

TO: BOARD OF DIRECTORS

FROM: MICHAEL S. LEBRUN
GENERAL MANAGER

MSL

DATE: OCTOBER 9, 2015

**AGENDA ITEM
E-3
OCTOBER 14, 2015**

**DOCUMENT RETENTION POLICY
ELECTRONIC MAIL POLICY**

ITEM

Consider an updated records retention policy and provide inputs on a draft electronic mail policy [RECOMMEND ADOPT RESOLUTION APPROVING RECORDS RETENTION POLICY AND PROVIDE GUIDANCE ON ELECTRONIC MAIL POLICY]

BACKGROUND

At your Board's regular meeting on September 9, staff presented an updated records retention policy for consideration. Minor edits were directed, however the policy was not adopted pending questions on how the policy handled electronic mail. Staff was directed to investigate the matter further and return. The draft retention policy, with corrections directed from the September meeting is provided as Attachment A.

Staff considered a number of electronic mail policies and approaches from other public agencies and the District's Employee Handbook. The Employee hand book provides some guidance on electronic mail handling (Attachment B).

A draft electronic mail policy is provided (Attachment C) for your Board's consideration and discussion.

FISCAL IMPACT

Budgeted staff time and document destruction fees are expended in support of records management. Well managed records save time and resources.

RECOMMENDATION

- By motion and roll call vote, adopt Resolution approving records retention policy and repealing Resolution 2000-718 (existing retention policy).
- Provide staff direction on electronic mail policy.

ATTACHMENTS

- A. Resolution 2015-XXXX Retention
- B. Employee Handbook Section 4020 C
- C. Draft Electronic Mail Policy

October 14, 2015

ITEM E-3

ATTACHMENT A

NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION 2015-XXXX

A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING RECORDS RETENTION POLICY AND
REPEALING RESOLUTION 2000-718

WHEREAS, the California Secretary of State has issued local government records management guidelines, and certain legislation has been passed and signed into law that augments the authority of local governments and districts to establish records retention schedules that comply with the Secretary of State guidelines (AB 474 amending California Government Code Sections 60200 et seq.); and

WHEREAS, said Board of Directors is authorized by the provisions of California Government Code Section 60200 et seq., to establish a records retention schedule applicable to district records; and

WHEREAS, an appropriate records retention schedule assists the District by documenting which records require office or temporary storage, which records have historic value, and which records should be destroyed because they no longer have any administrative, fiscal or legal value; and

WHEREAS, it is timely to repeal the existing records management and records retention schedule (Resolution 2000-718).

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED, by the Board of Directors of the District as follows:

Section 1: Authorization for Destruction of Records. The Record Retention Schedule set forth in Exhibit "A" hereto is adopted as the approved schedule for the District in compliance with Government Code Sections 60200 et seq., and after such records have been retained for the time periods and according to the process set forth therein, such records may be destroyed upon the request of the General Manager without further action by the Board of Directors of the District.

Section 2: Authorization of Record after Scanning. Any record not expressly required by law to be filed and preserved in original form may be destroyed at any time after it is electronically stored in conformance with the requirements of Government Code Section 60203.

Section 3: Destruction of Duplicates. Pursuant to Government Code Section 60200, any duplicate record, paper or document, the original or a permanent photographic copy of which is in the files of the District, may be destroyed after

NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION 2015-XXXX

A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING RECORDS RETENTION POLICY AND
REPEALING RESOLUTION 2000-718

confirmation that such original or permanent photographic copy remains on file with the District.

Section 4: Retention of Records Not Mentioned. All records, papers and documents not mentioned in this Resolution may be scanned as archival records or destroyed so long as such disposal is consistent with the recommendations of the Local Government Records Management Guidelines as set forth by the Secretary of State (June 2004) as the same may be amended from time to time.

Section 5: Retained Records. Notwithstanding the provisions of Section 1 above or any other provision of law, pursuant to Code Section 60201(d) the District may not destroy or dispose of any record that is any of the following:

- a. Relates to formation, change of organization, or reorganization of the District;
- b. An ordinance adopted by the District. However, an ordinance that has been repealed or is otherwise invalid or unenforceable may be destroyed or disposed of five years after it was repealed or became invalid or unenforceable;
- c. Minutes of any meeting of the Board of Directors of the District;
- d. Relates to any pending claim or litigation or any settlement or other disposition of litigation within the past two years;
- e. Is the subject of any pending request made pursuant to the California Public Records Act (Chapter 3.5, Division 7, Title 1, commencing with Section 6250 of the Code), whether or not the District maintains that the record is exempt from disclosure, until the request has been granted or two years have elapsed since the District provided written notice to the requester that the request has been denied;
- f. Relates to any pending construction that the District has not accepted or as to which a stop notice claim legally may be presented;
- g. Relates to the title to real property in which the District has an interest;
- h. Relates to any non-discharged contract to which the District is a party;
- i. Has not fulfilled the administrative, fiscal, or legal purpose for which it was created or received;
- j. Is an unaccepted bid or proposal, which is less than two years old, for the construction or installation of any building, structure, or other public work;
- k. Specifies the amount of compensation paid to District employees or to independent contractors providing personal or professional

NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION 2015-XXXX

A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING RECORDS RETENTION POLICY AND
REPEALING RESOLUTION 2000-718

services to the District, or relates to expense reimbursement to District officers or employees or the use of District paid credit cards or any travel compensation mechanism. However, a record described in this paragraph may be destroyed or disposed of pursuant to Section 60201 of the Code seven years after the date of payment; and

- I. Any other records required by law to be filed or preserved.

Section 6: Resolution 2000-718 is hereby repealed in its entirety.

Section 7: Incorporation of Recitals. The Recitals are true and correct and incorporated herein by this reference. The Recitals and referenced reports and studies contained therein constitute and support the findings of the District in support of this Resolution.

Section 8: Effect of Repeal on Past Actions and Obligations. This Resolution does not affect prosecutions for violations committed prior to the effective date of this Resolution, does not waive any fee or penalty due and unpaid on the effective date of this Resolution, and does not affect the validity of any bond or cash deposit posted, filed or deposited pursuant to the requirements of any prior Resolution or Ordinance.

Section 9: CEQA Findings. The Board of Directors of the District finds that the records retention policy adopted by this Resolution exempt from the California Environmental Quality Act pursuant to Public Resources Code § 21080(b)(8) and CEQA Guidelines Section 15273. The District General Manager is directed to prepare and file appropriate notices.

Section 10: Severance Clause. If any section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be unconstitutional, ineffective or in any manner in conflict with the laws of the United States, or the State of California, such decision shall not affect the validity of the remaining portions of this Resolution. The Governing Board of the District hereby declares that it would have adopted this Resolution and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional, ineffective, or in any manner in conflict with the laws of the United States or the State of California.

Section 11: Effective Date. This Resolution shall take effect immediately.

NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION 2015-XXXX

A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING RECORDS RETENTION POLICY AND
REPEALING RESOLUTION 2000-718

Upon the motion of Director _____, seconded by Director ---, and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

CONFLICTS:

the foregoing resolution is hereby adopted this ___th day of _____, 2015.

