



GENERAL ADMINISTRATIVE POLICY

Document Type: District General Administrative Policy
Administering Entity: Board of Directors and General Manager
Date Approved: August 9, 2023
Prior Amendment Date: February 2022
Approved By: Paul Kelley, General Manager, Board of Directors
Indicative Time for Review: Biennial
Responsibility for Review: Board of Directors and General Manager,

ORGANIZATIONAL STRUCTURE

Board of Directors

Clear Creek Community Services District, hereinafter referred to as "CCCSD" is governed by its five-member Board of Directors hereinafter referred to as "The Board", which is responsible for the oversight of the organization by:

1. Planning for the future and setting CCCSD goals
2. Establishing policies and procedures
3. Setting the budget
4. Identifying and proactively dealing with emerging issues
5. Establishing and maintaining programs and systems designed to ensure compliance with terms of contracts and grants
6. Contacting government officials regarding issues affecting CCCSD
7. Appointing a representative to ACWA/JPIA
8. Voting for LAFCO Special District Representative
9. Appointing an EAGSA representative

The Board does not act in an administrative capacity. That is the responsibility of the General Manager. The Board can act by enacting ordinances, adopting resolutions and passing motions by the affirmative vote of three (3) directors.

The Board is responsible for hiring, providing an Employment Agreement and evaluating annually the General Manager, who is responsible for the oversight and management of CCCSD. The Board may prescribe the authorities and duties of the General Manager.

Each Director must receive training every two years in the following:

- a) Brown Act
- b) Ethics
- c) Sexual Harassment

Each Director must file the Statement of Economic Interests (Form 700) as follows:

- Annually, due by April 1st of each year
- Assuming Office Statement
- Leaving Office Statement

Board Meetings

The Board of Directors shall have regularly scheduled meetings on the third Wednesday of each month at 6 pm. The regular meetings schedule can be modified by an Ordinance of the Board. The regular meetings and special meetings are held in compliance with the Brown act.

- Typed Meeting Minutes will be action minutes, a record of those present to speak to the Board and motions and votes taken on items.
- The meetings will be recorded. The recordings of the meetings will be kept for seven (7) years.

COMMITTEE STRUCTURE

Standing Committees

The Board of Directors shall form Standing Committees in order to assist the Board in fulfilling its responsibilities. These committees shall be composed of two Directors and one (1) or more Community Members and shall review issues for the purpose of making recommendations to the full Board. Officers of the Board may fill vacancies on a Standing Committee until the Committee vacancy is filled. Standing committees of CCCSD consist of the following:

1. Agricultural Committee
2. Financial Committee
3. Planning and Steering Committee

Every January the Board will call for applications from the Community for committee membership. They shall select one (1) or community members to serve for a term of one (1) year on each of the Standing Committees.

Committee Responsibilities

1. The Board's standing Agricultural Committee shall be concerned with promoting and preserving agricultural customers and assisting them with regulatory compliance, such as Annual Crop Reports. The Agricultural Committee shall meet a minimum of twice a year.

2. The Board's standing Financial Committee shall be concerned with the financial management of the CCCSD, including the preparation and oversight of an annual budget, and the Rates and Fee Schedule, quarterly General Ledger review and oversight of reserve accounts, review of the annual audit, major expenditures and customer water rates. The Financial Committee shall meet a minimum of once a quarter.
3. The Board's Standing Planning and Steering Committee shall be concerned with the formulation and oversight of plans, future capital planning and policies and updating and reviewing policies for arranging, realizing, and/or achieving CCCSD daily operations and goals. The Planning and Steering Committee shall meet a minimum of once a quarter.

Ad Hoc Committees

In compliance with the Brown Act the Board may appoint an "Ad Hoc" committee when deemed necessary.

An Ad Hoc committee is established for a limited purpose and duration or given a specific task. When the work of the Ad Hoc committees is completed, the committee is dissolved.

