared annually by the Bookkeeper for the audited financial statements.
- Records will be retained in accordance with Item #'s 3, 30, 31, 36, 80, 81, and 136, on the Records Retention Schedule.

#### XI. PURCHASING: (Under \$25,000)

##### A. Policy:

Purchases will be defined as consumables necessary for normal operations of the District such as office supplies, chlorine, fuel, meters, check valves, maintenance and lab supplies. Persons authorized by the General Manager may initiate purchases under \$150 for immediate purchase and delivery. All purchases over \$150 but under \$5,000 must be approved in advance by the General Manager. The General Manager is responsible for acknowledging whether the item ordered is within budget and guidelines. Purchases over \$5,000 require 3 proposals, board notification, and/or approval. All requests for quotes will contain clear specifications and will not contain features which unduly restrict competition. The lowest qualified purchase will be chosen.

##### B. Procedures:

- All purchases require a form of approval.
- Persons authorized by the General Manager may initiate immediate purchases up to \$150 with verbal approval of General Manager, but followed up with written approval on invoice.
- Purchases in excess of \$150 and under \$5,000 must be approved by General Manager in writing prior to commitment.
- Purchases over \$5,000 require 3 proposals (when possible), Board notification and or approval.
- All purchases will be accounted for with written receipts submitted to General Manager for record retention and fund accountability.
- Records will be retained in accordance with Item #'s 3, 31, and 80, on the Records Retention Schedule.

XII. INSURANCE:

A. Policy:

Reasonable, adequate coverage will be maintained to safeguard the assets of the District. Such coverage will include property, liability, worker's compensation, employee dishonesty, cyber security and other insurances deemed necessary.

B. Procedures:

- Annually the General Manager will carefully review policies for renewal.
- The Bookkeeper is responsible for additions to the property schedule in conjunction with purchases.
- The Bookkeeper will ensure that all premiums are paid in a timely fashion.
- An independent auditor will annually review the insurance coverage.
- The Secretary will maintain insurance policies in insurance files.
- Records will be retained in accordance with Item #'s 95-99, on the Records Retention Schedule.

XIII. BUDGETS/AUDITS:

A. Policy:

A balanced budget will be prepared annually and submitted to the Board of Directors at the May board meeting for review and approval. The General Manager and the Bookkeeper will prepare the annual budget with input from the Regulatory Officer and Lead Operators. Expenditure line items will be scrutinized to minimize expenditures and revenues will be adjusted by a delinquency factor. Budgets will include line items for funding of rehabilitation and replacement of District infrastructure. The District will annually contract with an independent auditing firm for a full audit of the books prepared in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Independent Auditors may be retained for a minimum period of 3 years after which the District may seek bids from Auditors. All prospective auditors will be checked on the EPLS.gov website to ensure the entity is not suspended or debarred.

B. Procedures:

- General Manager and Bookkeeper prepare the budget with input from Regulatory and Lead Operators.

- Budget is presented to Board in May board meeting for review.
- If corrections or changes are made to the budget, a new budget will be prepared and presented to the Board of Directors at next meeting or a special meeting.
- The Board of Directors will be informed and given an explanation on any items that exceed budgeted line times through the quarterly income/expense reports.
- The General Manager will insure that budgets are on file in the District and posted on the website.
- The Bookkeeper, Secretary, and General Manager will prepare and submit all required documentation to the auditor annually.
- The General Manager will prepare and file annual compensation and benefits reporting to State Controller.
- The Auditor will prepare and file the Annual Comptrollers Report within required time limits.
- The Auditor will present the final audited financial statements and management letter to the Board of Directors annually.
- Budgets, audits, and Comptroller reports will be retained in accordance with Item #'s 10, 13, 14, 27, and 145, on the Records Retention Schedule.

#### XIV. LOANS:

##### A. Policy:

The Board of Directors will approve all loans. All loans require a resolution for application. The Board must authorize person or persons to execute loan documents.

##### B. Procedures:

- All loans require a resolution stating the need for the loan and authorizing the General Manager to execute the documents.
- Procedures will be in compliance with requirements from lenders.
- Loans and promissory note records will be retained in accordance with Item #135, on the Records Retention Schedule.

#### XV. GRANTS:

##### A. Policy:

As grantee, the District has full responsibility for the conduct of a project or activity supported under a grant. The grantee will monitor the performance of the project to assure adherence to performance goals, time schedules or other requirements as appropriate to the project or the terms of the grant. As grantee, the District will agree

to comply with the applicable requirements for grants and to the prudent management of all expenditures and actions affecting the grant. Documentation for all expenditures affecting the grant shall reflect appropriate reviews and approvals made in advance of the action. Organizational reviews are intended to help assure that expenditures are allowable, necessary, and reasonable for the conduct of the project, and that the proposed action:

- Is consistent with grant terms and conditions;
- Is consistent with grantee policies;
- Represents effective utilization of resources; and
- Does not constitute a change in objective or scope.

B. Procedures:

- To be established and determined by grantor.
- Records will be retained in accordance with Item #86 on the Records Retention Schedule.

