

Title 7
OPERATIONS

Chapters:

- 7.04 California Environmental Quality Act**
- 7.08 Purchases**
- 7.16 Financial Management**
- 7.20 Operating Plans**

Chapter 7.04

CALIFORNIA ENVIRONMENTAL QUALITY ACT

Sections:

- 7.04.010 Purpose—Authority.**
7.04.020 State Guidelines Adopted.
7.04.030 Exemptions.

7.04.010 Purpose—Authority.

The regulation codified in this chapter is adopted pursuant to Public Resources Code Section 21082 and contains the objectives, criteria and procedures for the evaluation of projects and the preparation of environmental impact reports and negative declarations pursuant to the California Environmental Quality Act (CEQA). (Reg. 101(a))

7.04.020 State Guidelines Adopted.

The State Guidelines for implementation of CEQA, as prescribed and as from time to time hereafter amended by the Secretary of Resources pursuant to Public Resources Code Section 21083 (14 California Administrative Code Section 15000, et seq.), are adopted by incorporation by reference. See State Guidelines Section 15050(f). The words "local agency" wherever used in the State Guidelines shall mean the District unless manifestly incompatible with the intent of the State Guidelines. (Reg. 101(b))

7.04.030 Exemptions.

The following activities are exempt from the requirements of CEQA for which no environmental impact report or negative declaration is required:

A. Ministerial Projects.

1. See State Guidelines Section 15073. "Ministerial projects" include actions that do not involve discretion and where the only determination that has to be made is whether there has been compliance with the District's applicable regulations. The following are normally ministerial:

a. The connection or relocation of a customer's service line that does not involve a main extension and does not overburden the District's distribution system;

b. The installation of a backflow prevention device;

c. The issuance of a temporary permit or revocable license to travel over District land or the rights-of-way of the Contra Costa canal system.

2. Other acts may be determined to be ministerial on a case-by-case basis.

B. Feasibility and Planning Studies. See State Guidelines Section 15072.

C. Emergency Projects. See State Guidelines Section 15071.

D. Categorically Exempt Projects. See State Guidelines Article 8, commencing with Section 15100. The following is a list of specific activities of the District which are categorically exempt:

1. Class 1—Existing Facilities. See State Guidelines Section 15101.

a. Normal repair, maintenance and operation of features of the Contra Costa canal system and of the structures, facilities and equipment used in the normal operations of the District;

b. Minor alterations of the foregoing that involve negligible or no expansion of use;

2. Class 2—Replacement or Reconstruction. See State Guidelines Section 15102.

3. Class 3—New Construction or Conversion of Small Structures. See State Guidelines Section 15103.

4. Class 4—Minor Alterations to Land. See State Guidelines Section 15104.

a. Installation of mains, pipes, valves and appurtenances by excavation, backfilling and, if necessary, repaving, provided the trenching is minor and the surface is restored;

b. Landscaping;

c. Grading with a slope of less than ten percent without removal of mature scenic trees;

d. Issuance of temporary permits or revocable licenses for minor encroachments on lands of the District or the Contra Costa canal system that have negligible or no permanent effects on the environment.

5. Class 6—Information Collection. See State Guidelines Section 15106.

6. Class 9—Inspections. See State Guidelines Section 15109.

7. Class 11—Accessory Structures. See State Guidelines Section 15111.

8. Class 12—Surplus Government Property Sales. See State Guidelines Section 15112. Sales of real or personal property of the District which has been declared to be surplus by the Board of Directors. (Reg. 101(c))

Chapter 7.08

PURCHASES

Sections

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|-----------------|---|
| 7.08.010 | Scope—Purpose. |
| 7.08.020 | Purchases—Board Approval Required. |
| 7.08.030 | Purchases—Board Approval Not Required. |
| 7.08.040 | Exceptions. |

7.08.010 Scope—Purpose.

The regulations codified in this chapter establishes the policies and procedures governing purchases of materials, supplies, services and equipment by the District, adopted pursuant to Article 7, Chapter 5, Part 1, Division 2, Title 5 of the Government Code of California. The purposes of this regulation are to establish efficient procedures for the purchase of supplies and equipment, to secure for the District supplies and equipment at the lowest possible cost commensurate with quality needed, to exercise positive financial control over purchases, to define authority for the purchasing functions, to assure the quality of purchases and to encourage full and open competition on purchases. (Reg. 102(a))

7.08.020 Purchases—Board Approval Required.

Purchases of materials, supplies, technical or construction services, and equipment with a value of more than fifty thousand dollars may be by formal bid and awarded by the Board of Directors. Purchases of professional services with a value of more than fifty thousand dollars may be by proposal and awarded by the Board of Directors. (Res. 00-19 Exh. A (part); Res. 96-22 Exh. A (part); Reg. 102(b))

