



Date: November 19, 2015

TO: LOCSD Board of Directors
FROM: Kathy A. Kivley, General Manager *Kathy A. Kivley*
SUBJECT: **Agenda Item 12H – 12/3/2015 Board Meeting**
Discussion Regarding Existing Policy and Potential Adoption of Resolution Permitting the Destruction or Disposal of Certain District Records, Documents, and Papers

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DESCRIPTION

Discuss potential changes to the District's Records Management and Records Retention Schedule and permit the destruction or disposal of certain District records, documents and papers pursuant to the District's Records Management and Records Retention Schedule.

STAFF RECOMMENDATION

Motion: *I move that the Board adopt Resolution 2015-28 permitting the destruction or disposal of certain District records, documents and papers as listed in the attached EXHIBIT A.*

DISCUSSION

California Government Code Section 12236 give the Secretary of State the following authority: "(a) The Secretary of State shall establish a Local Government Records Program to be administered by the State Archives to establish guidelines for local government records retention and to provide archival support to local agencies in this state; (b) The Secretary of State shall establish, publish, update, and maintain on a permanent basis guidelines for local government records retention. The Secretary of State may consult with appropriate professional organizations representing city, county, and special district records administrators regarding the establishment of these guidelines."

California Government Code Section 60200 states as follows: "The legislative body of any special district may authorize at any time the destruction or disposition of any duplicate record, paper, or document, the original or a permanent photographic record of which is in the files of any officer or department of the district.

60201 (a) For purposes of this section, "record" means any record consisting of a "writing," as defined by subdivision (f) of Section 6252. (b) The legislative body of a district may destroy or dispose of any record that is not expressly required by law to be filed and preserved through either of the following procedures:

(1) The legislative body may authorize the destruction or disposition of any category of records if it does both of the following:

(A) Adopts a resolution finding that destruction or disposition of this category of records will not adversely affect any interest of the district or of the public.

(B) Maintains a list, by category, of the types of records destroyed or disposed of that reasonably identifies the information contained in the records in each category.

2) The legislative body may, by resolution, adopt and comply with a record retention schedule that complies with guidelines provided by the Secretary of State pursuant to Section 12236, that classifies all of the district's records by category, and that establishes a standard protocol for destruction or disposition of records.”

On April 1, 2010, the Board adopted Resolution 2010-04 establishing the District's Records Management and Records Retention Schedule. The resolution established procedures and standards in accordance with Government Code Section 60200 et seq. and other statutory requirements and sound records management practices. On November 5, 2015, this item was presented to the Board of Directors at their regularly scheduled Board Meeting. The Board directed staff to return with the current policy and the item with modifications. The current policy requires that staff gather the potential information for destruction pursuant to the policy in September of each year, staff publish the list as part of the regular agenda, and the Board shall consider a Resolution approving the destruction of those records at its first meeting in October or as soon thereafter as may be convenient for the Board. The regular meeting of October 1, 2015 was cancelled. Therefore consistent with the Board adopted policy this item was before the Board on November 5, 2015.

Consistent with your comments at the last meeting, staff modified the Exhibit to insure the destruction schedule is consistent with the policy. There is no requirement in the policy to deal with the records on a fiscal year basis so staff is presenting this information based on the calendar year. All documents requested for destruction are consistent with the current Federal and State guidelines

With regards to the exhibit, staff makes the following comments

Employee Personnel Records (Inactive) - 2010

Forms W-2/1099/941/DE3 - 2010

Payroll Reports/Timesheets/Deductions Registers – 2010

- The Sage Abra Human Resources Management Software contains information regarding terminated (inactive) employees including personal, job and pay, benefits, training, recruiting and payroll. This District has information that dates back to 2004 on this system. The necessity to keep duplicate paper copies of this information requires physical storage and is unnecessary.

Staff Reports and Agenda Packets – 2010

- This information is stored on the M-drive of the computer system. The agenda packet as presented to the Board of Directors includes all the materials. The necessity to keep duplicate paper copies of this information requires physical storage and is unnecessary.

