RESOLUTION OF THE BOARD OF DIRECTORS
OF PALMDALE WATER DISTRICT
AMENDING AND RESTATING ITS RECORD RETENTION POLICY
AND RECORD RETENTION SCHEDULE FOR THE DISTRICT
AND APPROVING DESTRUCTION OF RECORDS
IN ACCORDANCE THEREWITH

RESOLUTION NO. 12-10

WHEREAS, at its meeting on November 21, 2005, the Board of Directors of Palmdale Water District ("District") adopted Resolution No. 05-10 to adopt a Record Retention Policy and establish a Record Retention Schedule to establish an orderly procedure for the storage, reproduction and possible destruction of District records on a continuing basis, and to provide for the protection of records vital to the District in the event of a disaster; and

WHEREAS, from time to time since the adoption of Resolution No. 05-10, District staff has identified additional categories of documents that should be reflected in the Record Retention Schedule and identified additional issues that should be addressed in the Record Retention Policy; and

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of Palmdale Water District hereby approves and adopts the Amended and Restated Record Retention Policy, and Record Retention Schedule attached thereto, all as set forth in Exhibit "A".

BE IT FURTHER RESOLVED that District records that are no longer required for District operations and which do not need to be retained as required by law, are hereby authorized to be destroyed in accordance with appropriate statutory provisions and the Record Retention Policy.

BE IT FURTHER RESOLVED, that the authorization for destruction of records shall be prepared by the appropriate Department Head, and reviewed and approved by the General Manager.

BE IT FURTHER RESOLVED, that the General Manager and legal counsel shall review the Amended and Restated Record Retention Policy and Record Retention Schedule periodically and present any recommended revisions to the Board of Directors as may be deemed necessary to keep the retention information current and efficiently maintained.

BE IT FURTHER RESOLVED, that the General Manager and staff are hereby authorized and directed to take such other actions as may be necessary or appropriate to implement and carry out the purposes of this resolution.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of Palmdale Water District held on July 25, 2012.

Gordon Dexter, President of
the Board of Directors of the
PALMDALE WATER DISTRICT

ATTEST:

Robert Alvarado, Secretary of
the Board of Directors of the
PALMDALE WATER DISTRICT

PALMDALE WATER DISTRICT
AMENDED AND RESTATED
RECORD RETENTION POLICY

In order to establish guidelines for the retention of Palmdale Water District ("District") records and to identify those records which are no longer required for or important to District operations, and are therefore appropriate for destruction, the following guidelines are established for the retention of District records:

Different types of District records and a recommended retention period for those records are set forth on the attachment to this Policy. Although every effort has been made to provide a thorough list of the different types of District records, the attached list is not all-inclusive, and there may be records which do not fall within one of the listed categories. In such case, the General Manager of the District is authorized to make a determination as to the appropriate retention period for that particular record.

Each record on the attached list shall be maintained in District records for the period indicated. In some instances, circumstances may exist which justify maintenance of a particular record for a longer period of time. The period of retention begins at the end of the fiscal year during which the record was created, not from the date of the record itself.

Certain records are identified on the attachment as "Permanent Records" which shall be retained permanently in District records. Some Permanent Records should be retained in their original form, including minute books, resolutions and ordinances; records relating to the District's formation, and formation of any improvement or assessment districts; water distribution system design, installation and repair records; well records; deeds, easements and other real property records; insurance policies; annual and audited financial reports; and court judgments and settlement agreements. Other permanent records may be photographed, microfilmed or reproduced on optical disk or other medium to facilitate their retention as required by this Policy.

In normal operations of the District, duplicate records are often created. Unless the Board of Directors provides otherwise, the General Manager may authorize the destruction of any duplicate record so long as the original or a permanent photographic reproduction or optical disk copy of the record is created and maintained in accordance with this Policy.

In accordance with *Government Code §60201,* the District may utilize alternative storage methods for those records which are not required to be maintained in their original form. Upon Board authorization, District records may be photographed, micro-photographed, reproduced by electronic video images on magnetic surfaces, recorded in the electronic data processing system, recorded on optical disk, produced on film or any other reliable medium which does not permit additions, deletions or changes to the original document. This preservation must comply with minimum standards or guidelines recommended by the American National Standards Institute or the Association for Information of Image Management for recording of permanent records or non-permanent records.

Such reproductions shall be maintained in conveniently-accessible files with provision being made by the District for preserving, examining and using files. The reproductions can be certified, and such certified reproductions shall be deemed to be original public records for all purposes pursuant to *Government Code §60203*. Certification of the record must comply with standards approved by the California Attorney General, including a statement of identity, description and disposition or location of the records reproduced and the date, reason and authorization for such reproduction.