XVI. CASH RESERVE POLICY:

A. Policy:

Maintaining adequate cash reserves is an essential part of sound financial management. The RAWD Board of Directors realizes the importance of reserves in providing reliable service to its customers, financing of long-term projects, in addition to funding availability for emergencies, should the need arise. Interest derived from reserve balances shall be credited to the reserve account from which it was earned. The establishment of any new reserve account will be determined based on the following:

- Purpose and need for the reserve fund;
- Availability and source of funds to maintain, replenish or initially establish the reserve;
- Operating expenditure levels approved with the annual budget process;
- Future capital expenditure and debt service requirements of the District; and
- Board of Directors approval of the reserve policy.

The reserves will be further classified and defined as:

1. Operating Reserves:

- Definition and Purpose - Established to cover temporary cash flow deficiencies that occur as a result of timing differences between the receipt of operating revenue and expenditure requirements and unexpected expenditures occurring as a result of doing business.
- Target Level – Funding shall be targeted at a level equivalent to three months (or 25%) of the District’s annual operating budget.
- Events or Conditions Prompting the Use of the Reserve – This reserve may be utilized as needed to pay outstanding operating expenditures prior to the receipt of anticipated operating revenues.
- Periodic Review Dates – Reserve balances shall be reviewed as part of the Quarterly Financial Review with the target level examined by General Manager and set by the District’s Board of Directors as part of the annual budget purpose.
- Records Retention - Records will be retained in accordance with Item #'s 83, and 100, on the Records Retention Schedule.

2. Capital Replacement Fund (Reserve):

- Definition and Purpose - Established to provide capital replacement funding as the District’s system’s infrastructure deteriorates over its expected and useful life.
- Target Level – Funding shall be proposed based on the prior year’s audited financial statement and the upcoming proposed operating budget. At such time that both enterprises become self-sustaining, it is proposed to have a set amount. Capital Replacement Funds will be determined through budget and short and long range planning.
- Events or Conditions Prompting the Use of the Reserve – Through the annual budget process, staff shall recommend anticipated asset replacement projects. The Board of Directors shall take action to approve recommended project appropriations from the replacement reserve fund. Should emergency replacement be necessary during any fiscal year, the Board of Directors may take action to amend the budget and appropriate needed funds as required by such emergency.
- Periodic Review Date – Reserve balances shall be reviewed as part of the Quarterly Financial Review with the target level examined by General Manager and set by the District’s Board of Directors as part of the annual budget process.
- Records Retention - Records will be retained in accordance with Item #'s 83, and 100, on the Records Retention Schedule.

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3. Retiree Medical Reserves:

- Definition and Purpose – Created to ensure the future funding associated with the long term liability of health benefit coverage for employees whom have met the requirement necessary for District paid health benefits at retirement. The accounting pronouncement known as Governmental Accounting Standards (GASB 45, 75), has required recognition of post-retirement benefit obligations as part of the financial records. The District is not required to fund the liability at this time, but the District acknowledges the need to begin funding the liability. The District is not in a financial position to fund the entire liability so the Board of Directors has decided to begin partial funding in smaller increments while continuing to “pay as you go”.
- Target Level – The partial annual contribution will begin at \$12,160 for RAWD and \$9,200 for RAID, to be evaluated and/or adjusted every three years based on the actuarial evaluation analysis of potential retirees and projected health care increases with consideration of funds available for allocation from the budget process.
- Events or Conditions Prompting the Use of the Reserve – Deposited reserves may not be used for anything other than the retiree medical cost obligations. Annual projected reserves to be contributed may be adjusted based on funds availability until such time as the Directors have determined a restricted annual contribution with the intent of eliminating the long term liability.
- Periodic Review Dates - Reserve balances shall be reviewed by RAWD Staff and set by the RAWD Board of Directors on a tri-annual (every 2 years) basis as part of the budget process following the required actuarial valuation prepared for the District.
- Records Retention - Records will be retained in accordance with Item #'s 83, and 100, on the Records Retention Schedule.

4. Growth (Fund) Reserve:

- Definition and Purpose – Established to provide future funding derived from capacity expansion fees collected on new development resulting in increased service demand to the District’s operating distribution, collection and treatment systems. Initial fee schedules were identified and established with Resolutions 2-90 (adopted 9/5/90), 3-90 (adopted 9/5/90), 1-92 (adopted 1/15/92) by the Board of Directors. The fee structures were established 9/5/90 and are increased annually on March 1<sup>st</sup> in conjunction with the Construction Cost Indexes.
- Target - Self supported by development.

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- Events or Conditions Prompting the Use of the Reserve – This reserve may only be utilized for costs associated with future user capacity improvements as approved by the RAWD Board of Directors. Any other use of this reserve shall not occur without prior authorization from the RAWD Board of Directors.
- Periodic Review Dates - Reserve balances shall be reviewed by the General Manager, and presented to the RAWD Board of Directors as part of the annual budget process.
- Records Retention - Records will be retained in accordance with Item #'s 83, and 100, on the Records Retention Schedule.