Examples of an Ad Hoc committee could be:

- To recruit a new General Manager or to resolve a personnel issue
- MOU negotiations
- Dedicating a new facility
- Specific legislative issue

Roles of the General Manager and Staff

The Board hires the General Manager. The Board has direct oversight of the General Manager. The General Manager reports directly to the Directors on all matters at the monthly Board meeting in the General Manger Report.

The General Manager is responsible for hiring and evaluating the employees who supervise the employees in the District's three departments, which consist of Administration, Distribution and Treatment.

The Water Treatment Chief Plant Operator (Supervisor of the Treatment Department) and the Distribution Supervisor (Supervisor of the Distribution Department) oversee the employees in those departments and are responsible for hiring with the General Manager, employees in that department. The Department Supervisors are responsible for evaluating employees. Each Department Supervisor shall report directly to the General Manager. The Department Supervisors are responsible for making budget requests and tracking the expenditure of that department.

The General Manager oversees and manages the Administration employees.

Ethics and Whistleblower

Refer to the current Ethics policy on file.

ACCOUNTS PAYABLE MANAGEMENT

Overview

CCCSD strives to maintain efficient business practices and good cost control. It is the policy of the District that the employee recording the assets or expenses and the related liability is independent of ordering and receiving. The amounts recorded are based on the original vendor invoice for the goods or services. The vendor invoice should be supported by an approved purchase order, where necessary and should be approved by the Department Supervisor of the department responsible for the purchase. Invoices and related general ledger account numbers are reviewed by the Bookkeeper and General Manager prior to posting to the A/P system.

The primary objective for accounts payable and cash disbursements is to ensure that:

1. Disbursements are properly reviewed and approved
2. Invoices are processed in a timely manner to take advantage of any cash discounts
3. Manage vendor credit terms and operating cash for maximum benefits

Recording Accounts Payable

All payables, properly supported with the required documentation shall be recorded as a payable in a timely manner.

Payables are processed on a semi-monthly basis. Information is entered in the system directly from the approved invoices with appropriate documentation attached. Only original invoices will be processed for payment, unless duplicated copies have been verified as unpaid by researching vendor records. Vendor statements shall not be processed for payments.

Timely Receipt/Approval/Payment

All vendor invoices received, approved and supported by adequate documentation by the 5th of the month shall be paid by the 10th of that month. Invoices received, approved and supported by adequate documentation by the 20th of the month shall be paid by the 25th of that month. Except for payroll related expenses, all other invoices shall not be processed until the 10th of the following month. These timelines make preparation of the monthly financial statements by the 10th of the following month possible for presentation at the monthly board meeting.

Approval by Department Supervisors indicates their acknowledgement of satisfactory receipt of the goods and/or services, agree with the contents of the invoice, the general ledger coding and approval to pay in full. The invoices are initialed by the approving party.

Vendor Discounts

To the extent practical, it is the policy of CCCSD to take advantage of all prompt payment discounts offered by vendors. When the availability of such discounts is noted and all required documentation is available, payments will be scheduled to take full advantage of the discounts.

Expense Reimbursement/Travel and Entertainment

Refer to the current Employee Travel Guidelines and Reimbursement Policy on file and the CCCSD Directors Compensation and Expense Reimbursement Policy on file.

CASH DISBURSEMENTS

Payment Preparation

Vendor checks and expense reimbursement checks shall be prepared on a semi-monthly basis. Checks shall be prepared by the Bookkeeper or Administrative Assistant and approved by the General Manager or the Department Supervisors. The entire payable package shall be reviewed and approved by a Board Director and the checks signed by two (2) authorized check signers.

