

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF DIRECTORS OF EASTERN MUNICIPAL WATER DISTRICT AMENDING RESOLUTION NO. 5111 (ADMINISTRATIVE CODE) AS IT RELATES TO OFFICERS OF THE BOARD, COMMITTEE NOMINATIONS FOR OUTSIDE ORGANIZATIONS, FILING DISCLOSURES, PORTFOLIO, AND ADMINISTRATION, THE GENERAL MANAGER’S AUTHORITY FOR CONTRACTING, THE PROCUREMENT OF PROFESSIONAL SERVICES, REQUIREMENTS FOR THE TERMINATION OF RESIDENTIAL WATER SERVICE, AND PROPERTY OWNER RESPONSIBILITIES FOR UNPAID TENANT BALANCES.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF EASTERN MUNICIPAL WATER DISTRICT RESOLVES AS FOLLOWS:

1. Purpose

This resolution amends Resolution No. 5111 (Administrative Code) to add one new section and amend nine sections of the Administrative Code.

2. Amendment

Section 2.205 of the Administrative Code is hereby amended and reenacted to read as follows:

“2.205 OFFICERS OF THE BOARD

The Offices of President, Vice President, ~~and Secretary and Treasurer~~ shall be appointed by the Board from its members at the first meeting in the month of January of each odd-numbered year. ~~The Board also may elect one of its members to the position of Treasurer or may appoint an employee or qualified member of the public to perform this function.”~~

3. Addition

Section 2.215 of the Administrative Code is hereby added to read as follows:

“2.215 APPOINTMENT TO EXTERNAL COMMITTEES

(a) When solicitations occur for membership to committees for outside industry organizations whereby the District is a member agency (i.e. ACWA) and participation is deemed beneficial to the District; the General Manager will agendize the item on a scheduled board meeting.

(b) Prior to the meeting the Board will be provided an outline of the outside agency’s committee appointment process and a list of the duties and responsibilities of the committee position. The Board will be requested to evaluate their interest in serving as

a committee member or submit nominations of either a District staff member or other duly designated representative to serve on the committee.

(c) At the scheduled meeting, the Board will nominate a member to the specified committee.”

4. Amendment

Section 2.520 of the Administrative Code is hereby amended and reenacted to read as follows:

“2.520 FILING DISCLOSURE STATEMENTS

The following employees are designated to file conflicts of interest disclosure statements for the disclosure categories specified, the definitions of which are contained in §2.509 of the Administrative Code.

DESIGNATED POSITION	DISCLOSURE CATEGORY
General Manager	1, 2, 3
Deputy General Manager	1, 2, 3
Assistant General Manager of Planning, Engineering and Construction	1, 2, 3
Assistant General Manager of Operations and Maintenance	1, 2, 3
Attorneys	2, 3
Buyer	2, 3
Chief Financial Officer (formerly Director of Finance)	1, 2, 3
Consultants	1, 2, 3
Contracts Manager	1, 2, 3
Controller	1, 2, 3
Director of Customer Service	1, 2, 3
Director of Engineering	1, 2, 3
Director of Engineering Services	1, 2, 3
Director of Environmental & Regulatory Compliance	1, 2, 3
Director of Field Engineering	1, 2, 3
Director of Finance	1, 2, 3
Director of Groundwater Management and Facilities Planning	1, 2, 3
Director of Human Resources	1, 2, 3
Director of Maintenance	1, 2, 3
Director of Development Services	1, 2, 3

Director of Safety, Risk and Emergency Management	1, 2, 3
Director of Water Operations	1, 2, 3
Director of Water Reclamation	1, 2, 3
Director of Water Supply Planning	1, 2, 3
Interagency Relations Manager	1, 2, 3
Manager of Laboratory and Water Quality Services	2, 3
Public Affairs Manager	1, 2, 3
Purchasing Manager	1, 2, 3
Real Property Manager	1, 2, 3
Safety and Emergency Management Officer	2, 3
Senior Director of Administrative Services	1, 2, 3
Senior Director of Information Systems	1, 2, 3
Senior Director of Water Resources Planning	1, 2, 3
Senior Director of Public and Governmental Affairs	1, 2, 3
Senior Legislative Program Manager	1, 2, 3
Warehouse Manager	2, 3