5. Annual Debt Service Reserve for CFD 2011-1:

- Definition and Purpose – USDA Rural and the State Revolving Fund (SRF) require the deposit of one year's annual debt service in an interest bearing account for the life of the project loan (40 years for USDA) and (20 years for SRF).
- Target Level - To be one year's annual payment for Wastewater Treatment Plant and Wetlands Project currently estimated as \$207,000 for USDA and \$76.500 for SRF.
- Events or Conditions Prompting the Use of the Reserve – Directors to decide if interest earned to be used for reduction in principle of the loan. Restricted to final loan payments.
- Periodic Review Dates - Reserve balances shall be reviewed by the General Manager, and presented to the RAWD Board of Directors.
- Records Retention – Records will be retained in accordance with Item #'s 83 and 100 on the Records Retention Schedule.

XVII. ACCOUNTING PROCEDURE FOR ANNUAL BAD DEBT EXPENSE

A. Policy:

Bad debt expense represents the amount of non collectible accounts receivable in a given accounting period. The reason a bad debt expense is allowed is because it is offsetting revenue that was previously recorded. Foreclosures and bankruptcies are true examples of bad debt expense. The District writes off bad debt through the Accounts Receivable Program to adjust accurate Accounts Receivable Balances. These entries are revised at year end and debited to Bad Debt Expense.

B. Procedures:

- Monthly we will continue to write off amounts to income accounts through our adjustments to Accounts Receivable Program (CUSI). This way Accounts Receivable will always balance with the General Ledger.

- On the last day of the fiscal year, all true write-offs (i.e. Foreclosure/Bankruptcies) including source documents and journals will be copied and totaled by bill code.
- After year end internal income reconciliations are prepared and balanced and year end income/expense reports are generated, one journal entry will be prepared crediting the total of write-offs back to their respective income accounts and debiting the Bad Debt Expense Account.
- Records will be retained in accordance with Item #4, on the Records Retention Schedule.

#### XVIII. REFERENCES

Appendix A – Acronym List

Appendix B – Records Retention Schedule

APPENDIX A  
RIO ALTO WATER DISTRICT  
FINANCIAL POLICIES & PROCEDURES MANUAL  
ACRONYM LIST

CFD 2011-1	Community Facilities District No. 2011-1 (Wastewater System Improvement Project)
CUSI	Accounts receivable billing program written and supported by Continental Utility Solutions, Inc.
CUSI/Bluefin	On-line payment portal found on RAWD.org supported by CUSI and Administered by Bluefin
CYMA	Accounting system software for Payroll, Accounts Payable and General Ledger.
GASB	Governmental Accounting Standards Board
LAIF	Local Agency Investment Fund
RAID	Rio Alto Improvement District #1
RAWD	Rio Alto Water District

APPENDIX B

RECORDS RETENTION SCHEDULE

RIO ALTO WATER DISTRICT

Destruction of any record must be authorized by the legislative body. (Government Code §§ 60200-60204)

Item Number	Type of Record	Category	Description or Example of Record	Legal Authority	Minimum Legal Retention Period	Place of Storage
1	Accident/Illness Reports	Administration	Not a public record; For employee medical records and employee exposure records regarding exposure to toxic substances or harmful physical agents -includes material safety data sheets (MSDS) Does not include: health insurance claims; first aid records of one-time treatments for minor injuries; records of employees who worked less than one year; if records are given to employee upon termination	GC 6254 (c) 8 CCR 3204 (d) (1) (A), (B)	Length of employment Plus 30 year	V
2	Accidents/Damage to District Property	Administration	Risk management administration	GC 34090 CCP 337.15	10 Years	SRNE
3	Accounts Payable	Finance	Invoices, reports, investments, purchase orders, account postings, check registers and supporting documents	CCP 337 26 CFR 31.6001 1(e)(2) Sec. of State guidelines recommendation. GC 34090	Until audited + 4 years	C+2 yrs = V Additional 2 years = SRNE
4	Accounts Receivable	Finance	Checks received, reports, investments, receipt books, journals, journal entries and supporting documents for customer billing	CCP 337 26 CFR 31.6001 -1(e)(2); Sec. of State guidelines recommendation	Until audited + 4 years	C+2 yrs = V Additional 2 yrs = SRNE
5	Affidavits of Publication/Posting	Administration	Legal notices for public hearings, publication of Ordinances, etc.	GC 34090	2 years	V
6	Agenda/Agenda Packets	Administration	Agendas and packets should be scanned immediately. A paper copy should be maintained for one year only	GC 34090 GC 34090.5	Permanent on Disc Paper – 1 year	V