CRAIG ARMSTRONG
President of the Board

ATTEST:

APPROVED AS TO FORM:

MICHAEL S. LEBRUN
General Manager and Secretary to the Board

MICHAEL W. SEITZ
District Legal Counsel

EXHIBIT A

NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION 2015-XXXX

A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING RECORDS RETENTION POLICY

LEGEND Records Retention	
AC = Active	T = Termination
AU = Audit	AD = Adoption
CU = Current Year	CL = Closed/Completion
E = Election	L = Life
P = Permanent	S = Supersede

CITATIONS	
B&P - Business and Professions	FMLA – Family & Medical Leave Act, 1993
CAC – California Administrative Code	GC – Government Code
CCP – Code of Civil Procedure	H&S – Health & Safety
CCR – Code of California Regulations	OSHA – Occupational Safety & Health Act
CEQA – California Environmental Quality Act	UFC – Uniform Fire Code
CFR – Code of Federal Regulations	USC – United States Code
EC – Election Code	

EXHIBIT A

NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION 2015-XXXX

A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING RECORDS RETENTION POLICY

ADMINISTRATION			
Record Series	Retention	Citation	Descriptor
AUDIT			
Annual Financial Report	CL + 2	GC34090	Independent auditor analysis
Bonds	CL + 10	GC34090; CCP 337.5	Final bond documentation
Budget	P	GC34090	Annual operating budget approved by Legislative Body
Budget Operating (copies)	S	GC34090	Departmental Reference
Hearing or Review	AU + 2	GC34090; OMBA-128	Documentation created and or received in connection with an audit hearing or review
Reports	AU + 4	GC34090; OMBA-128	Internal and/or external
Reviews, Internal/External Periodic	CU	GC34090; GC6250	Daily, weekly, monthly, quarterly or other summary, review, evaluation, log, list, statistics, except a report
ELECTIONS			
Ballots Prop.218/Assessment Districts	P	California Constitution Art. XIII	Property related fees/(Assessment Ballot proceeding)
Certificates of Election	T + 4	GC 81009(a) (d)	Certificates of election; Original reports and statements
FAIR POLITICAL PRACTICES			
Administration/ Campaign Statements and Conflict of Interest	CU + 5		FPPC Opinions
History	P	GC 34090	History of elections
Statement of economic interest - Elected Officials	T + 7	GC 81009(e)	FPPC Filings
Oaths of Office	T + 6	GC34090; 29 USC 1113	Elected Officials
Petitions	8 months	EC 17200, 17400; GC 7253.5; EC 14700 + GC 3756:8	From date of filing or election; Initiative, referendum, recall, Charter Amendments
GENERAL SUBJECT			
Administration	P	GC34090	
Biographies	CU + 2	GC34090	
Classifications and Appointments	P	GC 34090; GC 12946; 29 CFR	Includes supplemental Personnel records. Wage rate tables 2 years.

EXHIBIT A

NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION 2015-XXXX

A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING RECORDS RETENTION POLICY

ADMINISTRATION			
Record Series	Retention	Citation	Descriptor
		516.6(2); 29 CFR 1602.4	
Correspondence/ Originating Department	CU + 2	GC34090(d)	If not attached to agreement or project file
Goals & Objectives	CU + 2	GC34090	Departmental goals & objectives
Policies & Procedures, Departmental	S + 5	GC34090(d)	Retain while current
Promotional Marketing			
External	CU + 7		
Internal	2		
Reports			
Departmental	CU + 2	GC34090	Special or final summary, review or evaluation
Staff	CU + 2	GC34090	Non-agenda related, includes supporting documentation
Special Projects	CU + 2	GC34090	
Support Services	CU + 2	GC34090	Reproduction; printing; postal/mailing services, other internal resources
Travel Records	CU + 2	GC34090	
GRANTS			
Community Development Block Grant and Urban Development	T + 4	GC34090; 24 CFR 570.502 24 CFR85.42*	Applications, reports, contracts, supporting documents; *OMB Cir. A-102, A-110, A-128
Federal and State	CL + 5	GC34090	Refer to grant application close-out procedure
Financial Records	CL + 5	GC34090	Refer to grant application close-out procedure
Unsuccessful	CL + 2	GC34090	Applications not entitled
HUMAN RESOURCES			
Benefit Plan Claims	P	GC6250 et seq; OMBA-129 29 CFR 1602.30; 32; Lab Rel Sec 1174*	May include dental, disability, education, health, life and vision including dependent care and Employee Assistance *29 CFR 1637.3; 29 USC 1027; 29 CFR 1627.3; 29 USC 1113
Benefit Plan Enrollment, Denied	CL + 4	GC34090; OMBA-128	
Bond, Personnel Fidelity	T + 2	GC34090	Employee Fidelity Bonds
Employee Handbook	S + 2	GC 34090	General employee information including benefit plans
Employee Programs	CL + 2	GC 34090; GC 12946	Includes recognition
Employee Rights General Employees	T + 2	GC12946; 29 CFR	May include Arbitration, grievances, union requests,

EXHIBIT A

NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION 2015-XXXX

A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING RECORDS RETENTION POLICY

ADMINISTRATION			
Record Series	Retention	Citation	Descriptor
		USC211 (e); 203(m); 207(a)	sexual harassment and Civil Rights, complaints,
Hourly Employees	T + 6	GC12946; GC34090*	*29 CFR 1627.3, Labor Relations Section 1174
Immigrant		Immigration Reform/Control Act 1986 Pub. L 99-603	1-9's
Medical Leave	CL + 30	FMLA 1993 US OSHA; 29 CFR: 1910.20*	May include Family leave; certifications; tests; W-4's; *29 CFR 1602.30.32; 49 CFR 193-9;
Motor Vehicle Pulls (DMV)	CL + 7	GC12946,*	*CA 91009; 8 USC 1324 (a)
Negotiation	P	29 USC Sections 211(c), 203(m), 207(a)	Notes, notebooks, correspondence, contracts, and Memorandums of Agreements
Non-Safety Employees	T + 3	Reference: 29 CFR 1627.3; CCR Sec 1174; 29 CFR 1602.30.32; GC6250 et seq; 29 CFR; GC 12946, 34090*	Non-safety employees may include: Release Authorizations; Certifications; Reassignments; outside employment; commendations disciplinary actions; terminations; Oaths of Office; evaluations-pre-employee medicals; fingerprints; identification cards (ID=s) *1607.4; 29 CFR 655.202; 29 CFR 516.6 et seq; 45 CFR 1068.6(a)
Personnel Records (copies)	CU + 2	GC34090 ; GC6250	Attendance; evaluations; drafts; worksheets; postings
PERS, Social Security, SSI	P	29 CFR 1627.3(2); GC 12946, 34090	EEOC/ADEA
Recruitment	CL + 3	Reference: GC12946; GC6250 et seq; 29 CFR 1602 et seq 29 CFR 1607; 29CFR 1627.3	Applications, resumes, alternate lists/logs, indices; ethnicity disclosures; examination materials; examination answer sheets, job bulletins; eligibility; electronic database
Reports	CU + 2	GC34090	Employee statistics, benefit activity; liability loss
Surveys and Studies	CU + 2	GC 12946, 34090; 29	Includes classification, wage rates

EXHIBIT A

NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION 2015-XXXX

A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING RECORDS RETENTION POLICY

ADMINISTRATION			
Record Series	Retention	Citation	Descriptor
		CFR 516.6(2); 29 CFR 1602.14	
Training Records Non-Safety	CU + 7	GC6250 et seq	Employee applications, volunteer program training, class training materials, internships;
Personnel (by name)	T + 7	GC34090	Paperwork documenting officers internal and external training
Vehicle Mileage Reimbursement Rates	S + 2	GC 34090	Annual mileage reimbursement rates
INFORMATION SERVICES			
Internet, World Wide Web	S + 2	GC34090	Management/Policies and supporting documentation
Inventory, Information Systems	S + 2	GC34090	Hardware/Software Inventory logs; systems manuals
Network Information Systems (LAN/WAN)	CU + 4	GC34090; CCP 337.2; 343	Configuration maps and plans
Program Files and Directories	CU + 2 CU + 2 months CU + 1 CU + .5	GC34090 GC34090.7	Annual Backup Daily Backup Monthly Backup Weekly Backup
LEGAL/ LEGISLATIVE			
Agendas	CU + 2	GC34090	Original agendas and special meeting notices, including certificates of posting, original summaries, original communications and action agendas for Council, Boards and Commissions
Agenda Reports (Master, Subject Files)	CU + 2	GC34090 (d)	Documentation received, created and/or submitted to Council
Appeals, Civil	CU + 3	CCP 583.320(a) (3);GC 34090	
Applications, Boards, Commissions, Committees	CL + 2	GC34090	Not selected
Applications, Boards, Commissions, Committees	T + 5	GC34090; GC40801	Selected
Legal Advertising	CU + 4	CCP 343, 349 et seq.; GC 9112; GC34090	Includes public notices, legal publications

EXHIBIT A

NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION 2015-XXXX

A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING RECORDS RETENTION POLICY