Bids/Agreements for Purchases/Surplus of Equipment/Services – 2010

- Anything in excess of \$5,000 is stored on the M Drive on the Server. The necessity to keep duplicate paper copies of this information requires physical storage and is unnecessary.

Bank Statements and Cancelled Checks - 2010

Accounts Receivable - 2010

Accounts Payable - 2010

Financial Statements - 2010

General Ledger - 2010

Annual Budget and Working Papers - 2010

- This information is contained within your Sage Abra MIP Financial System. The audit was completed for 2010/2011 in November 2011 where the Auditors stated they saw the District was under substantial financial uncertainty that may jeopardize its ability to continue as a going concern. The financial books are closed when the audit is complete. These papers provide no value to the district because no corrections or additions may be made in that fiscal year. A copy of the annual budget, working papers, financial statements and audits as available are located on the M drive of the computer system server. Bank Statements if needed are available upon request from the institution. The necessity to keep duplicate paper copies of this information requires physical storage and is unnecessary.

Backflow Tests – 2010

- The LOCSD is required to test every year and County maintains the data base; the current information is maintained and there is no need for outdate information. The necessity to keep duplicate paper copies of this information requires physical storage and is unnecessary.

Water Maintenance Records – 2010

- This is all the maintenance records for the Utility Crews. Since 2013, this information is received weekly via email and saved on the computer system. The necessity to keep duplicate paper copies of this information requires physical storage and is unnecessary.

Water Sampling Results/Reports – 2010

- Lab reports are stored in the County's data base and transmitted electronically to the State; information available through the State. The necessity to keep duplicate paper copies of this information requires physical storage and is unnecessary.

Annual Drinking Water Reports – 2010

- Annual report to the state, electronically submitted to the state retained for inspector's review and contained within the states database. The necessity to keep duplicate paper copies of this information requires physical storage and is unnecessary.

Drainage Maintenance Records – 2010

- The Drainage information is contained within the well logs; well logs are maintained forever. The necessity to keep duplicate paper copies of this information requires physical storage and is unnecessary as it is maintained in another form.

Water Billing Reports – 2013

- Information is printed monthly through the CUSI Software program and changes monthly. Two year old information has no relevance to current billing information. The customers water billing and payment history is accessible through the current software system. The necessity to keep duplicate paper copies of this information requires physical storage and is unnecessary.

Water Payment Arrangements – 2013

- LOCSD currently tracks water payment arrangement through the CUSI software system. This information remains on the system until the rate payer discontinues service with the District. This system was implemented in November 2013 and there is no need for paper information. The necessity to keep old paper copies of previous payment arrangements is unnecessary information and requires physical storage. There are no outstanding payment arrangements from 2010.

Water Liens & Releases – 2013

- At the present time LOCSD does not file this information in this manner. Delinquent water accounts are now placed on the property tax rolls for collection. Once they are paid, there is no reason to keep the documents. Any remaining information is stored on the M Drive. The necessity to keep duplicate paper copies of this information requires physical storage and is unnecessary.

Water Work Orders – 2013

- This is a job order or ticket received by the LOCSD from a customer or created internally within the organization. Once the ticket is completed, it is signed off. This can be for either products or services. Copies are maintained for two years as legally required. Beyond the date there is no relevance to the District and staff only needs the information for the prior two years. The necessity to keep duplicate paper copies of this information requires physical storage and is unnecessary.

Water Customer Complaints – 2013 –

- These are complaints concerning water quality or safety issues. The documentation is maintained for two years. Beyond two years exceeds the recommended time as service time in some cases was suspended with the respective parties no longer being a water customer. The necessity to keep duplicate paper copies of this information requires physical storage and is unnecessary.

