



Sunset Beach Sanitary District

Record Retention Policy

A. Purpose: The Sunset Beach Sanitary District (District) is dedicated to providing guidelines to staff regarding the retention or disposal of District records; provide for the identification, maintenance, safeguarding and disposal of records in the normal course of business; ensure prompt and accurate retrieval of records; and ensure compliance with legal and regulatory requirements. “Definitions for Records Retention and Disposal Policy” can be found in Appendix A and “Record Retention Summary” in Appendix B of this policy.

Vital and important records, regardless of recording media, are those having legal, financial, operational, or historical value to the District.

B. Authorization: The District Clerk is authorized by the Board of Directors to interpret and implement this policy, and to cause to be destroyed any or all such records, papers and documents that meet the qualifications governing the retention and disposal of records, specified below.

C. Guidelines: Pursuant to the provisions of California Government Code §§60200 through 60204, State Controller's office guidelines, and the County of Orange Auditor-Controller's Office, the following qualifications will govern the retention and disposal of records of the Sunset Beach Sanitary District.

1. Duplicate records, papers and documents may be destroyed at any time without the necessity of Board authorization or copying to photographic or electronic media.

2. Originals of records, papers and documents more than two (2) years old that were prepared or received in any manner other than pursuant to State or Federal statute may be destroyed without the necessity of copying to photographic or electronic media.

3. In no instances are records, papers or documents to be destroyed where there is a continuing need for such records for such matters as pending litigation, special projects, etc.

4. Records, papers or documents which are not expressly required by law to be filed and preserved may be destroyed if all of the following conditions are met:

- a) The record, paper or document is photographed, micro-photographed, reproduced on film of a type approved for permanent photographic records by the National Bureau of Standard, or copies to an approved electronic media;
- b) The device used to reproduce such record, paper or document on film, or retrieves and prints the document from the electronic media, is one which accurately reproduces the original thereof in all details; and,
- c) The photographs, microphotographs, or other reproductions on film are placed in conveniently accessible files and provisions is made for preserving, examining, and using the same, together with documents stored via electronic media.

5. Any accounting record, except the journals and ledgers, which are more than five years old and which were prepared or received in any manner other than pursuant to State or Federal statute may be authorized for destruction, provided that:

- a) There is no continuing need for said record, i.e., long-term transactions, special projects, pending litigations, etc;
- b) There exists in a permanent file, an audit report or reports covering the inclusive period of said record, and that;
- c) Said audit report or reports were prepared pursuant to procedures outlined in Government Code Section 26909 and other State or Federal audit requirements, and that;
- d) Said audit or audits contain the expression of an unqualified opinion.

6. Any accounting record created for a specific event or action may be destroyed five years after said event has in all respects terminated. Any source document detailed in a register, journal, ledger or statement may be authorized for destruction five years from the end of the fiscal period to which it applies. The following may be destroyed at any time:

- a) Duplicated (original-subject to aforementioned requirements).
- b) Rough drafts, notes or working papers (except audit).
- c) Cards, listings, nonpermanent indices, other papers used for controlling work or transitory files.

7. All assessment records may be destroyed after retention twelve years from lien date; however, assessment records may be destroyed three years after the lien date when said records are microfilmed as provided for section 4, above.

8. Records of proceedings for the authorization of long-term debt, bonds, warrants, loans, should be retained until final payment, and thereafter may be destroyed in 10 years (or less if microfilmed as provided for in section 4 above). Paid bonds, warrant certificates and interest coupons may be destroyed after six months if detailed payment records are kept for ten years.

9. Minutes of the meetings of the Board of Directors are usually retained indefinitely in their original form.

10. Construction contracts and agreements, including such records as bids, correspondence, change orders, etc., shall be kept for a minimum of ten years, unless they pertain to a project which includes a guarantee or grant and, in that event, they shall be kept for the life of the guarantee or grant plus ten years. As-built plans, design, construction or conversion of any public facility or works shall be retained permanently.

11. Contracts and agreements other than construction should be retained for four years after termination/completion. Any unaccepted bid or proposal for the construction or

installation of any building, structure or other public work which is more than two (2) years old may be destroyed.

12. Property records, such as documents of title, shall be kept until the property is transferred or otherwise no longer owned by the District.