OFFICIALS WHO MANAGE PUBLIC INVESTMENTS:

Board of Directors	1, 2, 3
Treasurer	1, 2, 3
Deputy General Manager	1, 2, 3
Director of Finance Chief Financial Officer (formerly Director of Finance)	1, 2, 3
Controller	1, 2, 3
Financial Manager III (Debt and Investments)	1, 2, 3

Individuals who perform the duties of any designated position under contract shall file Statements of Economic Interests disclosing reportable interests in the categories assigned to that designated position. The level of disclosure shall be determined by the General Manager.

Individuals who participate in decisions which affect financial interests by providing information, advice or recommendation on counsel to the agency under contract which could affect financial interests shall be required to file Statements of Economic Interests.”

5. Amendment

Section 3.404 of the Administrative Code is hereby amended and reenacted to read as follows:

“3.404 PORTFOLIO

- (a) Reference to the portfolio shall mean the total of District’s cash and securities

under management by the Treasurer, excluding cash and securities held in escrow or trust on behalf of the District. The Treasurer may invest in any security authorized for investment under the state law or indenture, subject to the limitations described herein. If circumstances prevent the Treasurer from actively investing on behalf of the District, the **Chief Financial Officer (formerly Director of Finance)** ~~Director of Finance~~ is authorized to invest during such period subject to the limitations described herein.

(b) Maturity Limitations

Instruments shall mature within five years unless the Board authorizes a longer term within three months before the investment is made.

(c) Investment Transactions

(1) The purchase of an investment other than those purchased directly from the issuer shall be to the extent possible from a firm designated as a Primary Dealer by the Federal Reserve Bank of New York.

(2) Annually, the Treasurer shall transmit a copy of the current Statement of Investment Policy to approved dealers. Each dealer is required to return a signed statement indicating receipt and understanding of the District's investment policies.

(3) When practical, the Treasurer shall solicit more than one quotation on each trade. Investment trades will be awarded on a competitive bid basis.

(d) Sale of Securities

Securities may be sold to provide needed liquidity, to restructure the portfolio to reduce risk or to increase the expected return of the portfolio. In no instance shall a sale of securities be for speculative purposes. Sales shall be reported to the Board on a monthly basis.

(e) Prohibited Investments

Prohibited investments include inverse floaters, range notes, interest only strips derived from a pool of mortgages (Collateralized Mortgage Obligations), and any security that could result in zero interest accrual if held to maturity. (Zero interest accrual means the security has the potential to realize zero earnings depending upon the structure of the security. Zero coupon bonds and similar investments that start at a level below the face value are legal because their value does increase.

(f) Portfolio Adjustments

(1) Portfolio percentage limitations for each category of investment is applicable only at the date of purchase. Should an investment percentage of portfolio limitation be exceeded due to an incident such as a fluctuation in portfolio size, the Treasurer is not required to sell the affected securities.

(2) Should a security held in the portfolio be downgraded below the minimum criteria included in this Statement of Investment Policy, the Treasurer shall sell such security in such a manner to minimize losses on the sale of such security. If the security

is downgraded to a level that is less than investment grade, the Treasurer shall sell such affected security immediately. If the security matures within 60 days of the rating change, the Treasurer may choose not to sell the security.

(g) Safekeeping

(1) Securities transactions, including collateral for repurchase agreements entered into by the District shall be conducted on a delivery versus payment (DVP) basis.

(2) Securities will be held by an independent custodian designated by the Treasurer and held in safekeeping pursuant to a safekeeping agreement.