All vendor and expense reimbursement checks shall be produced in accordance with the following guidelines:

1. Expenditures must be supported in conformity with the applicable sections described in this policy.
2. Timing of disbursements shall be timed to take advantage of all discounts offered by vendors.
3. Generally, all vendors shall be paid within thirty (30) days of submitting a proper invoice upon delivery of goods or services.
4. Total cash requirements associated with each A/P run is monitored in conjunction with available cash in the general bank account prior to release of any checks.
5. Supporting documentation is attached to invoice and corresponding check to allow the authorized check signer final approval and signature.
6. Checks shall be used in numerical order. Unused checks are to be secured in a locked office. Voided checks are to be marked through with red ink and kept with monthly payable information for review by the auditor.
7. Checks shall never be made payable to "bearer" or "cash."
8. Checks shall never be signed prior to proper preparation.
9. Upon preparation of checks, vendor invoices and supporting documentation shall be stamped and filed to prevent being paid again.
10. All Electronic Funds Transfers (EFT's) must be approved prior to processing the payment.

Check Signing

All checks, regardless of amount shall require two signatures by authorized signers. Checks shall never be signed prior to complete preparation (no signing blank checks).

Ideally, an individual other than the one who approved the transaction for payment shall sign each check. In any event, a Board Director shall review and approve all disbursements.

Check signers shall examine all original documentation to ensure that each item has been properly reviewed prior to signing the check. Checks should not be signed, if supporting documentation appears to be missing or if there are any questions about the disbursement.

Mailing Checks

After checks are signed, they should be returned to the individual who prepared them, who then mails them immediately. Individuals who authorized expenditures shall not mail checks.

Voided Checks and Stop Payments

Checks may be voided due to processing errors by making proper notations in the check register and defacing the check by clearly marking it "void" in red ink. All void checks shall be retained to aid in preparation of bank reconciliation and available for auditor review upon request.

Stop payment orders may be made for checks lost in the mail or for other valid reasons. Stop payments are processed on-line or by telephone instruction and written authorization to the bank by accounting personnel with this authority. A journal entry is made to record the stop payment and any related bank fees.

Petty Cash

It is District policy to maintain a petty cash fund for valid transactions and to periodically replenish these funds up to the authorized balance of \$300. It is the responsibility of the Administrative Assistant or Bookkeeper to ensure that the petty cash fund is always secure.

All disbursements from the petty cash fund must be accompanied by a completed and approved petty cash voucher. Receipts are required for all disbursements from petty cash.

There should be a separate General Ledger account number for petty cash. Petty cash should be balanced at the end of the month and the cash physically counted to make sure that it balances to the General Ledger.

Record Keeping Associated with Independent Contractors

CCCSO shall obtain a completed Form W-9 or equivalent substitute documentation from all vendors to whom payments are made. A record shall be maintained of all vendors for whom a Form 1099 is required to be issued at year-end. Payments to such vendors shall be accrued over the course of the calendar year.

PAYROLL AND RELATED POLICIES

Classification of Workers as Independent Contractors or Employees

An independent contractor is in business for themselves and not an employee of the District. They control the way they perform their work, and they operate under very limited oversight. Independent Contractors set their own schedules. They have their own hours. They typically have their own tools and equipment, and they can work for more than one (1) company at a time.

If an individual qualifies for independent contractor status, the individual will be sent a Form 1099, if total compensation paid to that individual for any calendar year, on the cash basis is \$600 or more. The amount reported on a Form 1099 is equal to the compensation paid to that person during the calendar year (on a cash basis). Excluded from "compensation" are reimbursements of business expenses that have been accounted for by the contractor by supplying receipts and business explanations.

Payroll Administration

CCCSD produces a bi-weekly payroll. All employees have an established personnel file that is maintained with current documentation as described throughout this section. The District pays bi-weekly as described in the MOU.

The following forms, documents and information shall be obtained and included in personnel files for all new employees:

1. Employment application and resume
2. Interview questions and notes
3. Signed Offer of Employment
4. Signed Job Description
5. Signed Acknowledgment of MOU
6. Signed Acknowledgement of Employee Handbook
7. W-4 Federal Withholding Certificate
8. State Withholding Certificate
9. I-9 Employment Eligibility Verification (Filed in a separate binder)
10. Copy of valid driver's license
11. Copy of Social Security Number or Passport
12. Signed Benefit Enrollment Application
13. Signed Union Dues Enrollment/Waiver
14. Signed Acknowledgement of Social Security Windfall Elimination Provisions
15. Authorization for voluntary withholdings, direct deposit, etc.
16. Evaluations
17. Write-ups/Disciplinary Actions
18. Training Records

Documentation of all changes in payroll status shall be maintained in each employee's personnel file and in the information for the individual employee in the payroll software.