D. Retention of Electronic Mail (E-Mail) Policy:

1. The purpose of this portion of the policy is to: provide guidelines to staff regarding the retention or disposal of the District's electronic mail ("e-mail") which generates correspondence and other documentation considered public records (hereinafter "Official District Records") in need of protection/retention in accordance with the California Public Records Act (Gov. Code §§ 6250-6276.48).

2. The District may receive requests for inspection or production of documents pursuant to the Public Records Act, as well as demands by subpoena or court order for documents. In the event a records request or court-issued demand is made for e-mail, the employees having control over such e-mail, once they become aware of the request or demand, shall use their best efforts, by any responsible means available, to temporarily preserve any e-mail which is in existence until it is determined whether such e-mail is subject to preservation, public inspection or disclosure.

3. The Public Records Act states that "public records" include "any writing containing information relating to the conduct of the public's business prepared, owned, used or retained by any state or local agency regardless of physical form or characteristics." (Gov. Code § 6252, subd. (e)). The Public Records Act also defines "writing" as "handwriting, typewriting, printing, photostating, photographing, photocopying, transmitting by electronic mail or facsimile, and every other means of recording upon any tangible thing any form of communication or representation, including letters, words, pictures, sounds, or symbols, or combination thereof, and any record thereby created,

regardless of the manner in which the record has been stored.” (Gov. Code § 6252, subd. (g))

4. According to the preceding definitions, e-mail messages and any attachments regardless of format are, in fact, public records and are subject to the provisions of the Public Records Act as well as legal requirements for retention of public records. The preceding definitions also include any messages sent through a cell phone or other electronic device that end up as e-mail to or from any District employee.

5. It is the responsibility of individual employees to determine if e-mail is an Official District Record which must be retained in accordance with the District’s Records Retention Policy. Generally, an e-mail message and any attachments regardless of format may be considered an Official District Record if it: (1) is created or received in connection with official District business; (2) documents the formulation and implementation of District policies and decisions; or (3) initiates, authorizes or completes a transaction of official District business.

6. Preliminary drafts, notes or interagency or intra-agency memoranda which are not retained by the District in the ordinary course of business are generally not considered to be Official District Records subject to disclosure. Employees are encouraged to delete documents which are not otherwise required to be kept by law or whose preservation is not necessary or convenient to the discharge of your duties or the conduct of the District’s business. Examples of e-mail messages that are not generally considered Official District Records may include: (1) personal messages and announcements not related to official District business; (2) messages with attached copies or extracts of documents distributed for convenience or reference (with the original documents being preserved according to the District’s Records Retention Policy); and (3) messages that are essentially cover notes or distribution slips. The District’s General Counsel can assist you in determining whether an e-mail message is required to be retained and/or is necessary or convenient to the discharge of your duties or the conduct of the District’s business.

7. Any e-mail message, including any attachments regardless of format, which can be considered an Official District Record must be preserved in accordance with the retention periods specified in the District's Records Retention Policy. Generally, the District employee who sends an e-mail that qualifies as an Official District Record should be the person responsible for preserving that e-mail, but persons responsible for a particular program or project file shall also be responsible for preserving all e-mail they send or receive related to that program or project. District employees may print and file hard copies of e-mail messages that must be preserved. Employees may also save e-mail messages electronically, in electronic folders separate from their regular e-mail inboxes. However, all e-mail messages that are retained electronically must be easy to retrieve, view and print out, if necessary.

8. In addition, any e-mail messages that relate to a claim or a potential claim against the District must be preserved. Likewise, any e-mail messages that may relate to a lawsuit filed against the District, even if a subpoena or court order for such e-mail messages has not yet been issued, must be preserved. Under newly enacted federal rules regarding electronic discovery, any information stored electronically, including e-mail messages, must be produced for a requesting party. A court can impose severe penalties if e-mail messages relevant to a lawsuit are deliberately destroyed when it is known, or should have reasonably been anticipated, that a claim or lawsuit could be filed against the District. There are no penalties if electronic information is "lost" through "the routine operation of an electronic information system" (i.e., automatic deletion after a period of time; automatic overwriting of backup tapes, etc.). (Rule 37(f) of the Federal Rules of Civil Procedure.) However, the District has a duty to preserve any relevant data when there is even a hint of possible litigation. Therefore, when District employees become aware of a potential claim, an actual claim, or a lawsuit against the District, they must preserve any e-mail messages and attachments that have any information relevant to that matter. The District's General Counsel can provide you with guidance on these issues.