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7	Agenda Reports (Staff Reports)	Administration	Paper copies of agenda packets should be Maintained for 1 year as complete packets. Originals should be scanned immediately for Permanent retention. The scanned record may Serve as the permanent record	GC 34090 GC 34090.5	2 years	V
8	Agreements	Administration	Original contracts and agreements and back-up Materials, including leases	CCP 337 CCP 337.2	4 years after termination/completion Permanent	C+2 yrs = V Yr 4 = SRNE V
9	Annexations/Reorganizations	Development	Notices, resolutions, certificates of completion	GC 34090 GC 60201(d)(1)	Permanent	V
10	Annual Financial Report	Finance	Annual Financial Reports	GC 34090.7	Until audited + 7 years	V
11	Appraisals	Development	For real property owned by District – not a public record until real estate transaction is complete	GC 34090 GC 6254(h)	2 years	V
12	Articles of Incorporation	Administration	All of the formation documents	GC 34090 GC 60201	Permanent	V
13	Audit Reports	Finance	Financial services; internal and/or external Reports; independent auditor analysis	GC 34090 Sec. of State Local Govt. Records Retention Guidelines	Permanent (may be revised at a later time by Sec. of State or county officials)	V
14	Audit Hearing or Review	Finance	Documentation created and/or received in connection with an audit hearing or review	GC 34090	2 years	V
15	Backflow Test Reports	Water	Reports of testing and maintenance – water supply	17 CCR § 7605	3 years	SRNE
16	Bacteriological Analysis	Water Administration	Compliance records include location, date, method and results, corrections, analysis of bacterial content	40 CFR 141.33	Current + 5 years	C+1 = V 2-5 Yrs = SRNE
17	Bank Account Reconciliations	Finance	Bank statements, receipts, certificate of deposit, etc.	GC 34090;26 CFR 16001-1	Audited + 5 years	C+2 Yrs = V 4-5 Yrs = SRNE
18	Bids, Accepted	Development	Includes plan and specifications; Notices/affidavits	GC 34090 CCP 337, 337.1	4 years	SRNE
19	Bids, Unaccepted	Development	Unaccepted bid packages only	GC 34090 GC 60201	2 years	SRNE
20	Billing Records	Finance	Utility bill stubs – submitted with payment	GC 34090	Current + 2 years	SRNE
21	Bonds	Finance	Authorization/public hearing records/prospectus/proposals/certificates/notices (transcripts)/registers/statements	GC 34090	Permanent	V
22	Bonds - Employee	Finance	Personnel fidelity bonds	GC 34090	Current + 2 years	V
23	Bonds – Paid/Cancelled	Finance	Paid or cancelled bonds; warrant certificates; interest coupons	GC 34090 GC 53921	2 years	V
24	Bonds - Final	Finance	Final bond documentation; monthly statement of transactions; supporting documents	GC 34090 CCP 337.5	10 Years	V

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25	Bonds, Surety	Finance	Documentation created and/or received in connection with the performance of work/services for the District	CCP 337	4 years	V
26	Brochures/Publications	Administration	Retain selected documents only for historic value	GC 34090	2 years	GMO
27	Budget, Annual	Finance	Adjustments, journal entries, account transfers	GC 34090	Permanent	V
28	California - OSHA	Administration	Personnel - Logs, Supplementary Records, Annual Summary (Federal and State - California OSHA)	LC 6410 8 CCR 14307	5 years	V
29	California State Tax Records	Finance	Forms filed annually; quarterly and year-end reports	R&TC 19530 R&TC 19704	6 years	C+2 yrs = V 4-5 yrs = SRNE
30	Capital Improvements, Construction	Finance	Records on planning, design, construction, conversion or modification of local government-owned facilities, structures and systems	GC 34090 H&S 19850 Sec. of State Local Government Records Management Guidelines	Permanent	V
31	Checks	Finance	Includes originals of payroll, canceled and voided checks	GC 34090 CCP 337 Sec. of State Local Government Records Management Guidelines	Until audited + 5 years	C+2 yrs = V 4-5 yrs = SRNE
32	Chemical Analysis	Water Administration	Compliance records include location, date, method and results, connections, analysis of chemical content, includes Consumer Confidence Reports		Current + 10 40 CFR 141.33	C+2 years = V 4-10 yrs = SRNE
33	Citizen Feedback	Administration	General correspondence	GC 34090	2 years	V
34	Claims Against the District	Administration	Paid/denied	GC 34090	Until settled + 5 years (May be microfilmed after 3 years)	Until settled = V +5 yrs = SRNE
35	Complaints/Requests	Administration	Various files, not related to specific lawsuits involving the District and not otherwise specifically covered by the retention schedule	GC 34090	2 years	V
36	Contracts	Administration	Original contracts and agreements and back-up materials	CCP 337	4 years after termination/completion	C+2 = V 4 yr = SRNE
37	Consumption Reports	Finance		GC 34090	Current + 2 years RAWD + 5 years	C+2 = V 4-5 yrs = SRNE