Safety Meeting Reports/Logs – 2013

- This material includes the safety handouts (SDRMA), sign-in sheet and fire extinguisher inspection report and after two years the materials are outdated. All fire extinguishers are checked monthly and serviced yearly. The necessity to keep paper copies of this information requires physical storage and is unnecessary.

Employment Recruitment – 2013

- When an employee is hired the Sage Human Resources Management Software allows the process to be store under the specific employee. Maintaining recruitments information for unqualified or non-hires beyond the required period is of no value to the District. It is the practice of this District if a position becomes available to conduct an open recruitment. The necessity to keep paper copies of this information beyond the required time frame requires physical storage and is unnecessary.

Water Rate Studies – 2010

- This type of information must come before the Board of Directors for adoption. All information relative to water rate studies is store on the M-Drive of the Server. The necessity to keep duplicate paper copies of this information requires physical storage and is unnecessary.

The list of records and documents, EXHIBIT A, no longer has administrative, legal, fiscal, or historical value and there is no pending litigation attached to the records to be purged.

FINANCIAL IMPACT

The recommended action will have minimal financial impact on the District. There is money in the budget to accomplish this task and understands the constraints regarding proper recycling and shredding.

Attachments: Resolution 2015-28 w/EXHIBIT A
Records Management and Records Retention Schedule, April 2010

RESOLUTION NO. 2015-28

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE LOS OSOS COMMUNITY SERVICES DISTRICT
ORDERING THE DESTRUCTION OF CERTAIN RECORDS IN ACCORDANCE WITH
RECORDS MANAGEMENT AND RECORDS RETENTION SCHEDULE**

WHEREAS, California Government Code Section 12236 Gives the Secretary of State the authority to establish Government Records Program establishing guidelines for local government records retention and provide archival support to local agencies in this state; and

WHEREAS, California Government Code Section 60200 et seq. allows the legislative body of any special district to establish a policy regarding the destruction or disposal of any record that is not expressly required by law to be filed and preserved; and

WHEREAS, according to Section 60200 et seq. the Los Osos Community Services District may disposed of the selected records after the Board of Directors adopt a resolution finding that the destruction or disposition will not adversely affect any interest of the district or the public; and

WHEREAS, the District maintains a list by category of the types of records destroyed or disposed of that reasonably identifies the information contained in the records for each category; and

WHEREAS, the District understand this Resolution must contain language stating the current policy compiles with the Section 12236; and

WHEREAS, the District collects and maintains records for district operations and public purposes; and

WHEREAS, the District determined it was necessary to establish a program that consists of record organization, indexing, selection, retention, destruction and permanent storage; and

WHEREAS, the District recognizes the program attempts to minimize the cost and effort of record keeping in addition to keeping the appropriate records for the recommended length of time; and

WHEREAS, the District established a Records Retention Schedule and File Plan by adopted Resolution No. 2010-4 on April 1, 2010; and

WHEREAS, the District, recognizes the importance of abiding by the Retention Schedule concerning the preservation, destruction and disposition of District records; and

WHEREAS, the District finds the records listed on Exhibit A incorporated herein in its entirety exceed the dates established by the Retention Schedule, will not adversely affect any interest of the District and are no longer needed for public purposes.

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

1. Exhibit A conforms to the Records Management and Records Retention Schedule as established in accordance with Government Code Section 60200 et seq. and other statutory requirements and sound records management practices.
2. That the General Manager is hereby authorized to destroy by shredding the records of the District without retaining a copy.
3. That the General Manager is hereby authorized to add by list, by category of the types of records destroyed or disposed of that reasonably identifies the information contained in the records in each category.

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

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

The foregoing resolution is hereby passed and adopted this 3rd day of December 2015.