Appendix A
Definitions for Records Retention and Disposal Policy

A. Authorization: Approval from the District Clerk, as authorized by the District's Board of Directors.

B. Accounting Records: Include but are not limited to the following:

1. Source Documents:

- a) Invoices
- b) Bank Deposits/Receipts
- c) Claims Transmitted for Payment to County Auditor-Controller
- d) Bank Statements and Reconciliations
- e) Checks

2. Registers / Journals:

- a) Petty Cash Disbursements/Receipts Register
- b) Payroll Cash Disbursements/Receipts Register

3. Ledgers

- a) Balance Sheet Ledger Report
- b) Revenue Ledger Report
- c) Expenditure Ledger Report
- d) Assets/Depreciation

4. Trial Balance Reports

5. Statements (Interim or Certified - Individual or All Fund)

- a) Balance Sheet
- b) Analysis of Changes in Available Fund Balance
- c) Fixed Assets and Depreciation
- d) Statements of Revenues and Expenses

6. Payroll and personnel records include but are not limited to the following:

- (1) Accident reports, injury claims and settlements
- (2) Applications, changes or terminations of employees
- (3) Earnings records and summaries
- (4) Job Descriptions
- (5) Medical Histories
- (6) Retirements
- (7) Time Cards

C. Record: Any paper, photograph, drawing, chart, blueprint, map, tape or microfilm, or other document, issued by or received in a department, and maintained and used as information in the conduct of its operations.

D. Record Copy: The official District copy of a document or file.

E. Records Disposal: The planning for and/or the physical operation involved in the authorized destruction of records pursuant to the approved Records Retention Schedule.

F. Records Retention Summary: The consolidated, approved schedule list of all District records which timetables the life and disposal of all records.

G. Vital Records: Records which, because of the information they contain, are essential to one or all of the following:

1. The resumption and/or continuation of operations;
2. The recreation of legal and financial status of the District, in case of a disaster;
3. The fulfillment of obligations to bondholders, customers, and employees.
4. Vital records include but are not limited to the following:

- a) Agreements
- b) As-built drawings
- c) Audits
- d) Deeds
- e) Depreciation schedule
- f) District insurance records
- g) Employee accident reports, injury claims & settlements
- h) Employee earning records
- i) Facility improvement plans
- j) Individual claims/settlements
- k) Ledgers
- l) Licenses & permits
- m) Loans & grants
- n) Maps
- o) Minutes of Board meetings
- p) Payroll register
- q) Policies, Ordinances, Rules & Regulations

Appendix B
Records Retention Summary

Type of Record	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
Accident/Illness Reports	Not a public record. For employee medical records and/or employee exposure records.	GC <u>6254(c)</u> 8 CCR 3204(d)(1)(A), (B)	Length of employment plus 30 years
Accidents/Damage to District Property	Risk management administration	GC <u>34090</u> CCP <u>337.15</u>	10 years
Accounts Payable	Journals, statements, asset inventories, account postings with supporting documents, invoices and back-up documents, purchase orders, petty cash check register	CCP <u>337</u> 26 CFR <u>31.6001-1(e)(2)</u> Sec. of State Local Gov't. Records Mgmt. Guidelines	5 years and after audited
Accounts Receivable	Receipts for deposited checks, currency, checks received, reports, investments, cash receipts journal, payments for fees, permits, etc.	CCP <u>337</u> 26 CFR <u>31.6001-1(e)(2)</u> Sec. of State Local Gov't. Records Mgmt. Guidelines	5 years and after audited
Affidavits of Publication/Posting	Legal notices for public hearings, publication of ordinances, etc.	GC <u>34090</u>	2 years
Agenda/Agenda Packets	Original agendas/special meeting notices/certificates of posting, etc. – board of directors' meetings	GC <u>34090</u> Sec. of State Local Gov't. Records Mgmt. Guidelines	Current + 2 years
Agenda Reports (Staff Reports)	Documentation received, created and/or submitted to board of directors	GC <u>34090</u> Sec. of State Local Gov't. Records Mgmt. Guidelines	Current + 2 years
Agreements (see also Contracts)	Original contracts and agreements and back-up, including leases, service/maintenance contracts, etc.	CCP <u>337</u> , <u>337.2</u> , <u>343</u>	4 years after termination/completion