38	Correspondence	Administration	General correspondence, including letters and e-mail; various files, not otherwise specifically covered by the retention schedule	GC 34090	2 years	V
39	Deeds, Real Property	Development	File with recorded documents; originals may not be destroyed	GC 34090	Permanent	V
40	Deferred Compensation Reports	Finance	Finance – pension/retirement funds	29 CFR 516.5 29 CFR 1627.3	3 years	V
41	Deletes, Customer	Administration	Copies of historical customer billing records filed by year	GC 34090	Until audited + 2 years (RAWWD) 5 years	C+2 yrs = V 4-5 yrs = SRNE
42	Deposits, Receipts	Finance	Receipts for deposited checks, coins, currency	GC 34090 CCP 337	Until audited + 4 years	C+2 = V 4-5 yrs = SRNE
43	Disbursement Reports	Finance	Record of checks issued; approved by legislative body (copy is normally retained as part of agenda packet information)	GC 34090	Until audited + 2 years (RAWWD) – C + 5 years	C+2 yrs = V 4-5 yrs = SRNE
44	DMV Driver Information Reports	Administration	Personnel – Not a public record	GC 34090 GC 6254 (c)	Until superseded	V
45	Easements, Real Property	Development	File with recorded documents; originals may not be destroyed	GC 34090	Permanent	V
46	Economic Interest Statements – Form 700 (Copies)	Administration	Copies of statements forwarded to Fair Political Practices Commission	GC 81009(f),(g)	7 years (can image after 2 years)	C+2 = V 4-5 yrs = SRNE
47	Economic Interest Statements – Form 700 (Originals) - Elected	Administration	Originals of statements of designated employees	GC 81009(e),(g)	7 years (can image after 2 years)	C+2 = V 4-7 yrs = SRNE
48	Economic Interest Statements – Not Elected	Administration	FPPC filings	GC 81009(b)	5 years	SRNE
49	Election – Administrative Documents	Administration	Not ballot cards or absentee voter lists/applications	GC 34090	2 years	V
50	Election – Ballots – Prop. 218 (Assessment Districts)	Administration	Property related fees (assessment ballot proceeding)	California Constitution Art. XIII	Permanent	V
51	Election – Certificates of Election	Administration	Certificates of election; original reports and statements	EC 17100	Termination + 4 years	V
52	Election – Nomination Documents – Successful	Administration	All nomination documents and signatures in lieu of filing petitions	EC 17100	During term and 4 years after	During Term = V + 4 yrs = SRNE
53	Election – Nomination Documents – Unsuccessful	Administration		GC 81009(b)	5 years	SWWTP
54	Election Petitions – Initiative/Recall/Ref. Charter Amendments	Administration	Not a public record – documents resulting in an Election – retention is from election certification	EC 17200, 17400 GC 6253.5 EC 17400 GC 34458-60	8 months after certification	V

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55	Election Petitions – No election	Administration	Not a public record. Not resulting in an election. Retention is from final examination	EC 17200, 17400 GC 6253.5	8 months after certification	V
56	Employee Bonds	Administration	Personnel fidelity bonds	GC 34090	While employed + 2 years	V
57	Employee Confidential Files	Administration	Personnel – Not a public record	GC 12946 GC 6254(c)	While current + 2 years RAWD 10 years	V +10 yrs = SRNE
58	Employee Information, General	Administration	Name, address, date of birth, occupation	GC 12946 29 CFR 1627.3 LC 1174	3 years	V
59	Employee Information, Payment	Finance	Rate of pay and weekly compensation earned	GC 60201	7 years	C+2 = V +4 yrs = SRNE
60	Employee, Medical and Exposure Records (Toxic Substances or Harmful Physical Agents)	Administration	Medical records are part of personnel file – not a public record includes medical records made or maintained by a physician, nurse, or other health care personnel, or technician pertaining to employees exposed to toxic substances or harmful physical agents. Does not include first-aid records of one-time treatment made on-site by a non-physician or observation of minor scratches, cuts, burns, splinters, etc., which do not involve medical treatment, loss of consciousness, restriction of work or motion, or transfer to another job (For employees of less than one year, no need to retain medical records regarding exposure to toxic substances/harmful physical agents if they are returned to employee upon termination)	GC 6254(c) 29 CFR 1910.1020 8 CCR 3204 (d)(1)(A)(B)	Length of employment + 30 years	V
61	Employee, Nonsafety	Administration	Nonsafety employee records may include: release authorizations; certifications; reassignments; outside employment; commendations; disciplinary actions; terminations; oaths of office; evaluations; pre-employee medicals; fingerprints; identification cards (IDs) Includes EAP and recognition	29 CFR 1627.3 GC 12946	Length of employment + 3 years	V
62	Employee Programs	Administration		GC 34090 GC 12946	Current + 2 years	V
63	Employee, Recruitment	Administration	Alternate lists/logs, ethnicity disclosures, examination materials, examination answer sheets, job bulletins	GC 12946 GC 34090 29 CFR 1602 et seq. 29 CFR 1627.3	Current + 2 years	V