R. Michael Wright
Vice President, Board of Directors
Los Osos Community Services District

ATTEST:

APPROVED AS TO FORM:

Kathy A. Kivley
General Manager and Secretary to the Board

Michael W. Seitz
District Legal Counsel

EXHIBIT A

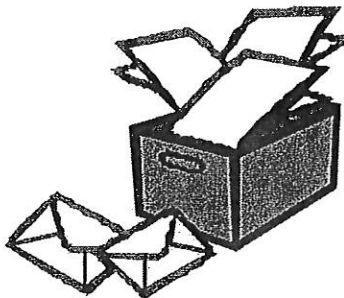
Records to be destroyed as per LOCSD Records Management & Retention Schedule

<u>Contents</u>	<u>All Records Through Fiscal Year or Date</u>	<u>LOCSD Retention Years</u>
Employee Personnel Records (Inactive)	2008	7 <i>(Federal Record Retention Requirements)</i>
Bids/Agreements for Purchases/Surplus of Equipment/Services	2010	5
Bank Statements and Cancelled Checks	2010	5
Safety Meetings Reports/Logs	2010	5
Staff Reports and Agenda Packets	2010	5
Backflow Tests	2010	5
Water Maintenance Records	2010	5
Water Sampling Results/Reports	2010	5
Annual Drinking Water Reports	2010	5
Water Rate Studies	2010	5
Drainage Maintenance Records	2010	5
Accounts Receivable	2010	5
Accounts Payable	2010	5
Financial Statements	2010	5
General Ledger	2010	5
Annual Budgets and Working Papers	2010	5
Payroll Reports/Timesheets/Deductions/Registers	2010	5
Forms W-2/1099/941/DE3	2010	5
Employment Recruitments	2013	2
Public Records Requests	2013	2
Water Billing Reports	2013	2
Water Payment Arrangements	2013	2
Water Liens & Releases	2013	2
Water Work Orders	2013	2
Water Customer Complaints	2013	2

LOS OSOS

COMMUNITY SERVICES DISTRICT

RECORDS MANAGEMENT AND RECORDS RETENTION SCHEDULE



April, 2010

INTRODUCTION

The purpose of the Los Osos Community Services District's Records Management System is to facilitate reference to and preservation of District records.

The real goal of Records Management is making the desired information available at the required time at least expense. This depends solely on the strength of the records foundation: the retrieval system.

The measure of an effective records management program is not how much is discarded, how well forms are controlled, how effective a data requirement policy there is, but can a record be produced when needed. A well structured sort-as-you-go file system can put the burden of data retirement, microfilming and destruction where it belongs – with the clerical staff who operate the files. A base must be developed to gain more from the filing staff, reduce time lost in document searches, facilitate file purging and improve clerical morale.

All records have a life cycle: Active Records, Inactive Records and Obsolete Records. Every office manager recognizes this life cycle but records do accumulate because no one wants to move files to microfilm or storage because of lack of authority, system and equipment to do the job.

The following procedures and standards are established in accordance with Government Code § 60200 et seq. and other statutory requirements and sound records management practices.

RECORDS RETENTION SCHEDULE AND FILE PLAN

PURPOSE

The purpose of the schedule is to provide a guide for the periodic destruction of records that have outlived their usefulness to the District from a legal, operational and administrative standpoint.

BOARD OF DIRECTORS APPROVAL

The Board of Directors' approval of this Records Management System by Resolution constitutes authority to dispose of the records listed herein in accordance with this policy. The Board shall annually review a list of records to be destroyed pursuant to this system. The following procedures shall be used for the annual review:

1. In September of each year, each department head shall gather a list of documents to be destroyed pursuant to this policy.
2. That list shall be given to the General Manager.

3. The General Manager shall bring the list of documents to be destroyed to the Board for consideration and that list shall be published as a part of the regular agenda.
4. The Board shall consider a Resolution approving the destruction of those records at its first meeting in October or as soon thereafter as may be convenient for the Board.
5. No record shall be destroyed before the Board adopts a resolution authorizing its destruction.