The General Manager shall oversee the process for destruction of District records in accordance with the guidelines attached to this Policy. Records (whether originals or reproductions) can be destroyed by the District unless it is determined that a compelling reason then exists to continue retention of the document. Alternatively, those records which are maintained in their original form during the retention period could, upon expiration of the retention period be converted to microfilm or other photographic reproduction for so long as circumstances reasonably dictate.

Immediately prior to destruction, the General Manager shall make a determination that no reason then exists to preserve the record. Where warranted or necessary to protect District confidential or financial information, or to protect an individual's privacy, documents may be destroyed through a confidential shredding process.

The following list of records with suggested retention periods is comprised primarily of records commonly found in the general business community, and is not intended as an exhaustive listing of all District records. Except as noted, the figures represent the number of years for retaining the records. The periods begin at the end of the fiscal year during which the record was created, not from the date of the record. The retention period for items supporting tax returns begins on the filing date of the return or its due date, whichever is later.

"P" = permanently; "AT" = after termination; "AD"= after disposal of the underlying asset; "AE" = after election; "AEG"= after end of grant; "AM" = after meeting; "AR" = after revision.

Accident reports (settled)	7
Agendas; meeting notices	2
Audits (see also Financial Reports)	P
Bank deposit slips	3
Bank reconciliations	3
Bank statements	7
Billing records	2
Bills of lading	5
Board meeting packets	30 days
Bonds (records of issuance)	P
Budgets and related updates	3
Check register	10
Checks paid by customers	3
Checks (paid and canceled)	7 AD
Contracts:	
Employee	7 AT
Vendor/consultant	7
For acquisition, operation, maintenance of land, water systems; water entitlement; water rights	P
Correspondence:	
Accounting	7
Credit and collection	7
General	3
Personnel	7 AT
Cost accounting records	5
Deposit slip copies	3
Depreciation schedules	7 AD
Developer agreements	P
District Formation records	P
Easements	P
Election records	4 AE
Environmental review documents:	
EIRs. negative declarations, notices of exemption, notices of determination	P
Environmental review: correspondence	3
Equipment leases (after expiration)	7
Equipment repair records	3
Expense reimbursement records	3
Financial reports:	
Audited	P
Annual	P
Interim	3
Fixed asset records	7 AD
FPPC records (Forms 700)	7 AT
Garnishments	3 AT
Grant applications (successful)	5 AEG
Grant funding records	5 AEG
Insurance policies	P
Inventory records	7 AD
Invoices (not including water bills)	7
Labor records:	
Applications (employees)	7 AT
Applications (non-hirees)	2
Contracts	7 AT
Daily time reports	5
Disability claims	7 AT
Earnings records	7
Employee manual	2 AR
Employee service records	7 AT
Interview documents (employees)	7 AT
Interview documents (non-hirees)	2
Pay checks	7
Personnel files	7 AT
Salary and wage changes	7 AT
Salary receipts	7 AT
Time cards, tickets and clock records	5
Training records	7
Unemployment claims	7 AT
Withholding certificates	7 AT
Worker's compensation reports	10
Leases	7 AT
Ledgers and journals:	
Accounts payable ledger	7
Accounts receivable ledger	7
Cash journal	10
Customer ledger	7
General journal	10
General ledger	P
Journal entries-year-end	P
Payroll journal	10
Plant ledger	P
Purchase journal	10
Licenses-Certifications (employees)	1 AT
Litigation files (resolved):	5
Judgments, Orders, Settlement Agreements	P
Maintenance records:	
Building	7
Machinery	7
Meter History	7
Meter Complaint Inquiries	7
Minute books, Resolutions, Ordinances	P
Mortgages	7 AT
Notes (canceled)	7
NPDES permits	P
Oaths of office	6 AT
Options	7 AT
Ordinances	P
Pension records	P
Petty cash records	3
Plant acquisition records	7 AD

Real estate development records:	
Design, Engineering, Construction	10
As-builts w/ District approval	P
Planning documents	3 AR
Policies and procedures	3 AR
Property records:	
Appraisals	P
Damage reports	7
Deeds, Easements, Licenses	P
Depreciation	7 AD
Plans and specifications	P
Purchases	P
Reconveyances	P
Sales	P
Taxes	10
Public Records Act requests	2
Purchase order copies	3
Purchase invoices	7
Rates and charges	3 AR
Receiving reports	3
Remittance statements	3
Resolutions	P
Rules and Regulations	P
Software license agreements and documentation (after expiration)	3
Staff reports	2
Surety bonds	3 AT
Tapes–audio and video of Board mtgs.	½ AM
Tax records	10
Tax returns (copies)	20
Travel records (employees)	3
Vehicle records	2 AD
Water bills and related reports	7
Water distribution system design, installation and repair records	P
Water quality tests – bacteriological	5
Water quality tests – other	12
Water quality reports	12
Water quality violations	3
Well records	P