(3) Financial institutions which provide safekeeping services for the District shall be required to provide reports or safekeeping receipts directly to the Treasurer to verify securities taken into their possession.”

6. Amendment

Section 3.408 of the Administrative Code is hereby amended and reenacted to read as follows:

“3.408 ADMINISTRATION

(a) The Treasurer may, at any time, further restrict the securities approved for investment as deemed appropriate.

(b) The following officers may open accounts with and deposit and withdraw District funds, to sign checks, drafts, counter checks or orders associated with each of the below listed bank accounts and/or utilize any of the finance approved financial institutions approved by the Treasurer for the purchase and sale of investments, in accordance with the District’s Investment Policy. Such activities shall require the approval of one “Primary Signature” and one “Secondary Signature.”

Primary Signature

President of the Board of Directors

OR Treasurer

OR General Manager

OR Deputy General Manager(s)

OR Assistant General Manager of Operations and Maintenance

OR Assistant General Manager of Planning, Engineering and Construction

Secondary Signature

Chief Financial Officer (formerly Director of Finance)

OR ~~Director of Finance~~

OR Controller

OR Financial Manager III

OR Board Secretary”

7. Amendment

Section 3.703 of the Administrative Code is hereby amended and reenacted to read as follows:

“3.703 GENERAL MANAGER’S AUTHORITY

(a) Purchases (including Purchase Orders, Contracts, or Agreements) with annual costs less than \$100,000 may be approved by the General Manager for the acquisition of supplies, equipment, and services, including professional services, and construction work (as defined) less than \$35,000. Purchases made pursuant to Board authorized projects may be approved by the General Manager to any amount within such authorized project total. Purchases for the renewal of existing computer software and hardware licenses, maintenance agreements, or cloud based subscriptions, and purchases made pursuant to projects not of construction work, that are specifically identified and approved by the Board in the Operating Fixed Assets and Special Projects and Studies categories of the Budget may also be approved by the General Manager to any amount, provided however that any individual purchase of services \$250,000 or greater shall be approved by the Board. Other purchases or agreements shall be approved by the Board. Notwithstanding the above, supplies, equipment, or services specifically identified and approved by the Board in the Budget may be procured as needed by the General Manager without further action by the Board, regardless of amount. Items not specifically identified in the budget will be initiated and approved in accordance with this Article and with the administrative procedures created for implementing this Article.

(b) The General Manager can make emergency expenditures, not otherwise subject to this Article in an emergency. The General Manager shall report to the Board, at their next regular meeting, the actions taken and the reasons justifying the emergency determination.

(c) The General Manager may approve change orders which do not exceed the original authorization by more than \$25,000 or 10% of the original contract amount, whichever is greater. Change orders in excess of these amounts and change orders reflecting a change in the scope or the nature of the project shall be submitted to the Board for approval.”

8. Amendment

Section 3.706 of the Administrative Code is hereby amended and reenacted to read as follows:

“3.706 PROFESSIONAL SERVICES

A Request for Proposal or Qualifications shall be prepared and solicited where practical and possible from more than one service provider for professional services exceeding \$35,000 unless a provider has been prequalified by the District and the contract amount is less than \$250,000. The Senior Director of Administrative Services shall solicit a Request for Proposals or Qualifications for purposes of establishing and maintaining the prequalified list of providers which shall also be utilized for common and routinely used professional services with individual tasks or assignments less than \$100,000. The General Manager shall report to the Board monthly as to any professional services contracts, any change orders to such contracts, and any other issues which arise regarding professional services contracts. Professional, including professional engineering services, shall be selected on a fair and competitive basis. The award of non-competitive professional services shall be approved and authorized in accordance with the administrative procedures developed for implementing this Article.”