ADMINISTRATION			
Record Series	Retention	Citation	Descriptor
Minutes	P	GC34090(d); GC36814; GC40801	Official minutes and hearing proceedings of governing body or board, commission or committee
Notices, Meeting	CU + 2	GC 34090.7, 54960.1(c)(1)	Special meetings
Opinions	S + 2	GC34090 ; GC6254	Confidential
Ordinances	P	GC34090(d) 40806	Charter amendments; municipal code
Petitions	CU + 1	GC50115; GC6253	Submitted to legislative bodies
Resolutions	P	GC34090(d) 40801	Legislative actions
Tapes, Audio/Video	CU + 3 mos.	GC 34090.7	When used for minute preparation and may have historical value.
MUNICIPAL CLERK			
Assessment Districts	P	GC34090	Original documentation
Inventory, Records	CU + 2	GC34090; 80 0PS Atty. Gen. 106	Inventory of non-current or inactive records holdings and location, indices. Tapes may be recycled.
Municipal Code	P	GC 34090	Supplements included
Public Records Request	CL + 2	GC 34090	
Records Management	CL + 2	GC34090	Document includes retrieval, transfers - inactive
Records Management Disposition Certification	P	GC34090	Documentation of final disposition or records
Records Retention Schedules	S + 4	CCP 343	
POLICIES/ PROCEDURES			
General Administrative	S + 2	GC34090; 40801	All District policies and procedures
Policy, Board/ Proclamations	S + 2	GC34090	Policies, directives rendered by Board not assigned a resolution or ordinance number
PUBLIC FINANCING AUTHORITY			
Administration	P	GC 34090	
Financial Records	P	GC 34090, 40802, 53901	
Management Reports	2	GC34090	
PUBLIC INFORMATION			

EXHIBIT A

NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION 2015-XXXX

A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING RECORDS RETENTION POLICY

ADMINISTRATION			
Record Series	Retention	Citation	Descriptor
Brochures, publications, newsletter, bulletins	S + 2	GC 34090	
Calendar,	CU + 2	GC 34090	
Media Relations	CU + 2	GC 34090	Includes cable, newspaper, radio, message boards, and presentations.
RISK MANAGEMENT			
Accident Reports - Assets	CL + 7	29 CFR 1904.2; 29 CFR 1904.6	Reports and related records * CFR 1904.6
Bonds, Insurance	P	CCP 337.2; 343	Bonds and insurance policies insuring city property and other assets
Claims, Damage	CL + 5	GC34090; GC25105.5	Paid/Denied
Incident Reports	CL + 7	29 CFR 1904.2; 29 CFR 1904.6	Theft, arson, vandalism, property damage or similar occurrence (excluding fire/law enforcement)
Insurance, Joint Powers Agreement	P	GC34090	
Insurance, Certificates	P	GC34090	Insurance certificates filed separately from contracts, includes insurance filed by licensees
Insurance, Liability/Property	P	GC34090	May include liability, property, Certificates of Participation, deferred, use of facilities
Insurance, Workers Compensation	P	GC6410; 29 CFR 1910.20	Indemnity; PERS - working files - originals with Administrator
Photographs, Negatives, Film	CL + 2	GC34090	
Risk Management Reports	CL + 5	OMB 1220-0029; 29 CFR 1904.4; GC 34090	Federal OSHA Forms; Loss Analysis Report; Safety Reports ;Actuarial Studies
Workers Compensation	P	CCR 14311; 15400.2; CA Labor Code 110-139.6	Claim files, Reports, Incidents (working files) originals filed with Administrator

DEVELOPMENT			
Record Series	Retention	Citation	Descriptor
ADMINISTRATION			
Benchmark Data	CU + 2	GC34090d	Horizontal, vertical & control
Bids & Proposals	CL + 2	GC34090d	

EXHIBIT A

NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION 2015-XXXX

A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING RECORDS RETENTION POLICY

DEVELOPMENT			
Record Series	Retention	Citation	Descriptor
(Unsuccessful)			
Bonds	CL + 10	CCP 337.5	Housing; Industrial Development
Development Security	CL + 2	GC34090	Documentation created and or received in connection with the performance of work/services for the city, or for parcel maps and subdivision work
Code Books	P	GC34090e	National Electrical Code, Uniform Building, Fire, Mechanical, Plumbing & Supplements
Contractor	CU + 2	GC34090d	Current listing
Correspondence	CU + 2	GC34090d	Working documentation
Development Conditions	L	GC34090	Mitigation measures; filed with case files
Development Agreements	P	CCP337, 337.1(a), 337.15; GC34090;4 8 CFR 4.703	Infrastructure contracts, franchises. Original maintained for 7 years.
Development Standards	P	GC34090a	Landscape mediums, parkway landscape development, public works construction
Drawings, Project Plan	CU + 2	GC34090d	Does not include those usually filed with case or project
Franchises	P	GC65864, 65869.5, 34090*	Including subdivision agreements, contracts for sale or purchase of property, cable, grant of easements and involving construction of improvements *CCP 337.2, 343; AC16023
General Subject Files	CU + 2	GC34090d	Internal working files including correspondence
Grants, Community/Urban Development (includes CDBG)	CL + 4	24CFR 570.502(b) (3); 241CFR 85.42 & OMB Cir. A- 110, Attach. C; *	Project files, contracts, proposals, statements, reports, sub-recipient dockets, Environmental review, grant documents, applications, inventory, consolidated plan, etc. Includes Section 108 loan guarantee
Historic Preservation Inventory	2	GC34090d	Historic structures & landmarks
Incident Files	2	GC34090d	Emergency Call Outs
Land Uses, nonconforming	P	GC34090a	Building or site usage which does not conform to current standards
Logs	CU + 5		Logs, registers or similar

EXHIBIT A

NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION 2015-XXXX

A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING RECORDS RETENTION POLICY

DEVELOPMENT			
Record Series	Retention	Citation	Descriptor
			records listing permits, certificates of occupancy issued; may include inspection, building activity, daily, plan check, utility
Maps & Plats	P	GC34090a	Engineering & field notes and profiles; cross-section of roads, streets, right-of-way, bridges; may include annexations, parks, tracts, block, storm drains, water easements, bench marks, trees, grading, landfill, fire hydrants, base maps, etc.
Master Plans, Annual	S + 2	GC34090	Special or long range program plan for municipalities - coordination of services; strategic planning
Permits, Construction	P	GC34090a; H&S19850; 4003; 4004	Plans, building, signs, grading, encroachment, including blueprints and specifications
Permits, Other	CL + 2	GC34090d	Alterations, encroachment, excavations, road, street sidewalks & curb alterations, transportation, swimming pool drainage, temporary uses, etc.
Photographs	S + 2	GC34090d	Aerial photographs
Projects, Not Completed or Denied	CL + 2	GC34090d	Building, engineering, planning
Reports	cu + 2	GC34090	Activity, periodic
Studies, Special Projects & Areas	CL + 2	GC34090d	Engineering, joint powers, noise, transportation
Surveys	P	GC34090a	Recording data and maps
ENGINEERING			
Capital Improvement Projects	CL + 10	CC337.15	Supporting documents including bidders list, specifications, reports, plans, work orders, schedules, etc.
Special Districts	P	GC34090a	Supporting documents re: improvement, lighting, underground utility; bonds, taxes & construction
Street/Alley (Abandonment/ Vacation)	CL + 2	GC34090d	Relinquishment of rights and fee title
MUNICIPAL FACILITY			
Capital Improvements,	P	2.083110;	Contains records re: Planning,

EXHIBIT A

NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION 2015-XXXX

A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING RECORDS RETENTION POLICY

DEVELOPMENT			
Record Series	Retention	Citation	Descriptor
			design, construction,
Construction		GC34090a; 4004; H&S 19850; GC34090a	conversion or modification of local government-owned facilities, structures and systems
Facility Rentals/Use	CU + 2	GC34090	Permits, contracts, diagrams, schedules, insurance binders
Maintenance & Operations	CU + 2	GC34090d	Service requests, invoices, supporting documentation; buildings, equipment, field engineering, public facilities including work orders and graffiti removal
PROPERTY			
Abandonment	P	GC34090a	Buildings, Condemnation, Demolition
Acquisition/ Disposition Disposition	CL + 10	GC34090a; GC6254	Supporting documents re: sale, purchase, exchange, lease or rental of property by City
Annexation Case Files	P	GC34090a	Reports, agreements, public notices
Appraisals	CL + 2	GC34090; GC6254(h)	Exempt until final acquisition or contract agreement obtained
Deeds & Promissory Notes	P	GC34090a *	* 24 CFR 570.502(b)(3); 24 CFR 8.42 & OMB Circ. SA-110
Maps, City Boundary	P	GC34090d	Recorded maps, surveys, monuments
Lot Split Cases	P	GC34090	
Relocation Files	CL + 2	GC34090	e.g., Redevelopment