SCHEDULE

The schedule is arranged in alphabetical order by responsible department according to record title. The schedule only covers records and does not provide a retention for non-records. All records need approval for destruction. Non-records on the other hand do not need formal approval for destruction and may be destroyed when they are no longer of value and have served their purpose. Non-records are reference papers, notes, working papers, publications, catalogs, outdated forms, and other similar materials, which are of no use to the department in relation to the duties which it performs and is not required to support or substantiate any District transactions. Duplicate copies of records may be destroyed without formal approval provided the information is contained on original copies which are retained; the only exceptions to this are noted on the schedule. All other documents are records. Any doubt as to whether a document is a record or not should be resolved by describing the document as a record or, if many similar documents are in question, the District legal counsel's office should be asked for advice.

RETENTION

The retention represents that amount of time the record is required to be kept after it has become inactive. For example, if a record of a project begun in 1999 and completed in 2003 was required to be kept for two (2) years, it could be destroyed after 2005. All numbers refer to years unless otherwise indicated. The retention periods are as follows:

Legal Minimum: Number of years the record is required to be retained under State law and for legal purposes. Generally, the minimum is as follows:

Type of Record

The originals of Ordinances, Resolutions and Minutes of the Board of Directors, Boards, and Commissions:

Legal Minimum

Permanent

Records affecting the title to real property, easements or liens thereon:	Permanent
Court records:	Permanent
Bonds and coupons that have previously paid or cancelled:	5 Years
Other original records:	2 Years
Federal and state financed projects:	5 Years

The above guidelines establish the minimum legal retention time as required by state law, however, departments may have additional requirements for inactive records imposed by state law. Retention beyond the legal limitation is a matter of District policy to be based on the continuing need for the document.

Department Minimum: Number of years or other time as stated that the records must be retained before it can be destroyed as determined by the department in consultation with the District Manager.

ADMINISTRATION – BOARD FILE PLAN

Permanent Records:

1. Ordinances
2. Resolutions
3. Agendas
4. Board Minutes
5. District Code
6. Conflict of Interest Code
7. Board By Laws
8. Election Results
9. Board of Directors-Oaths of Office and Statements of Economic Interests
10. Claims against the District-releases and settlements
11. Lawsuits-releases and settlements
12. Statement of facts – Roster of Public Agency Filing
13. Recorded documents
14. Deeds/leases (all finalized property acquisition/disposition records)
15. Annexations/De-Annexations
16. Policies and Procedures
17. Confidential and attorney-client privileged documents

Records to be retained for specific period (years):

	<u>Legal</u>	<u>LOCS</u>
Administration	2	2
Staff Reports and agenda packets	2	5
Audio/video tape recording of meetings	90 days	90 days

ADMINISTRATION – DISTRICT FILE PLAN

Permanent Records:

1. Policy and Procedures
2. Confidential and attorney-client privilege documents
3. Record Retention and Destruction Notices

Records to be retained for specific period (years):

	<u>Legal</u>	<u>LOCS</u>
Administration	2	2
Telephone Call Logs	2	2
Public Document Requests	2	2

UTILITY-WATER FILE PLAN

Permanent Records:

1. DHS Permits
2. Production and Consumption Reports
3. Well Depths
4. Well Development
5. Cathodic Protection
6. District installed improvements
7. Reimbursement Agreements
8. Operation and Maintenance Manuals
9. Distribution system-as built, topography and aerial maps

10. Policies and Procedures
11. Agreements
12. Retrofit Program
13. Fire hydrant and valve Inventory
14. Confidential and attorney-client privileged documents

Records to be retained for specific period (years):

	<u>Legal</u>	<u>LOCSD</u>
Administration	2	2
Maintenance Records	2	5
Water Sampling Results and Reports	2	5
Backflow test results	2	5
Annual Reports:	2	5
-Office of Drinking Water		
-State Water Quality Control Board Reports		
-Water Quality Reports		
-Enforcement Letters		
-SLO County		
Rate Surveys	2	5
SCADA Records	2	5

UTILITY-DRAINAGE FILE PLAN

Permanent Records:

1. Resolutions
2. Maps
3. Policies and Procedures
4. Confidential and attorney-client privileged documents

Records to be retained for specific period (years):