9. Amendment

Section 5.702 of the Administrative Code is hereby amended and reenacted to read as follows:

“5.702 TERMINATION OF SERVICE

(a) When a Customer fails to comply with regulations governing water service, other than the payment of charges, deposits or penalties, the General Manager shall notify the Customer service will be terminated unless the Customer forthwith complies with rules and regulations or presents an adequate reason for failure to do so. The Customer may appeal the proposed termination between the hours of 7:30 a.m. and 5:00 p.m. Monday through Friday, at the District's headquarters located at 2270 Trumble Road, Perris, California. The appeal will be reviewed and the District will either cancel or confirm the termination. Service shall be terminated as specified in the Notice of Termination unless the information presented by the Customer indicates that termination is inappropriate. Service shall not be terminated earlier than five days after Notice of Termination is mailed.

(b) Residential service may be terminated for nonpayment of a delinquent account only if notice of the delinquency and the impending termination is mailed to the Customer at least 26 days after the initial bill is rendered. Customers who fail to pay their bill on time will be assessed a late fee, which shall be set by the Board of Directors and incorporated in the Consolidated Schedule of Rates, Fees and Charges, as updated from time to time. If the customer fails to pay that bill, a Notice of Intent to Disconnect Service shall be mailed and the Customer shall be notified to pay their bill within ten days to avoid

shutoff of their service. The termination notice shall also be sent at least 10 days prior to the termination date to the actual users when service is to a multi-unit residential structure or mobile home park and the owner or manager is the Customer of record.

(c) Residential service shall not be terminated for nonpayment:

- (1) Until a payment by a Customer has been delinquent for at least 60 days.
- ~~(1) (2)~~ (2) During the pendency of an investigation by the General Manager of a customer dispute or complaint.
- ~~(3)~~ (3) When the Customer has been granted an extension; ~~or~~
- ~~(3) When a licensed physician certifies that termination of service will be life threatening to the Customers; the Customer is financially unable to pay for service within the normal payment period and the Customer is willing to enter into an agreement to amortize payment of the delinquency over a period not to exceed 12 months.~~
- (4) If all the following conditions are met:
 1. The Customer or tenant of the Customer submits the certification of a primary care provider that discontinuation of residential service will be life threatening or pose a serious threat to the health and safety of a resident of the premises where residential service is provided; and
 2. The Customer demonstrates that they are financially unable to pay for residential service, demonstrated by:
 - a) Any member of the household being a current recipient of CalWORKS, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, or Children; or
 - b) The Customer declares that the household's annual income is less than 200 percent of the federal poverty level; and
 3. The Customer is willing to enter into an amortization agreement, alternative payment schedule, or a plan for deferred or reduced payment, with respect to all delinquent charges over a period not to exceed 12 months."

10. Amendment

Section 5.703 of the Administrative Code is hereby amended and reenacted to read as follows:

"5.703 DELINQUENT TENANTS

- (a) Delinquent charges or penalties for water service accumulated by a tenant in the tenant's name shall be collected from the tenant and not from any subsequent tenant, provided if a tenant fails to pay such charges or penalties, the District may refuse to provide service except to the account of the property owner. **Notwithstanding the**

forgoing, in the event a tenant balance remains unpaid, the property owner shall become responsible for the unpaid balance.

(b) Should a Customer who is the owner of property, whether occupied by the owner or a tenant, fail, or refuse to pay bills for service furnished in owner's name, service may be discontinued and thereafter may not again be resumed while the premises are in the same ownership until all such bills, plus the fees and deposit or deposit arrangements herein specified have been paid.”

11. Other

Except as provided herein, Resolution No. 5111 is reaffirmed and readopted.

12. This Resolution shall be effective upon its adoption

DATED: September 18, 2019

Ronald W. Sullivan, President

I hereby certify that the foregoing is a full, true and correct copy of the Resolution adopted by the Board of Directors of the Eastern Municipal Water District at its meeting held on September 18, 2019.

ATTEST:

Sheila Zelaya, Board Secretary

APPROVED AS TO FORM:

Steven P. O’Neill, District Counsel

(SEAL)