FINANCE			
Record Series	Retention	Citation	Descriptor
ACCOUNTING			
Accounts Payable	AU + 4	GC34090	Invoices, check copies, supporting documents
Accounts Receivable	AU + 4	GC 34090	
Applications	CL + 2	GC34090	Utility connections, disconnects, registers, service
Assessment Districts	P	GC 34090	Collection information; Original documentation files with municipal clerk
Bank Reconciliation	AU + 5	GC34090; 26 CFR 16001-1	Statements, summaries for receipts, disbursements & reconciliation
Billing Records	AU + 2	GC34090	Customer name, service address, meter reading, usage, payments, applications/cancellations
Budget	AU + 2	GC 34090	
Budget adjustments,	AU + 2	GC34090	Account transfers

EXHIBIT A

NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION 2015-XXXX

A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING RECORDS RETENTION POLICY

FINANCE			
Record Series	Retention	Citation	Descriptor
journal entries			
Checks	AU + 5	GC34090; CCP 337	Includes payroll, canceled & voided checks
Deposits, Receipts	AU + 4	GC 34090; CCP 337	Checks, coins, currency
Invoices	AU + 2	GC34090	Copies sent for fees owed, billing, related documents
Journals			
Utility Billing	CU + 2	GC34090	Billing including monthly activity
Voucher	AU + 4	GC34090; CCP 337	Account postings with supporting documents
Taxes, Receivable	AU + 3	CCP338	
Warrant Register	AU + 2	GC 34090.7	
ADMINISTRATIVE SERVICES			
Budget Operating (copies)	S	GC34090	Departmental Reference
Budget, Proposed	CU + 2	GC34090	Presented to Board
Adopted	P	GC 34090	
FIXED ASSETS			
Inventory	AU + 4	GC34090; 26 CFR 301 65-1(F)	Reflects purchase date, cost, account number
Surplus Property			
Auction	AU + 2	GC34090	Listing of property
Disposal	AU + 4	GC34090; CCP 337	Sealed bid sales of equipment
Vehicle Ownership & Title	L	VC 9900 et seq.	Title transfers when vehicle sold
PAYROLL			
Adjustments	AU + 4	GC 34090 29 CFR 516.5-516.6	Audit purposes
Employee Time Sheets	AU + 6	GC34090; 29 CFR 516.2*	Signed by employee for audit & FEMA Reports *20 CFR 516.6(1); IRS Reg. 31.6001-1(e)(z); R&T 19530; LC 1174(d)
PERSEmployee Deduction Reports	T + 4	GC34090; CAC 22-1085-2	Record of deductions (PERS Public Employee Retirement System) *26CFR 31.6001-1;29 CFR 516.5, 516.6, LC 1174(d)
Register	P	GC34090; GC37207	Labor costs by employee & program
Salary Records	T + 3	GC34090; 29 CFR 516.2	Deduction authorization, beneficiary designations, unemployment claims, garnishments
PURCHASING			

EXHIBIT A

NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION 2015-XXXX

A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING RECORDS RETENTION POLICY

FINANCE			
Record Series	Retention	Citation	Descriptor
Bids, RFQ's, RFP's Successful Unsuccessful	AU + 4 AU + 5 cu + 2	GC34090; CCP 337; *	Requests for Qualifications; Requests for Proposals regarding goods and services * GC 25105-1; GC 34090
Requisitions			
Purchase Orders	AU + 4	GC34090; CCP 337	Original documents
REPORTS			
Audits	P	GC 34090	
Deferred Compensation	T + 5	GC34090; 26 CFR 16001- 1*	Records of employee contributions and payments *29 CFR 1627.3(2)
Federal and State Tax	AU + 4	GC34090; 29USC 436 *	Forms 1096, 1099, W-4's and W-2's *26 CFR 31.6001.1-4; IRS REG 31.6001-1(e)(2);R&T 19530;29 CFR 516.5-516.6
Financial, Annual	AU + 7	GC 34090.7	
Investment Transactions	P	GC34090; CCP 337; GC 53607	Summary of transactions, inventory & earnings report
Labor Distribution	AU + 2	GC34090	Costs by employee & program
Meter Reading	CU + 2	GC34090	
State Controller	P	GC34090	Controller may destroy after 5 years
TREASURER			
Bank Statements	AU + 2	FC 3368, 30210; GC 43900 et seq	Financing authority
Bonds			
Account Statements	CL + 10	GC34090; CCP 337.5	Monthly statement of transactions.
Administration	CL + 10	GC34090; CCP 337.5	Supporting documents
Bonds and Coupons	CL + 2	GC34090; 53921	Paid/canceled

PUBLIC WORKS			
Record Series	Retention	Citation	Descriptor
WASTEWATER			
Collections/ Facilities	CU + 2 CU + 2	GC34090 GC34090	Daily records, usage Correspondence, maps, patron list
Incineration Plants, Sludge	CU + 2	40 CFR 61.54	Sludge, sampling, charging rate to measure mercury content
Incinerator Operations, Treatment Plant	CU + 2	40 CFR 60.153	Gas flow through wet scrubbing, oxygen content of exhaust gas, sludge rate, temperatures, fuel flow, total solids and volatile solids

EXHIBIT A

NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION 2015-XXXX

A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING RECORDS RETENTION POLICY

PUBLIC WORKS			
Record Series	Retention	Citation	Descriptor
Maintenance and Operations	CU + 2	GC34090	Includes work orders, inspection, repairs, cleaning, reports, complaints
Maps, Septic Tank	P	GC34090	Location maps
Rates	CU + 2	GC34090	
UTILITIES			
WATER			
Billing/Customer Records	CU + 2	GC34090	Billings, correspondence, complaints
Connection Records	P	GC34090	Maps, water line connections
Grants (see Admin.)			
Inventory, Equipment	CU + 2	GC34090	
Locations	P	GC34090	Mains, valves, hydrants, wells
Maintenance and Operations	CU + 2	GC34090	Includes work orders, inspection, repairs, cleaning, reports, complaints
Service	CU + 2	GC34090	Includes work orders, entry cards, manholes, service to property owners
Well & Pumping	CU + 2	GC34090	Times operational, power used and quantity
Maps	P	GC34090	Line location; easements
Master Plans	CU + 2	GC34090	Copies
Meter Operations	CU + 2	GC34090	Reader reports, orders, tests Maintenance Reports
Permits			
National Pollutant Discharge Elimination System (NPDES)	P	40 CFR 122.28	Municipalities of 100,000/more, compliance with Clean Water Act re: pollutants
Others	CU + 2	GC34090	May depend on terms of state or federal agency
Policies and Procedures	S + 2	GC34090	Includes rules and regulations
Rates	S + 2	GC34090	
Reclamation	CU + 5	40 CFR 122.41	Daily operations including sewage flow, grit removal, chlorine usage, lab analysis results, etc.
Reports			
Conservation	CU + 2	GC34090	
Consumption	CU + 2	GC34090	
Corrosion Control	CU + 12	40 CFR 141.91	Compliance documentation
Discharge Monitoring	CU + 5	40 CFR 122.41	Average amount of pollution discharged into waters of municipality.
Drinking	CU + 10	40 CFR 141.33	

EXHIBIT A

NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION 2015-XXXX

A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING RECORDS RETENTION POLICY

PUBLIC WORKS			
Record Series	Retention	Citation	Descriptor
Water Corrections			
Hydrograph	P	GC34090	Daily flow of streams
Lead Service Line	CU + 12	40 CFR 141.91	Compliance documentation
Public Education	CU + 12	40 CFR 141.91	Compliance documentation
Quality Parameters	CU + 12	40 CFR 141.91	Compliance documentation
Sanitary Surveys	CU + 10	40 CFR 141.33	Statistics, reports, correspondence
Source Water	CU + 12	40 CFR 141.91	Compliance documentation, e.g. lead & copper
State Certification	CU + 12	40 CFR 141.91	Compliance documentation
Variances, Water System	CU + 5	40 CFR 141.33	
Well Level	CU + 2	GC34090	
Sources	CU + 2	GC34090	May include wells, rivers, lakes, districts
Surveyor Field Notes	P	GC34090	Notes preparatory to maps of water installations
Surveys, Water System Sanitary	CU + 10	40 CFR 141.33	Statistics, reports, correspondence
Tests			
Bacteriological Analysis	CU + 5	40 CFR 141.33	Compliance records include location, date, method and results; corrections, analysis of bacterial content
Chemical Analysis	CU + 10	40 CFR 141.33	Compliance records include location, date, method used and results; corrections, analysis of chemical content
Quality	CU + 12	40 CFR 141.91	Compliance documentation including sampling data, analysis, reports, surveys, documents, evaluation, schedules, valves, etc.
Valve Main Records	P	GC34090	
Violations, Drinking Water	CU + 3	40 CFR 141.33	