Changes In Payroll Data

All changes in payroll data shall be authorized in writing before implementation:

1. New hires
2. Terminations
3. Changes in compensation
4. Voluntary payroll deductions
5. Changes in income tax withholding status
6. Court ordered payroll deductions

The appropriate Department Supervisor shall authorize new hires, terminations and changes in compensation and these changes shall be authorized in writing by the General Manager prior to implementation and will be reported in the General Manager Memo.

The individual employee shall authorize voluntary payroll deductions and changes in income tax withholding status in writing.

Payroll Taxes

It is the responsibility of the Bookkeeper/Accountant or Administrative Assistant, who processes payroll, to ensure all required tax forms are properly completed and submitted and all required taxes are withheld and paid in the required timeline. Each employee shall submit a new W-4 in January of each year. Withholding of federal income taxes shall be based on the most current W-4 prepared by each employee.

Preparation of Timecards

Each employee must submit signed, approved timecards no later than 9:00 am in the morning following the end of the pay period. Timecards will be prepared in accordance with the following:

1. Timecards shall reflect all hours worked and compensated hours during the pay period. The timecard should generally reflect 80 hours. The pay period runs from Friday through Thursday for a two (2) week period and is paid on the following Thursday one (1) week after the end of the pay period.
2. Both employees and Department Supervisor prior to submission must sign timecards.
3. The timecards will be reviewed by the Administrative Assistant for accuracy and confirming hours recorded, prior to entry into the system for processing payroll.
4. Timecards with corrections will be returned to the Department Supervisor to review and discuss with the employee.
5. Any changes made to the timecards after submission must be initialed by the Department Supervisor and the employee.
6. Errors corrected by the person preparing payroll shall make changes in ink by crossing out entries and writing new entries in.
7. Department, or job number coding must identify all hours worked.
8. Compensated absences such as vacation, holidays and sick leave should be clearly identified as such.

Employees who are on leave or ill on the day that timecards are due may phone or email information to the Department Supervisor or designated alternate. Immediately upon return to work the employee must sign the timecard.

Tampering with, altering, falsifying timecards or willfully violating any other timesheet policy or procedure may result in disciplinary action.

Payroll Distribution

Per the MOU the Payroll Checks will be distributed by the Thursday following the end of the pay period.

In the future the CCCSD would like to implement direct deposit and strongly encourage the employees to use it, due to the efficiencies created.

SPECIFIC ASSET AND LIABILITY ACCOUNTS

Cash Accounts

General Checking Account:

The primary operating account provides for routine business cash disbursements, including payroll. All cash payments received either at the office or by mail are deposited to this account. Excess funds in this account are to be used as per the CCCSD Investment Policy on file.

Cash transfers are done on an “as needed” basis to cover disbursements, capital expenditures or payment on assessment district debt.

Bank Accounts Reconciliation

Bank account statements are received by the 10th of the month for the preceding month. The accounts are to be reconciled by the 25th of the month. Any unusual or unexplained items should be immediately investigated and if necessary, reported to the General Manager and the Financial Committee.

Bank account reconciliations, including any adjusting journal entries resulting from preparing bank reconciliations are reviewed by two directors on an annual basis.

The bank account reconciliations should be reviewed by a person other than the employee entering the invoices and processing the checks. This applies to payroll also.

Stale Checks

The District writes off uncashed checks in the amount of \$500 or less that have not cleared the bank after a six-month period. Uncashed checks in excess of \$500 and over six months old will be investigated by contacting the payee to determine the best course of action.

All stale checks written off within the same fiscal year of issue will be credited back to the expense account originally charged. Checks written off in the fiscal year subsequent to the year the check was written will be credited to the miscellaneous income account.