7.08.030 Purchases—Board Approval Not Required.

Purchases of materials, supplies, technical or construction services, and equipment with a value of fifty thousand dollars or less may be by formal bid and awarded by the General Manager or designee. Purchases of professional services with a value of fifty thousand dollars or less may be by proposal and awarded by the General Manager or designee. (Res. 00-19 Exh. A (part); Res. 96-22 Exh. A (part); Reg. 102(c))

7.08.040 Exceptions.

Bidding may be dispensed with when the commodity is available from only one supplier or in an emergency when there is insufficient time for the bidding process. (Reg. 102(d))

Chapter 7.16

FINANCIAL MANAGEMENT

Sections:

7.16.010	Purpose—Applicability.
7.16.020	Investments—Compliance with Law.
7.16.030	Effective Financial Management.
7.16.040	Investment Objectives.
7.16.050	Authority to Invest.
7.16.060	Investment Guidelines—Deposit of Funds.

7.16.010 Purpose—Applicability.

A. The purpose of this regulation is to establish general policies and procedures for conducting the financial management of the District and the investment of funds of the District not required for immediate disbursement.

B. The regulation codified in this chapter does not apply to the investment of the trust fund of the District's retirement fund.

C. The regulation codified in this chapter does not apply to the investment of the District's Other Post Employment benefits funds.

D. The regulation codified in this chapter does not apply to the investment of the District's deferred compensation funds.

E. Proceeds from any issue of District debt subsequent to July 1, 1996 shall be subject to the guidelines of this chapter. If any provision of this chapter is in conflict with the District's debt covenants, the debt covenants shall supersede the provision of this chapter. (Res. 09-21 Exh A.:Res. 96-18 Exh. A (part): Res. 91-47 Exh. A (part): Reg. 104(a))

7.16.020 Investments—Compliance with Law.

The investment and deposit of funds of the District and the sale of bonds, notes and other evidence of indebtedness shall be in accordance with all applicable law, including, without limitation, Sections 53600 through 53692 of the California Government Code. (Res. 96-18 Exh. A (part): Res. 91-47 Exh. A (part): Reg. 104(b))

7.16.030 Effective Financial Management.

The following actions shall be taken to maintain a sound financial condition and to secure the most cost-effective credit rating on issues of indebtedness:

A. Prudent budgeting and effective budget control;

B. Planning for capital projects and purchases on a ten-year plan updated annually;

C. Financial accounting and reporting in accordance with generally accepted accounting principles, and making such reports available to bond rating agencies and the public;

D. Establishing and maintaining rates, fees and charges which will provide sufficient revenues in each fiscal year so that the District's debt service coverage ratio, determined by dividing net revenue by annual debt service for the fiscal year which the calculation is being made (after first deducting any principal or interest paid during such fiscal year with moneys which are not revenues), at the end of each fiscal year is not less than 1.25 to 1 for revenue bonds subject to such debt service coverage requirement;

E. Expenditures for capital improvements and capital equipment from funds other than the proceeds of bond sales may be refunded from the proceeds of subsequent bond sales. (Res. 96-18 Exh. A (part): Res. 91-47 Exh. A (part): Reg. 104(c))

7.16.040 Investment Objectives.

The objectives of the District's investments are first providing for the safety and security of all funds; second, providing sufficient liquidity to meet the District's cash requirements at all times; and third, maximizing yield. (Res. 96-18 Exh. A (part): Res. 91-47 Exh. A (part): Reg. 104(d))

7.16.050 Authority to Invest.

The Director of Finance, pursuant to Government Code Section 53607, has the management responsibility for the investment program and shall make all reports required by law to the Board of Directors, and maintain written procedures for the operation of the investment program. These procedures shall include delegation of authority to the accounting manager responsible for day-to-day investment transactions. The Director of Finance shall be responsible for all transactions undertaken and shall establish controls to regulate the activities of subordinates. (Res. 96-18 Exh. A (part): Res. 91-47 Exh. A (part))

7.16.060 Investment Guidelines—Deposit of Funds.

A. Prudence. When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, the Director of Finance, acting in accordance with the authority delegated above, shall act with the care, skill, prudence and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District. (Government Code Section 53600.3)

B. Qualified Institutions. In selecting depositories, the credit worthiness of each shall be considered and a review of credit characteristics and financial history will be performed. Annually, financial institutions doing business with the District shall submit their most recent report on financial condition. To the extent possible,

keeping in mind safety, liquidity and yield, the District will deposit with institutions having offices within the territory of the District. Securities dealers utilized by the District must be members of a federally regulated securities exchange.

C. Collateralization. For deposit-type securities (i.e., certificates of deposit), amounts in excess of Federal Deposit Insurance Corporation (FDIC) insurance maximums shall be collateralized to the satisfaction of the District, based on an evaluation of the length of the securities being provided as collateral and the volatility of government markets. Collateral for all investments, except CDs, will be held by a third party.