October 14, 2015

ITEM E-3

ATTACHMENT B

4020 - TECHNOLOGY USAGE

- A. Usage of District Technology Resources:** The District provides various technology resources to its employees, including computers, cell phones, smart phones, tablets, electronic mail, internet access, and other forms of technology. These resources are provided to employees for work-related purposes. These technology resources are business tools, which are to be used in accordance with generally accepted business practices and to provide an efficient and effective means of communications for the District.
- B. Privacy:** An employee cannot expect privacy rights to extend to any use of District-owned technology resources, equipment, or supplies. The District has the right to monitor and inspect all technology resources at any time to ensure proper business use. As a result, any information placed on any District computer, to or from a District e-mail account or otherwise, is subject to inspection and disclosure by the District. As a result, no one should have any reasonable expectation of privacy in communications sent over the District e-mail network. E-mail communications are not confidential. For purposes of this policy, e-mail shall also include all messages transmitted on the Internet.
- C. E-mail Usage:** All District employees, consultants and other non-employees utilizing electronic communications with the District (hereinafter "E-mail users") must abide by the following requirements:
1. **District Property:** The District's electronic systems and the contents thereof are the sole property of the District and therefore not considered personal. Communications sent over the System is subject to monitoring by the District and may be subject to disclosure under the Public Records Act or litigation. Communications transmitted over the System should be restricted to business activities of the District or communications that contain information related to the accomplishment of District business, administration or practices. Incidental personal use is allowed, subject to the provision below.
 2. **E-mail Retention:** E-mail messages which are intended to be retained in the ordinary course of the District's business are recognized as official records that require protection/retention in accordance with the California Public Records Act. Because the e-mail system is not designed for long-term storage, e-mail communications, which are intended to be retained as an official record, shall be filed in electronic or hard copy form as appropriate in the appropriate subject file. E-mail messages which are responsive to existing public record requests, subpoena or production demand, or which are otherwise relevant to pending litigation or claim, shall be likewise retained in electronic or hard copy format.
 3. **Improper Use:** All of the following will be considered and treated as improper use which is strictly prohibited:
 - a. Use of the System for transmitting any information that is discriminatory, harassing, or obscene, including but not limited to:

comments based on race, national origin, gender, sexual orientation, age, disability, religion, or political beliefs.

- b. Use of the System for transmitting any information that counsels insubordination, harms close-working relationships, publicizes a personal dispute, undermines the District's ability to provide public services through its employees or harms the integrity of the System or network.
 - c. Use of the System to solicit, promote or proselytize others for non-job related commercial ventures, religious or political causes, or other non-job-related activities.
 - d. Use of the System in any way that communicates with the Board of Directors in such a way as to violate the Ralph M. Brown Act.
4. **Attorney-Client Privilege:** E-mail messages transmitted to or from District Legal Counsel and/or his/her employees and agents are considered to be confidential work product communications and subject to the attorney/client privilege.
5. **Pre-Approval of Outside Information:** All materials – diskettes, flash drives, CDs, DVDs, applications, documents, downloaded materials, etc. – brought into the workplace from external sources must be approved by the General Manager or Assistant General Manager before being installed or used on the District's computer system.
6. **Monitoring:** The District reserves the right to monitor the System including reviewing, auditing, and disclosing all matters sent over and/or stored in the System.
- D. Incidental Personal Use:** Employees are allowed incidental personal use of the District's Technology Resources during non-working periods. This incidental personal use shall not interfere with District business. Even if technology resources are used during non-working periods, employees should not have any expectation of privacy of information transmitted or placed on the District's technology resources. The information is still subject to review, monitoring, and disclosure.
- E. Social Media:** Employees are not allowed to use the District's Technology Resources for personal access to any type of social media, including Facebook, Twitter, blogs, etc. These items (and any others properly characterized as forms of social media) should not be accessed for personal use from any District computer, cell phone, smart phone, tablet or other technology resources.
- F. Discipline:** Anyone found to have engaged in any of the prohibited practices mentioned above will be subject to termination of System access, disciplinary action up to and including termination of employment.

October 14, 2015

ITEM E-3

ATTACHMENT C

Nipomo Community Services District Draft - Email Use Policies and Procedures

1.0 PURPOSE

The purpose of this policy is to establish guidelines for the use of the District's Email System.

2.0 SCOPE | BACKGROUND

This policy applies to all persons (including employees, appointed and elected officials, contractors, interns, volunteers) who are permitted to use the District's computing or network resources, and particularly the Email functions of the system ("Authorized Users"). "Email" means any Electronic Communication to or from any authorized user using the Email System, including all information, data, and attachments to the communication, "Email System" means the system of devices (including hardware, software, and other equipment) owned and controlled by the District for the purpose of facilitating the electronic transmission.

3.1 POLICY

The Email System shall be used for transmission of communications and not storage.

The Email System is provided to Authorized Users as a convenient and efficient method of rapidly communicating transitory information in an electronic format. The Email System is specifically intended and designed to be a tool for transmission of information, and not a tool for storage of information.

Communications generated through this system are not District records retained in the ordinary course of business. They are not subject to records retention policies until the communication has been printed and retained or downloaded into a local file folder and specifically recognized as a District record. This is the same manner in which paper mail is managed: Authorized Users determine what is a record that needs to be retained pursuant to the District's records retention schedule, what records are preliminary drafts, copies or non-records and file, or dispose of the record based upon like criteria.

A. Public Record

1. Definition

The definition of public records includes any writing containing information relating to the conduct of the public's business prepared, owned, used, or retained by the District. Excluded from the definition of public records are "preliminary drafts, notes, or interagency or intra-agency memoranda that are not retained by the public agency in the ordinary course of business provided that the public interest in withholding those records clearly outweighs the public interest in disclosure." (Govt. Code Section 6254). One purpose of this policy is to clarify which emails are public records and which are not.

2. Confidentiality

Certain communications, such as medical information, personnel records, attorney-client privileged communications, and those which may be subject to the deliberative process privilege, may be confidential or contain confidential information. Transmittal of such topics via email should be avoided.

If Email is utilized, extreme caution must be exercised since information may be retransmitted. Email, instant messaging and the Internet are unsecured communication mediums and data is not encrypted by default. Contact made over the Internet should not be trusted with confidential information unless a due diligence process has been performed. Information should not be sent using the District's email or the Internet if its misuse or disclosure would violate an individual's or the District's right to privacy or expose the District to financial loss, embarrassment, penalties, damage or is especially sensitive, confidential or proprietary.

If it is necessary to transmit confidential information via Email, "Confidential" must be the first word in the Email to alert the reader to properly manage the Email. Proper management of the Email includes not providing the Email to unauthorized persons. Do not "interfile" Email or other privileged correspondence from the District General Counsel with public documents (documents that are accessible to the public). These Emails may be subject to the Attorney-Client and or the Attorney Work Product privileges, and the contents should not be disclosed without first checking with the General Manager.

B. Brown Act

Pursuant to the California law known as the Brown Act, all meeting of public bodies shall be open and public. The Brown Act prohibits serial meetings that are conducted through direct communications, intermediaries or technological devices such as Email, for the purpose of developing a collective concurrence as to action to be taken. The District email system may be used to distribute information, schedule meetings and communicate on an individual basis between District staff and Board members. However, members of the Board may not deliberate issues of concern to the District through the use of email or poll each other concerning District business. Likewise, District staff may not poll members of the Board concerning issues. Meeting notices may be sent via Email, but these exchanges do not substitute Brown Act meeting notice requirements. Traditional methods of public posting must continue as required.