	<u>Legal</u>	<u>LOCSD</u>
Administration	2	2
Maintenance Records	2	5

UTILITY-FLEET PLAN

Permanent Records:

1. Policies and Procedures
2. Confidential and attorney-client privileged documents

Records to be retained for specific period (years):

	<u>Legal</u>	<u>LOCS</u>
Administration	2	2
Safety Checks	2	Life of ownership of vehicle
Maintenance Logs	2	Life of ownership of vehicle
Smog Checks	2	Life of ownership of vehicle

CUSTOMER UTILITY BILLING FILE PLAN

CUSTOMER RECORDS

Permanent Records:

1. Application Cards/Forms
2. Work Orders
3. Cash Receipts other than utility billing (i.e. capacity fees)
4. Policies and Procedures
5. Confidential and attorney-client privileged documents

Records to be retained for specific period (years):

	<u>Legal</u>	<u>LOCS</u>
Administration	2	2
Water Billing Stub	2	2
Payment Arrangements	2	2
Liens & Releases	2	2
Work Order Log Books	2	2
Customer Complaints/Resolutions	2	2

ACCOUNTS RECEIVABLE

Permanent Records:

1. Policies and Procedures
2. Confidential and attorney-client privileged documents

Records to be retained for specific period (years):

	<u>Legal</u>	<u>LOCS</u>
Administration	2	2
Account Receivable-computer Generated Ledgers and Reports	5	5

FINANCE FILE PLAN

Permanent Records:

1. Audits-Annual Audit of District Records
2. Annual Report of Financial Transactions of Special Districts
3. Appropriation Limitations
4. Insurance Policies
5. Investment Policies
6. Bank Contracts
7. Deferred Compensation-457 Plan
8. Inventory of Fixed Assets (current)
9. Policies and Procedures
10. Confidential and attorney-client privileged documents

Records to be retained for specific period (years):

	<u>Legal</u>	<u>LOCS</u>
Administration	2	2
Accounting Records including Financial Statements, General Ledger, Adjusting Journal Entries and other working papers used in preparation of the Financial Statements	2	5
Accounts Payable Invoices	2	5

Annual Budgets and working papers	2	5
Payroll including timesheets, reports, deductions and registers	5	5
Forms W-2, 1099, 941, DE3	5	5
Bank Statements and cancelled checks	5	5
Assessment Districts		Duration of Assessment
State Revolving Fund Loans		Duration of the Loan
Rate Studies, Replacement Studies and Capital Improvement Plans	2	5
Bids and Agreements for Purchase/Surplus of Equipment or Services	5	5

HUMAN RESOURCES FILE PLAN

Permanent Records:

1. Employee Personnel Records (Active) (See Listing Below)
2. Personnel Rules and Regulations
3. Salary Step Plan
4. Contracts for PERS and 457 Deferred Compensation Plan
5. Policies and Procedures
6. Confidential and attorney-client privileged documents

Records to be retained for specific period (years):

	<u>Legal</u>	<u>LOCSD</u>
Administration	2	2
Employee Personnel Records (Inactive) (See listing below)	5	5
Recruitment	2	2
Safety including Accident Reports Safety Committee Meeting and Minutes	5	5

ITEMS TO BE INCLUDED IN THE EMPLOYEE PERSONNEL RECORDS

- Application Form
- W-4
- Form I-9
- Employee Acknowledgements
- PERS Enrollment Form (if applicable)
- Medical/Dental Enrollment Forms (if applicable)
- Employment Contract (if applicable)
- Copy of Drivers License
- DMV Pull Program
- Copies of Certifications (if required for employment)
- Salary History (Personnel Action Forms)
- Safety Awards
- Injury and Illness (Workman's Compensation)
- Letters of Commendation
- Vacation and Sick Accruals
- Employee Evaluations and responses
- Employee Grievances and/or appeals
- Verifications of Employment
- Exit Interview