64	Employment Applications – Not Hired	Administration	Applications submitted for existing or anticipated job openings, including any records pertaining to failure or refusal to hire applicant	GC 34090 GC 12946 29 CFR 1627.3	2 years	V
65	Employment Eligibility Verification (1-9 Forms)	Administration	Federal Immigration and Nationality Act; Immigration Reform/Control Act 1986	8 USD 1324a (b)(3) Pub. Law 99-603	3 years after date of hire, or 1 year after date of termination, whichever is later	V
66	Employment – Surveys and Studies	Administration	Includes classification, wage rates	GC 12946 GC 34090 29 CFR 516.6	2 years	GMO
67	Employment – Training Records, Nonsafety	Administration	Volunteer program training – class training Materials, internships	GC 34090 GC 12946	Length of employment + 2 years	V
68	Employment – Personnel (By Name)	Administration	Paperwork documenting internal and external training	GC 12946	Length of employment + 2 years	V
69	Employment – Vehicle Mileage Reimbursement Rates	Administration	Annual mileage reimbursement rates	GC 34090	Until Superseded	GMO
70	Engineering Studies	Administration	Includes historical studies prepared for District, Sphere of Influence and STP Plans.	GC 34090	Permanent	GMO
71	Environmental Quality - Asbestos	Administration	Documents, abatement projects, public buildings	GC 34090 H&S 19850	Permanent	V
72	Environmental Quality – California Environmental Quality Act (CEQA)	Development	Exemptions, environmental impact report, mitigation monitoring, negative declaration, notices of completion and determination, comments, statements of overriding considerations	GC34090 CEQA guidelines	Permanent	V
73	Environmental Quality – Environmental Review	Development	Correspondence, consultants, issues, conservation	GC 34090	Completion + 2 years	SRNE
74	Environmental Quality - Soil	Development	Analysis, construction recommendations	GC 34090	Completion + 2 years	SRNE
75	Environmental Quality – Soil Reports	Development	Final reports	GC 34090	Permanent	V
76	Ethics Training Records (AB 1234; Effective 1/1/06)	Administration	Records required to be kept under Government Code Section 53235.2 (effective 1/1/06). Records must show dates that local officials satisfied the training requirements and the entity that provided the training.	GC 53235.2	5 years after receipt of training	V
77	Escrows, Customer	Administration	Demands, copies of deeds, title company information provided, billing records	GC34090	Until audited + 2 years (RAWD) 5 years	C+2 = V 4-5 yrs = SRNE
78	Family and Medical Leave Act (Federal)	Administration	Records of leave taken, District policies relating to leave, notices, communications relating to taking leave	29 CFR 825.500 GC 12946	While employed + 3 Years (federal) or 2 years (state)	V

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79	Federal Tax Records	Finance	May include Forms 1096, 1099, W-4 and W-2	29 USC 436 26 CFR 31.6001.1-4 26 CFR 31.6001-1(e) 29 CFR 516.5-516.6	5 years after file date	C+2 = V 4-5 yrs = SRNE
80	Fixed Assets Inventory	Finance	Reflects purchase date, cost, account number including depreciation schedules	GC 34090	Until audited + 2 years (RAWd) Permanent	V
81	Fixed Assets Vehicle Ownership and Title	Finance	Title transfers when vehicle is sold	VC 9900 et seq.	Until sold	V
82	Forms	Administration	Administrative - blank		Until superseded	Office
83	Fund Transfers	Finance	Internal; bank transfers and wires	GC 34090	Until audited + 2 years	V
84	General Ledgers	Finance	All annual general ledgers and financial summaries	GC 34090 CCP 337 Sec. of State Local Government Records Retention Guidelines	Permanent (may be revised at a later time By Sec. of State or county officials)	V
85	Gifts/Bequests	Finance	Receipts or other documentation	GC 34090	Until completed + 2 years	SRNE
86	Grants	Development	Grants documents and all supporting documents: Applications, reports, contracts, project files, proposals, statements, subrecipient dockets, environmental review, grant documents, inventory, consolidated plan, etc.	GC 34090 24 CFR 570.502 24 CFR 85.42	Until completed + 4 years	Until Completed = V 4 yrs = SRNE
87	Hazardous Materials – Hazardous Waste Disposal	Public Safety	Documents regarding handling and disposal of hazardous waste (permanent retention of environmentally sensitive materials is recommended)	CAL OSHA	While current + 10 years (RAWd) - Permanent	V
88	Hazardous Materials – Permits, Hazardous Materials Storage	Public Safety	(Permanent retention of environmentally sensitive materials is recommended)	GC 34090	While current + 2 years (RAWd) - Permanent	V
89	Hazardous Materials – Exposure Records, Etc.	Public Safety	Employee exposure records; name/identity of chemical substance used; when and where chemical substance was used	8 CCR 3204 (d) et seq.	30 years	V
90	Hazardous Materials – Underground Storage Tank	Public Safety	Compliance: documents regarding: storage, location installation, removal, remediation, maintenance and repair	GC 34090	Permanent	V
91	Historical Lake California Information	Development	Includes documents regarding POA, original developers, foreclosures and tax sales of the development and 504 fund transactions.	GC 34090 GC 60201(d)(E)	Permanent	GMO