C. Privacy Right to Monitor

The Email System is the property of the District. The District reserves the right to view, capture, monitor and record individual Authorized User and other user computer files as well as Internet, personal file directories, information stored on the computers and email usage, at any time as allowed by the Electronic Communications Privacy

Act of 1984. Accordingly, no user shall have any expectation of privacy regarding the content of any Electronic Communications.

1. Password

A confidential password does not guarantee privacy nor does it suggest that email is the property right of the Authorized User. Passwords and codes will help secure information, but they do not ensure privacy and security.

2. District Business

All messages transmitted over the Email system should be those which involve District business activities or contain information essential to its employees and officials for the accomplishment of District business-related tasks, any communication directly related to District business, administration, or practices. Authorized Users shall refrain from using personal use of the email system.

3. Termination of Relationship with District

When an Authorized User terminates his or her relationship with the District, they have no rights to the contents of their Email messages and are not allowed access to such systems.

D. Penalties

Use of the District's email by any Authorized User is a privilege, not a right, and may be revoked at any time for inappropriate conduct. Any Authorized User found to have violated this policy may have his/her access to Email limited or revoked. Unlawful use of the District's computer resources, including Internet and email services may result in referral for civil or criminal or prosecution. Additionally, consistent with all other personnel rules and regulations of the District, an employee who violates this policy may be subject to formal disciplinary action up to an including termination from District employment.

4.1 PROCEDURE

A. Guidelines

Authorized Users and other users should always conduct themselves in a professional manner and should never send anything by way of Internet communications or email messages that should not appear in an official memorandum or letter.

B. Records Management

The Email System is not a permanent storage system and staff is expressly forbidden to use it as such. Email in-boxes and out-boxes shall be emptied on a regular basis, after records have been appropriately saved, as outlined below. Since all Emails are preliminary drafts, every Authorized User (sending or receiving any Email) shall delete the Email as soon as the information is no longer required or convenient for the discharge of the Authorized User's duties, and the Email shall be automatically purged by the District in accordance with the schedule set forth below.

Because the Email System is not designed for long term storage, Email

communications which are intended to be retained as an official record (those that have a material impact on the conduct of the public's business) should be printed out and the hard copy filed in the appropriate subject file, or saved in electronic file folder. Such saved copies of Email Communications shall be retained in accordance with the District's applicable records retention policy.

Since Email Communications are transitory and not intended to be kept in the normal course of business, and to ensure the reliability of the District's Email System, all Email Communications shall not be retained beyond 365 days by District electronic mail applications. The District's Email System is configured to automatically delete all emails after 365 days.

C. Etiquette

1. Chain letters are illegal and may not be transmitted through Email.
2. Protect the privacy of others; carefully consider the names on a mailing list as addressees or copies.
3. Watch punctuation and spelling. It reflects on the professionalism of the entire District staff. Use automatic spell and grammar checks before sending messages.
4. Avoid on-going dialogues. If you need to have a dialogue, use the telephone or meet the person face-to-face.
5. Use the "Out of Office" automatic response tool whenever you have a planned absence. The message should include the date you expect to return, an alternate contact name, and phone number for immediate assistance.
6. Respond to all Emails that requests a response in a timely manner. If you cannot complete the request immediately, send an acknowledgement that the email was received.
7. Authorized Users may subscribe only to list serves and news groups that are relevant to their particular job function. These are strictly for District related business information. Do not post any personal messages. If you survey the group, as a courtesy, post a summary of the results. Do not post any messages anonymously.
8. State the subject of your message clearly in the subject line.
9. Compose longer Email off-line (as word processing documents) in order to reduce editing frustrations and unnecessary on-line traffic.
10. A salutation after your "subject line" and before your message can be used to convey a sense of personal acknowledgement. Appending your name at the end of the message is also considered good etiquette. It is appropriate to sign your name and include your phone #.
11. Do not be vulgar or offensive. Electronic text allows no context or clues to convey shades of irony, sarcasm, or harmless humor. The District's harassment in the

workplace policy applies to Email as well.

12. Do not send personal messages on conferences or bulletin boards. Do not publicly (on bulletin boards or conferences) criticize others.
13. Observe standard copyright restrictions; they are the same as for printed materials.
14. Avoid using capital letters. Using "all caps" is the Email equivalent of SHOUTING!

D. Computer Security

1. Users are to log off the District network at the end of each workday. As a security measure, and to prevent misuse of their Internet and/or email identification and/or password by others, users are strongly encouraged to log off network or to use a screen lock function if they will be away from their computer terminal for more than a few minutes.
2. New viruses are transmitted every day and the best defense is well maintained virus software. Here are some general guidelines to protect against viruses. If you receive suspect email, do not open it. Instead, delete it and then delete all email in the "deleted items" Email folder. If you have questions, contact the District's information system staff, but do not open the email.
3. All Authorized Users are required to place the following language on all outgoing emails sent from the District's system:

"THIS EMAIL IS INTENDED FOR ITS RECIPIENTS ONLY. IT IS CONFIDENTIAL AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED UNDER THE CALIFORNIA PUBLIC RECORDS ACT (GOVERNMENT CODE SECTION 6250 ET SEQ.) AND OTHER STATUTES. ANY REVIEW, RELIANCE OR DISTRIBUTION BY OTHERS OR FORWARDING WITHOUT EXPRESS PERMISSION OF THE SENDER IS STRICTLY PROHIBITED AND MAY BE A VIOLATION OF STATE LAW. IF YOU ARE NOT THE INTENDED RECIPIENT, PLEASE NOTIFY THE SENDER AND DELETE ALL COPIES."

E. Prohibited Usage

It is unacceptable for a user to use, submit, publish, display or transmit on the network or on any computer system any formation which; encourages the use of controlled substances, uses the system for the purpose of criminal intent or uses the system for any illegal purpose. It is also unacceptable for a user to use network facilities or Internet capabilities of the system to;

- Conduct any non-approved business
- Solicit the performance of any activity that is prohibited by law

- Transmit material information, or software in violation of any local, state or federal law
- Solicit or persuade others for commercial ventures, religious or political causes, outside organizations, or other non-job related solicitations
- Propagate chain letters or send/receive files in violation of copyright laws
- Compromise the integrity of the District in any way
- Any purpose which violates federal or state laws and regulations
- Distribution of threatening, obscene, or inappropriate written or graphic material
- Interference with or disruption of network users, services, or equipment,
- Unauthorized entry to other computational. Information or communications devices or resources
- Propagation of computer worms or viruses,
- Blanket forwarding of messages to parties outside of the District without prior permission
- Sending, receiving, displaying, printing, or otherwise disseminating material that is fraudulent, harassing, illegal, embarrassing, sexually explicit, intimidating or defamatory
- Commercial or personal advertisements
- Solicitations, promotions, destructive programs, or any other unauthorized or personal use, or
- Gambling.

F. Acknowledgement

Each authorized user of the Email System shall execute the following acknowledgment: "This statement acknowledges that I have received and read a copy of the District of Menifee policies and procedures entitled, Email Use Policies and Procedures. I acknowledge, and fully understand the terms of this policy and agree to abide by them. I have no expectation of privacy regarding my use of any computer file, Internet access, or Email message. I further acknowledge that all Internet and Email messages are the property of the District of Menifee and the District reserves the right to access, audit, and disclose, for whatever reason or purpose, all messages sent through or in storage on the District's computer system. I understand that any violation of this policy could lead to disciplinary action up to and including termination and/or criminal or civil prosecution."

5.1 ROLES AND RESPONSIBILITIES

- The District Manager is responsible for administering this policy and procedure.
- All authorized users, including employees, appointed or elected officials volunteers, interns, are responsible for compliance with this policy and procedure.

TO: BOARD OF DIRECTORS

REVIEWED: MICHAEL S. LEBRUN
GENERAL MANAGER

FROM: LISA BOGNUDA
FINANCE DIRECTOR

DATE: OCTOBER 9, 2015

**AGENDA ITEM
E-4
OCTOBER 14, 2015**

**ANNUAL REVIEW OF CASH RESERVES IN ACCORDANCE WITH
RESERVE POLICY**

ITEM

Annual review of Cash Reserves in accordance with Cash Reserve Policy [RECOMMEND RECEIVE REPORT]

BACKGROUND

On December 12, 2012, the Board of Directors adopted Resolution 2012-1285, *A Resolution Approving the Adoption of the Cash Reserve Policy for the District*. On September 24, 2014, the Board of Directors adopted Resolution 2014-1357 Amending Cash Reserve Policy (attached).