D. Investment Instruments. To diversify its investment portfolio to ensure maximum safety of District funds, the District may invest in the instruments below. For those which are limited to a percent of the portfolio, the percentage limits apply as of the date that the investment was purchased.

1. Collateralized certificates of deposit and accounts in banks and savings and loans associations insured by the Federal Deposit Insurance Corporation and limited to thirty percent of the District's investment portfolio;

2. Banker's acceptances issued by banks rated "A" or better, adequately collateralized, with a maximum of one hundred eighty days and limited to twenty-five percent of the District's portfolio;

3. Treasury bills and notes;

4. Securities of federal government agencies (e.g., Federal National Mortgage Association (FNMA), Government National Mortgage Association (GNMA), Federal Home Loan Bank (FHLB), Federal Farm Credit (FFC)) with a maximum maturity of five years;

5. Repurchase agreements collateralized by U.S. Treasury securities with a maximum agreement term of ninety-two days and limited to twenty percent of the District's investment portfolio;

6. Commercial paper of the highest quality rated A1/P1 secured by an irrevocable line of credit or collateralized by government securities, with a maximum maturity of two hundred seventy days and limited to fifteen percent of the District's investment portfolio. No more than ten percent of the portfolio may be invested in any single corporate issue;

7. Medium term notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States, rated "A" or better, with a maximum maturity of five years and limited to thirty percent of the District's investment portfolio;

8. State of California Local Agency Investment Fund.

9. California Asset Management Program.

10. Money market accounts comprised solely of securities issued by the federal government (including but

not limited to United States Treasury bills and notes) and securities issued by federal government agencies (including but not limited to FNMA, GNMA, FHLB, and FFC).

E. Maturity Scheduling. Investment maturities for operating funds shall be scheduled to coincide with projected cash flow needs. Investments shall be made with the intent of holding them to maturity, recognizing that in a diversified portfolio, investments may be sold prior to maturity, provided that such sales are consistent with the District's overall investment objectives.

F. Investment Rating Changes. Should an investment subject to minimum acceptable ratings fall below that minimum rating prior to maturity, a parameter shall be obtained from the Board of Directors to establish the conditions under which that investment would be sold prior to maturity. The intent of the parameter would be to preserve the investment's original principal.

G. Diversification. The District will diversify its investment portfolio to minimize the risk of loss resulting from over-concentration of assets in a specific maturity, issuer or class of securities. With the exception of bond proceeds, and securities issued by the United States government or its federal agencies, no more than twenty percent of the District's fund shall be deposited in any one financial institution. The weighted average maturity of the investment portfolio will not exceed three years. Where not otherwise specified, the term or remaining maturity of a security at the time of purchase will not exceed five years.

H. Competitive Pricing. The District shall work closely with bankers and investment brokers to obtain and document competitive pricing for District investments. (Res. 10.-21 Exh. A; Res. 09-21 Exh.A; Res. 03-33 Exh. A; Res. 02-15 Exh. A; Res. 01-25 Exh. A (part); Res. 99-40 § 1: amended during 9/97 supplement; Res. 96-18 Exh. A (part); Res. 91-47 Exh. A (part); Reg. 104(e))

Chapter 7.20

OPERATING PLANS

Sections:

- 7.20.010 Emergency Operations Plan.**
- 7.20.020 Strategic Plan.**
- 7.20.030 Treated Water Master Plan.**
- 7.20.040 Urban Water Management Plan.**
- 7.20.050 Los Vaqueros—Watershed
Management Plan.**
- 7.20.060 Los Vaqueros—Pipeline Right-of-
Way Acquisition and Utilization
Policy.**

7.20.010 Emergency Operations Plan.

The District's emergency operating procedures are fully set forth in a document entitled, "Emergency Operating Plan of Contra Costa Water District." (Reg. 105(a))

7.20.020 Strategic Plan.

The District's strategic planning process is fully set forth in a document entitled, "Contra Costa Water District Strategic Plan." (Reg. 105(b))

7.20.030 Treated Water Master Plan.

The District's long range development program for the treated water system is fully set forth in a document entitled, "Treated Water Master Plan." (Reg. 105(c))

7.20.040 Urban Water Management Plan.

The District's program for the conservation and efficient use of water is fully set forth in a document entitled, "Urban Water Management Plan." (Reg. 105(d))

**7.20.050 Los Vaqueros—Watershed Management
Plan**

The District's watershed management plan is fully set forth in a document entitled, "Kellogg Watershed Management Plan." (Reg. 251)

**7.20.060 Los Vaqueros—Pipeline Right-of-Way
Acquisition and Utilization Policy.**

The District's plan for acquiring pipeline right-of-way for the Los Vaqueros project is fully set forth in a document entitled, "Los Vaqueros Project Pipeline Right-of-Way Acquisition and Utilization Policy."