DISTRICT EQUIPMENT AND FACILITIES

To eliminate the District’s liability for non-work-related injuries and/or accidents and to protect the public’s investment in public property the District has the following policy:

1. The utilization of District equipment and materials is authorized only for paid work-related activities.
2. District facilities may not be used for unauthorized activities by employees without the approval of the General Manager.
3. Any violations of this policy are to be reported to the General Manager.

RECORD RETENTION

CCCSD retains records as required by law and will destroy according to the following Records Retention Schedule. The destruction of records must be approved by the General Manger or the Finance Committee and logged into the “Purged Records Log”. The record retention policy of CCCSD is by years, (*) indicates the records are to be kept permanently. Any records not specifically mentioned in this policy shall be retained for a period of not less than two (2) years.

CCCSO RECORDS RETENTION SCHEDULE

| <u>TITLE</u> | <u>RETENTION PERIOD IN YEARS</u> |
|--|---|
| Accident Reports/Claims (Settled) | 7 |
| Accounts Payable Ledgers/Schedules | 7 |
| Accounts Receivable/Schedules | 7 |
| Audit Reports | * |
| Bank Reconciliations | 3 |
| Bank Statements | 3 |
| Board of Directors Records | 5 |
| Chart of Accounts | * |
| Cancelled Checks | 7 |
| Contracts, Mortgages, Notes and Leases: | |
| Expired | 7 |
| Current | * |
| Correspondence: | |
| General | 2 |
| Legal and important matters only | * |
| Routine with customers and/or vendors | 2 |
| Deeds, Mortgages and Bills of Sale | * |
| Depreciation Schedules | * |
| Duplicate Deposit Slips | 3 |
| Employment application | 3 |
| Expense Analyses/Expense Distribution Schedule | 7 |
| Financial Statements: | |
| Year End | * |
| Other | 7 |
| Garnishments | 7 |
| General Ledgers/Year End Trial Balance | * |
| Insurance Policies (Expired) | * |
| Insurance Records (Policies, Claims etc.) | * |
| Internal Audit Reports | 3 |
| Internal Reports | 3 |
| Inventories of products, materials, supplies | 7 |
| Invoices (To Customers/From Vendors) | 7 |
| Journals | * |
| Minutes, Bylaws and Charters | * |
| Recorded Meeting Minutes | 7 |
| Notes Receivable Ledgers and Schedules | 7 |
| Payroll Records and Summaries | 7 |
| Personnel Records (Terminated) | 7 |
| Petty Cash Vouchers | 3 |
| Physical Inventory Tag | 3 |
| Property Records | * |

CCCSD RECORDS RETENTION SCHEDULE CONTINUED

| <u>TITLE</u> | <u>RETENTION PERIOD IN YEARS</u> |
|--|---|
| Purchase Orders: | |
| District Copies | 7 |
| Other | 2 |
| Receiving Sheets | 2 |
| Retirement and Pension Records | * |
| Requisitions | 2 |
| Sales Records | 7 |
| Subsidiary Ledgers | 7 |
| Tax Returns and Worksheets, Examination Records and other Documentations related to determinations of Income Tax Liability | * |
| Timecards | * |
| Training Manuals | 7 |
| Vehicle Mileage and Maintenance Records | 3 |
| Withholding Tax Statements | 7 |

POLICIES

All policies for CCCSD will be compiled into one document with an index.

Currently CCCSD has the following policies:

- Board of Directors Compensation and Expense Reimbursement Policy and Required Ethics Training
- Delinquencies and Water Service Disconnect
- District Vehicle
- Drought Planning and Water Shortage
- Employee Travel Guidelines and Reimbursement
- Ethics
- Fraud Prevention
- General Administration
- General Manager's Reimbursement Policy
- Investment of District Funds
- Procurement, Competitive Bidding and Emergency Contracting
- Reserve Fund
- Surplus Property Disposal
- Tools and Equipment Inventory Control
- Trespassers on CCCSD Property
- Water Theft
- Will Serve Letter