For Funds #125, #130 and #150, the policy states, "After the adoption of the budget and within 90 days after the end of the fiscal year, the Board of Directors shall review the cash reserves, and if there is excess above the reserve requirements based on the cash reserve balance of the fiscal year just completed, the Directors may approve a transfer of the excess to Funded Replacement."

A summary of cash reserve balances for Funds #125, #130 and #150 and transfer recommendations for the funds addressed by the policy is attached for your review.

If the Board wishes to review any other fund balances, it is recommended the Finance and Audit Committee be directed to do so.

FISCAL IMPACT

None

STRATEGIC PLAN

Strategic Plan Goal 4 – Maintain conservative, long-term financial management to minimize rate impacts on customers while meeting program financial needs.

RECOMMENDATION

Staff recommends the Board of Directors by motion and roll call vote make the following findings and direction:

1. Cash Reserve Goals have not been met for Fund 125.
2. Postpone consideration of transfer from Fund #130 until after the Town Sewer rate hearing.
3. Transfer \$35,000 from Blacklake Sewer Fund 150 to Funded Replacement-Blacklake Sewer-Fund 830.

ATTACHMENTS

- A. FY 15-16 Annual Cash Reserve Policy Review
- B. Cash Reserve Policy

NIPOMO COMMUNITY SERVICES DISTRICT

CASH RESERVE POLICY REVIEW

FY 14-15

(A) FUND NAME	(B) FUND NUMBER	(C) CASH RESERVE FORMULA	(D) ADOPTED OPERATING BUDGET 2015-2016 (Total Operating Expenses Less Funded Replacement)	(E) CASH RESERVE GOAL (C) * (D)	(F) CASH BALANCE AS OF 6/30/15	TRANSFER TO FUNDED REPLACEMENT RECOMMENDED?
Water Fund	125	360 days (12 months or 100%) of operating expenses	\$3,081,328	\$3,081,328	\$1,570,886	No (1)
Town Sewer Fund	130	180 days (6 months or 50%) of operating expenses	\$1,222,943	\$611,472	\$1,042,292	No (2)
Blacklake Sewer Fund	150	180 days (6 months or 50%) of operating expenses	\$352,441	\$176,221	\$211,211	Yes (3)

(1) Water Fund

The reserve goal has not been met.

(2) Town Sewer Fund

The District is currently in the process of a Prop 218 Town Sewer Rate Increase. It is recommended that the Board postpone consideration of a transfer until after the rate hearing.

(3) Blacklake Sewer Fund

A transfer to Funded Replacement of \$35,000 is recommended.

October 14, 2015

ITEM E-4

ATTACHMENT A

NIPOMO COMMUNITY SERVICES DISTRICT

CASH RESERVE POLICY REVIEW

FY 14-15

(A) FUND NAME	(B) FUND NUMBER	(C) CASH RESERVE FORMULA	(D) ADOPTED OPERATING BUDGET 2015-2016 (Total Operating Expenses Less Funded Replacement)	(E) CASH RESERVE GOAL (C) * (D)	(F) CASH BALANCE AS OF 6/30/15	TRANSFER TO FUNDED REPLACEMENT RECOMMENDED?
Water Fund	125	360 days (12 months or 100%) of operating expenses	\$3,081,328	\$3,081,328	\$1,570,886	No (1)
Town Sewer Fund	130	180 days (6 months or 50%) of operating expenses	\$1,222,943	\$611,472	\$1,042,292	No (2)
Blacklake Sewer Fund	150	180 days (6 months or 50%) of operating expenses	\$352,441	\$176,221	\$211,211	Yes (3)

(1) Water Fund

The reserve goal has not been met.

(2) Town Sewer Fund

The District is currently in the process of a Prop 218 Town Sewer Rate Increase. It is recommended that the Board postpone consideration of a transfer until after the rate hearing.

(3) Blacklake Sewer Fund

A transfer to Funded Replacement of \$35,000 is recommended.

October 14, 2015

ITEM E-4

ATTACHMENT B

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2014-1357**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO
COMMUNITY SERVICES DISTRICT AMENDING THE CASH RESERVE
POLICY FOR THE DISTRICT**

WHEREAS, the Board of Directors of the Nipomo Community Services District ("District") intends that the District will at all times have sufficient capital available to meet its operating, replacement, capital projects and debt service payments; and

WHEREAS, the District desires to establish sound financial policies to promote favorable bond ratings in capital markets so that bonds may be used for future financing of District projects; and

WHEREAS, the District desires to reserve capital for unanticipated and unforeseeable expenses; and

WHEREAS, the District desires to establish a buffer should revenue estimates in any year not meet projections; and

WHEREAS, the Cash Reserve Policy has been amended and is hereby presented at this meeting and it is appropriate at this time for the Board of Directors to consider approval of the adoption of the amended Policy.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Nipomo Community Services District:

SECTION 1. The above recitals are true and correct.

SECTION 2. The Cash Reserve Policy, as amended, in the form presented at this meeting attached hereto Exhibit "A" are hereby approved and adopted.

SECTION 3. The officers of the District are hereby directed to do and cause to be done any and all acts and things necessary or proper in order to effectuate the purposes of this resolution.

SECTION 4. This resolution shall take effect immediately.

Upon a motion by Director Harrison, seconded by Director Vierheilig, on the following roll call vote, to wit:

AYES: Directors Harrison, Vierheilig, Gaddis, Blair, and Armstrong
NOES: None
ABSENT: None
CONFLICTS: None

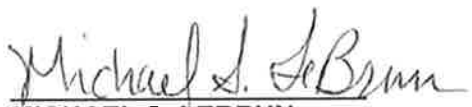
**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2014-1357**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO
COMMUNITY SERVICES DISTRICT AMENDING THE CASH RESERVE
POLICY FOR THE DISTRICT**

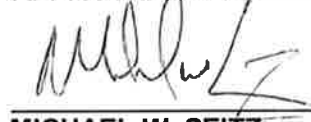
The foregoing resolution is hereby adopted this 24th day of September 2014.


CRAIG ARMSTRONG
President, Board of Directors

ATTEST:


MICHAEL S. LEBRUN
General Manager and Secretary to the Board

APPROVED AS TO FORM:


MICHAEL W. SEITZ
District Legal Counsel

NIPOMO COMMUNITY SERVICES DISTRICT
CASH RESERVE POLICY
EXHIBIT "A"

PURPOSE

A key element of prudent financial planning is to ensure that sufficient funding is available for current operating, capital and debt service needs. Additionally, fiscal responsibility requires anticipating the likelihood of, and preparing for, unforeseen events. Nipomo Community Services District (District) will strive at all times to have sufficient funding available to meet its operating, capital and debt service obligations as well as to protect its creditworthiness. The District is committed to maintaining a financial structure that provides adequate and predictable revenues at the lowest possible cost to meet forecasted needs and operational objectives.

It should be noted that the District has a Debt Management Policy that establishes parameters for evaluating, issuing and managing the District's debt. The District's Debt Management Policy should be considered prior to committing to any new financial obligations.

The adequacy of the targeted cash reserve year-end balance ranges and/or annual contributions to each fund will be reviewed annually during the budgeting process or when a major change in conditions threatens the reserve levels established within this policy.

OPERATING FUNDS

WATER FUND (FUND #125)

Purpose: To ensure sufficient cash resources are available to fund daily administration, operations and maintenance of providing water services. (Funded from rates and charges)

Target Criteria: To meet the District's cash flow needs and unbudgeted expenses, the Water Fund cash reserves should be equal to or greater than twelve months (360 days) of annual budgeted operating expenses (not including Funded Replacement).

After adoption of the budget and within 90 days after the end of the fiscal year, the Board of Directors shall review the cash reserves, and if there is excess above the reserve requirement based on the cash reserve balance as of the fiscal year just completed, the Directors may approve a transfer of the excess to the Funded Replacement Water Fund #805.

TOWN SEWER FUND (FUND #130)

Purpose: To ensure sufficient cash resources are available to fund daily administration, operations and maintenance of providing waste water services. (Funded from rates and charges)

Target Criteria: To meet the District's cash flow needs and unbudgeted expenses, the Town Sewer Fund cash reserves should be equal to or greater than six months (180 days) of annual budgeted operating expenses (not including Funded Replacement).