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92	Improvements (Underground Utility) – Supporting Documents	Water/Sewer Administration	Supporting documents – bonds, taxes, construction	GC 34090 Sec. of State Local Government Records Management Guidelines	Permanent	V
93	Information Services, Internet/World Wide Web	Administration	Management policies and supporting documentation	GC 34090	Until superseded + 2 years	V
94	Information Systems, Inventory	Administration	Hardware/software inventory logs; systems manuals	GC 34090	Until superseded + 2 years	V
95	Insurance	Finance	Personnel related	GC 34090	Current + 2 years	V
96	Insurance, Joint Powers Agreement	Finance	Accreditation, MOU, agreements and agendas	GC 34090	Current + 2 years	V
97	Insurance Certificates	Finance	Liability, performance bonds, employee bonds, property; insurance certificates filed separately from contracts, includes insurance filed by licensees	GC 34090	Current + 2 years	V
98	Insurance, Liability/Property	Finance	May include liability, property, certificates of Participation, deferred, use of facilities	GC 34090	Current + 2 years	V
99	Insurance, Risk Management Reports	Finance	Federal OSHA forms: loss analysis report; safety reports; actuarial studies	29 CFR 1904.44 GC 34090	5 years (federal) 2 years (state)	V
100	Investment Reports, Transactions	Finance	Summary of transactions, inventory and earnings reports	GC 34090 CCP 337 Sec. of State Local Government Records Reten. Guidelines	Permanent	V
101	Invoices other than customer utilities	Finance	Copies sent for fees owed, billing, related documents	GC 34090	Until audited + 2 years	V
102	Legal District Matters	Administration	Hartell, Clear Creek, Stanley, Planje	GC 34090	Until settled +5 years (RAWD) Permanent	GMO
103	Legal Notices/Affidavits of Publication	Administration		GC 34090	2 Years	V
104	Legal Opinions	Administration	Confidential – not for public disclosure (attorney-client privilege)	GC 34090	Until superseded + 2 years	V
105	Liens & Lien Releases	Administration		GC 34090	Permanent	V
106	Litigation	Administration	Case files	GC 34090	Until settled or adjudicated + 2 years	Current until settled = V +2yrs = SRNE

107	Maintenance & Operations Records	Water/Sewer Administration	Maintenance records of wells, tanks, booster station, hydrants and distribution systems and equipment service/maintenance manuals	GC 34090	Current + 2 years (RAWD) 10 years	LR
108	Maintenance/Repair Records	Water/Sewer Administration	Equipment	GC 34090	2 years (RAWD) 10 years Permanent	LR
109	Maps & Plots	Water/Sewer Administration	District maps stored in map storage file in lunchroom	GC34090a	Permanent	LR
110	Marketing, Promotional	Administration	Brochures, announcements, etc.	GC 34090	2 years	GMO
111	Meter Operations	Administration	Reader reports; orders; tests; maintenance reports	GC 34090	2 years	LR
112	Meter reading	Administration	Reports	GC 34090	Current + 2 years	V
113	Minutes	Administration	Minutes of District board meetings. Documents are to be imaged immediately. Paper records are to be maintained permanently by the board	GC 34090	Permanent	V
114	Newsletter, District	Administration	May wish to retain permanently for historic reference	GC 34090	2 years (RAWD) Permanent	GMO
115	Notices – Public Meetings	Administration	Special meetings	GC 34090	2 years	V
116	Oaths of Office	Administration	Elected and public officials – board members	GC 34090 29 USC 1113	Current plus 6 years	V
117	OSHA	Administration	OSHA Log 200, supplementary record, annual summary (federal and state – California – OSHA)	LC 6410 8 CCR 14307 29 CFR 1904.2 -1904.6	5 years	V
118	OSHA (Accident/Illness Reports)	Administration	Personnel – employee exposure records and employee medical records not a public record	LC 6410 8 CCR 14307 8 CCR 3204 GC 6254 (c)	Duration of employment plus 30 years	V
119	Payroll – Federal/State Reports	Finance	Annual W-2s, W-4s, Form 1099s, etc; quarterly and year-end reports	GC 60201	7 Years	C+2 yrs = V 3-7 yrs = SRNE
120	Payroll Deduction/Authorizations	Finance	Finance	29 CFR 516.6(c) GC 60201	While current + 7 years	C+2 yrs = V 3-7 yrs = SRNE
121	Payroll, Registers	Finance	Finance	29 CFR 516.5(a) LC 1174(d) GC 60201	7 years	C+2 yrs = V 3-7 yrs = SRNE
122	Payroll Registers	Finance	Labor costs by employee and program	Sec. of State Local Government Records Management Guidelines	Permanent	C+2 yrs = V 3-7 yrs = SRNE
123	Payroll Records, Terminated Employees	Finance	Finance files	29 CFR 516.5 GC 60201	7 years from date of last entry	SRNE

124	Payroll, Time Cards/sheets	Finance	Employee	29 C.F.R. Part 516.6 8 CCR 11000 – 11150 Labor Code § 1174 Sec. of State Local Government Records Management Guidelines	7 years from date of last entry	SRNE
125	Payroll – Wage Rates/Job Classification	Finance	Employee records	GC 60201	While current + 7 years	C+2 yrs = V 3-7 yrs = SRNE
126	Permits: NPDES	Sewer Administration	National Pollutant Discharge Elimination System	40 CFR 122.28	Permanent	V
127	PERS – Employee Benefits	Administration	Retirement Plan	29 USC 1027	6 years	C+2 yrs = V 4-6 yrs = SRNE
128	Personnel Records/Files	Administration	Other records (not payroll) containing name, address, date of birth, occupation, etc., including records relating to promotion, demotion, transfer, lay-off, termination	29 CFR 1627.3	3 years	V = 10 yrs SRNE = 10 +
129	Policies, Administrative	Administration	All policies and procedures, directives rendered by the District not assigned a resolution number	GC 34090	Current + 2 years (RAW) until superseded + 2 yrs	V
130	Policies, District Board	Administration	Original policies adopted by the District board	GC 34090	Current + 2 years (RAW) until superseded + 2 yrs	V
131	Political Support/Opposition, Requests and Responses	Administration	Related to legislation	GC 34090	2 years	V
132	Press Releases	Administration	Related to District actions/activities	GC 34090	2 years	V
133	Procedure Manuals	Administration	Administrative	GC 34090	Current + 2 years	V
134	Property, Abandonment	Development	Buildings, condemnation, demolition	GC 34090	Permanent	V
135	Promissory Notes & Loans	Administration	Includes Loan Applications and promissory notes	24 CFR 570.502(b)3; 24 CFR 8.42&OMB Circ/SA=110	Permanent	V
136	Property Acquisition/Disposition	Development	District owned. Supporting documents regarding sale, purchase, exchange, lease or rental of property by District	CCP 337.15	10 years (RAW) Permanent	V
137	Public Records Request	Administration	Requests from the public to inspect or copy public documents	GC 34090	2 years	V