After adoption of the budget and within 90 days after the end of the fiscal year, the Board of Directors shall review the cash reserves, and if there is excess above the reserve requirement based on the cash reserve balance as of the fiscal year just completed, the Directors may Approve a transfer of the excess to the Funded Replacement Town Sewer Fund #810.

NIPOMO COMMUNITY SERVICES DISTRICT
CASH RESERVE POLICY
EXHIBIT"A"

BLACKLAKE SEWER FUND (FUND #150)

Purpose: To ensure sufficient cash resources are available to fund daily administration, operations and maintenance of providing waste water services. (Funded from rates and charges)

Target Criteria: To meet the District's cash flow needs and unbudgeted expenses, the Blacklake Sewer Fund cash reserves should be equal to or greater than six months (180 days) of annual budgeted operating expenses (not including Funded Replacement).

After adoption of the budget and within 90 days after the end of the fiscal year, the Board of Directors shall review the cash reserves, and if there is excess above the reserve requirement based on the cash reserve balance as of the fiscal year just completed, the Directors may approve a transfer of the excess to the Funded Replacement Blacklake Sewer Fund #830.

WATER RATE STABILIZATION FUND (FUND #128)

Purpose: To serve as a buffer to water rates during any period where there are unexpected increases in operating costs or decreases in revenues. In addition, in a severe drought or extremely wet conditions, it is reasonable to expect that water sales could fluctuate significantly. As such, this fund will absorb these types of fluctuations in operations and help stabilize rates and enable smooth or level increases to rates despite uneven increases in underlying costs or variations in annual revenues received. This fund should not be used to artificially suppress rates (i.e. to sustain rates at levels below the costs of service). (Funded by rates and charges)

Target Criteria: Minimum reserve requirement of \$400,000.

TOWN SEWER RATE STABILIZATION FUND (FUND #135)

Purpose: To serve as a buffer to sewer rates during any period where there are unexpected increases in operating costs or decreases in revenues. This fund should be used to enable smooth or level increases to rates despite uneven increases in underlying costs or variations in annual revenues received. This fund should not be used to artificially suppress rates (i.e. to sustain rates at levels below the costs of service). (Funded by rates and charges)

Target Criteria: Minimum reserve requirement of \$300,000 set by Bond Indenture Agreement for the Revenue of Certificates of Participation Series 2012.

BLACKLAKE SEWER RATE STABILIZATION FUND (FUND #155)

Purpose: To serve as a buffer to sewer rates during any period where there are unexpected increases in operating costs or decreases in revenues. This fund should be used to enable smooth or level increases to rates despite uneven increases in underlying costs or variations in annual revenues received. This fund should not be used to artificially suppress rates (i.e. to sustain rates at levels below the costs of service). (Funded by rates and charges)

Target Criteria: Minimum reserve requirement of \$50,000.

NIPOMO COMMUNITY SERVICES DISTRICT
CASH RESERVE POLICY
EXHIBIT"A"

BLACKLAKE STREET LIGHTING (FUND #200)

Purpose: To ensure sufficient cash resources are available to fund administration, operations and maintenance of providing street lighting services for Blacklake Village. (Funded by annual assessment to property owners in Blacklake Village)

Target Criteria: Minimum reserve requirement of \$30,000.

LANDSCAPE MAINTENANCE DISTRICT (FUND #250)

Purpose: To ensure sufficient cash resources are available to fund administration, operations and maintenance of providing landscape maintenance to the property owners of Tract 2409. (Funded by annual assessment to property owners in Tract 2409 aka Vista Verde Estates)

Target Criteria: Minimum reserve requirement of \$20,000.

SOLID WASTE (FUND #300)

Purpose: To ensure sufficient cash resources are available to fund solid waste programs, rate stabilization and to cover operating costs in the event that the District may find itself operating solid waste collection, disposal and recycling functions should its business partner now franchised to do these functions be unable to continue to provide these services due to an unforeseen event. This reserve provides assurance that solid waste services remain uninterrupted during an extended disruption to service provider. (Funded by Franchise Fees)

Target Criteria: Minimum reserve requirement of \$115,000.

DRAINAGE (FUND #400)

Purpose: To ensure sufficient cash resources are available to operate and maintain the Nipomo Drainage Maintenance District 76-02 (storm water conveyance system and basin serving Folkert Oaks Mobile Home Park and adjacent properties on Juniper Street). (Funded by a 1% ad valorem property tax rate)

Target Criteria: Minimum reserve requirement of \$50,000.

FUNDED REPLACEMENT- WATER (FUND #805)

Purpose: The reserves can be used for both short-term and long-term purposes. The objective of the Funded Replacement Fund is to provide monies for the current and future replacement of existing capital assets as they reach the end of their useful lives. The District recognizes that the Funded Replacement fund may only be sufficient to pay a portion of the full cost of future capital asset replacements and other sources of replacement funding may be needed, such as a bond issuance. This fund will also help normalize the impact of the capital asset replacements on future water rates. (Funded by water rates and charges and interest earnings)

Target Criteria: Based on 2007 or current Replacement Study.

NIPOMO COMMUNITY SERVICES DISTRICT
CASH RESERVE POLICY
EXHIBIT"A"

FUNDED REPLACEMENT- TOWN SEWER (FUND #810)

Purpose: The reserves can be used for both short-term and long-term purposes. The objective of the Funded Replacement Fund is to provide monies for the current and future replacement of existing capital assets as they reach the end of their useful lives. The District recognizes that the Funded Replacement fund may only be sufficient to pay a portion of the full cost of future capital asset replacements and other sources of replacement funding may be needed, such as a bond issuance. This fund will also help normalize the impact of the capital asset replacements on future town sewer rates. (Funded by Town sewer rates and charges and interest earnings)

Target Criteria: Based on 2007 or current Replacement Study.

FUNDED REPLACEMENT- BLACKLAKE SEWER (FUND #830)

Purpose: The reserves can be used for both short-term and long-term purposes. The objective of the Funded Replacement Fund is to provide monies for the current and future replacement of existing capital assets as they reach the end of their useful lives. The District recognizes that the Funded Replacement fund may only be sufficient to pay a portion of the full cost of future capital asset replacements and other sources of replacement funding may be needed, such as a bond issuance. This fund will also help normalize the impact of the capital asset replacements on future Blacklake sewer rates. (Funded by Blacklake sewer rates and charges and interest earnings)

Target Criteria: Based on 2007 or current Replacement Study.

NON-OPERATING FUNDS

SUPPLEMENTAL WATER FUND (#500)

Purpose: The revenue generated from the Supplemental Water Capacity Charge accumulates in this fund and its use is restricted to projects, programs and expenditures that reduce the District's reliance on groundwater as its sole water supply. (Funded by development capacity charges and interest earnings)

Target Criteria: No minimum target is maintained.

PROPERTY TAX (FUND #600)

Purpose: District's share of the 1% ad valorem tax on real property collected by the County of San Luis Obispo and distributed to the District pursuant to Article XIII A of the California Constitution. (Funded by property taxes and interest earnings)

Target Criteria: No minimum target is maintained, however, a portion of the annual property tax revenue stream is pledged to pay the annual debt service for the 2003 Certificates of Participation Revenue Bond.

NIPOMO COMMUNITY SERVICES DISTRICT
CASH RESERVE POLICY
EXHIBIT"A"

WATER CAPACITY CHARGES (FUND #700)

Purpose: The revenue generated from the Water Capacity Charge accumulates in this fund and is used to offset new development related capital improvements as outlined by the District's Capital Improvement Plan. (Funded by development capacity charges and interest)

Target Criteria: No minimum target is maintained.

TOWN SEWER CAPACITY CHARGES (FUND #710)

Purpose: The revenue generated from the Town Capacity Charge accumulates in this fund and is used to offset new development related capital improvements as outlined by the District's Capital Improvement Plan. (Funded by development capacity charges and interest earnings)

Target Criteria: No minimum target is maintained.

SINKING FUND- TOWN SEWER (FUND #880)

Purpose: The reserves may be used to pay annual debt service payments for the Revenue Certificates of Participation (Southland Wastewater Project) Series 2012. (Funded by Town sewer rates and charges in years 2008- 2012 in anticipation of the Southland Wastewater Treatment Facility Upgrade)

Target Criteria: No minimum target is maintained. Once the reserves in this fund are depleted, the fund will be terminated.