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138	Rates	Water/Sewer Administration	Rates charged customers water & sewer & source documents	GC43090	Current + 2 years (RAW/D) Permanent	GMO
139	Records Management Disposition Certification	Administration	Documentation of final disposition of records	GC 34090	Permanent	V
140	Records Retention Schedules	Administration	Records relating to hiring, promotion, selection for training	GC 34090	Current + 2 years	V
141	Recruitments and Selection	Administration	Originals may never be destroyed. Image immediately	29 CFR 1627.3	3 years	V
142	Resolutions	Administration	Surveys of other agencies	GC 34090	Permanent	V
143	Salary Surveys	Finance	Annual reports	GC 34090	2 years	GMO
144	Sludge Monitoring Reports	Sewer Administration	Filed annually; quarterly	NPDES Permit	Permanent	V
145	State Controller	Finance	Statistics, reports, correspondence	GC 34090	Permanent	V
146	State Tax Records	Finance	Special tax levied by a local agency on a per parcel basis	Refer to Federal Tax Records	5 years after file date	C+2 yrs = V 4-5 yrs = SRNE
147	Survey, Water Systems Sanitary	Water Administration	When used for minute preparation, may have historical value	40 CFR 141.33	Current + 10 years	C+2 yrs = V 4-10 yrs SRNE
148	Taxes, Special	Finance	Development Correspondence, contractor information, Tracts 1009, 1017 & 1018	CCP 338(m)	Until audited + 3 years (RAW/D) Permanent	V
149	Tapes, Audio/Video	Administration	Supporting documents for improvements, bonds, taxes, construction	GC 34090.7	C+3 months (RAW/D) – copies to flash drive	V
150	Tract Developments	Administration	Originals Kept with EDD annual reports	GC 34090	Permanent	GMO
151	Underground Utility – Supporting Documents	Water/Sewer Administration	Applications for utility connections, disconnects, registers, service	GC 34090	Permanent	V
152	Unemployment Insurance Records	Finance	Customer name, service address, meter reading, usage, payments, applications/cancellations	Sec. of State Local Government Records Management Guidelines	4 years (RAW/D) State Filing 5 yrs after file date	C+2 yrs = V +5 yrs = SRNE
153	Utility Services - Applications	Water/Sewer Administration	Including maintenance records	GC 34090	Completion + 2 years (Permanent – RAW/D)	V
154	Utility Services – Billing Records	Administration		GC 34090	Until audited + 2 years (RAW/D) + 5 yrs	C+2 yrs = V 4-5 yrs = SRNE
155	Utility Services – Meter Reading: Reports	Administration		GC 34090	Current + 2 years (RAW/D) – C+5 yrs	C+2 yrs = V 4-5 yrs = SRNE
156	Valve Main Records	Water Administration		GC 34090	Permanent	L/R

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157	Vendor Register	Finance	Alpha listing of account #'s and check date	GC34090	Permanent	V
158	Violations, Drinking Water	Water Administration	Retention applies to each violation	40 CFR 141.33	Current + 3 years	V
159	Wastewater Monitoring Reports		Weekly, monthly, annual monitoring	NPDES Permit	Current + 3 years	RO and CIWQS Website
160	Wells & Pumping	Water Administration	Times operational, power used	GC 34090	Current + 2 years (RAWD) Current + 5 years	LR
161	Work Orders	Water/Sewer Administration	Service requests	GC 4090d	Current + 2 years	V
162	Workers' Compensation Files	Finance	Work injury claims (including denied claims); claim files, reports, etc.	8 CCR 10102 8 CCR 15400.2	Until settled + 5 years	Current = V +5 yrs = SRNE

**Legal Authority Abbreviations**

CCP	Code of Civil Procedure (California)	GC	Government Code (California)	LC	Labor Code (California)
CCR	California Code of Regulations	H&S	Health and Safety Code	PC	Penal Code (California)
CFR	Code of Federal Regulations	IRC	Internal Revenue Code	R&TC	Revenue and Taxation Code (California)
EC	Elections Code (California)	IRS	Internal Revenue Service	USC	United States Code

**Storage Sites**

V = Vault  
 SRNE = Storage Room in District Office near exit  
 GMO = General Manager's Office  
 LR = Lunch Room  
 SWWTP = Storage Room at WWTP  
 RO = Regulatory Supervisor's Office

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