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Agreements (see also Contracts)	Original contracts and agreements regarding development/improvement of real property, design specs, surveying, planning, testing, including retention/change orders etc.	CCP <u>337.15</u>	10 years after termination/completion
Articles of Formation	Formation of District	GC <u>34090</u> , <u>60201</u>	Permanent
Assessments, Board of Equalization Records	Original Final Assessment Roll, Backup for individual Unit and Charge calculations, audit trail	RTC 4377	12 years after assessment
Audit Reports	Audited financial statements, internal and/or external reports, independent auditor analysis	GC <u>34090</u> Sec. of State Local Gov't. Records Retention Guidelines	Sec. of State Guidelines recommends permanent retention
Bank Account Reconciliations	Bank statements, receipts, certificates of deposit, etc.	<u>26 CFR 31.6001-1(e)(2)</u>	5 years and after audited
Bids, Successful	Includes plan and specifications, notices/affidavits	GC <u>34090</u> CCP <u>337</u> , <u>337.1</u>	4 years
Bids, Unsuccessful	Unsuccessful bid packages only	GC <u>34090</u> , <u>60201</u>	2 years
Bonds	Authorization, public hearing, records, prospectus, certificates, registers	CCP <u>337.5</u>	Upon cancellation, redemption, or maturity + 10 years
Budget, Annual	Annual operating budget approved by the board of directors	GC <u>34090</u> Sec. of State Local Gov't. Records Mgmt. Guidelines	Secretary of State recommends permanent retention
California – OSHA	Personnel – logs, annual summary (federal and state – California OSHA)	LC <u>6410</u> 8 CCR <u>14307</u>	5 years
Campaign Statemtns/ Reports (Originals) – Board of Directors	Original statements of candidates	GC <u>81009(c)</u> , (e), (g)	7 years (can image after 2 years)
Capital Improvements, Construction	Records on planning, design, construction, conversion or modification of local government-	GC <u>34090</u> H&S 19850	Permanent

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	owned facilities, structures and systems	Sec. of State Local Gov't. Records Mgmt. Guidelines	
Checks –District Issued	District checks paid to employees – payroll and expense reimbursements, payroll taxes, etc. District checks paid to vendors; other district payments, petty cash account	GC <u>60201(d)(12)</u> CCP <u>337</u> Sec. of State Local Gov't. Records Mgmt. Guidelines CCP <u>337</u> <u>26 CFR 31.6001-1(e)(2)</u>	7 years and after audited 5 years and after audited
Citizen Feedback	General correspondence	GC <u>34090</u>	2 years
Claims Against the District	Paid/denied	GC <u>25105.5, 60201(d)(4)</u>	Until settled + 5 years
Claims Transmitted for Payment by County Auditor-Controller (Monthly Forms)	Includes County Claims Forms and all backup invoices and documents required by County Auditor-Controller for payment.	Sec. of State Local Gov't. Records Mgmt. Guidelines	5 years after payment and after audited
Clean Water State Revolving Fund – State Water Resources Control Board	Clean water state revolving fund records include, but are not limited to, the following: (a) Signed contracts/agreements; (b) Bid documents; (c) Design plans of the collection system and wastewater facility; (d) Environmental documents	GC <u>60200– 60203</u>	The district should retain original source documents that are submitted to the state and reimbursed by the CWSRF loan for the length of 36 years after project completion.
Complaints	Complaints submitted to District	GC <u>34090</u>	2 years
Conflict of Interest Code	Conflict of Interest Code – required under Political Reform Act; must be reviewed by July 1st of even years	GC <u>87300</u> et seq.	Permanent

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Contracts (see also Agreements)	Original contracts and agreements, service/maintenance contracts, etc. Original contracts/agreements regarding the development of real property, design, specifications, surveying, planning, supervision, testing, or observation of construction or improvement to real property	CCP <u>337</u> , <u>337.2</u> , <u>343</u> CCP <u>337.15</u>	4 years after termination/completion 10 years after termination/completion
Correspondence	General correspondence, including letters and email	GC <u>34090</u>	2 years
Deeds, Real Property	File with recorded documents; originals may not be destroyed	GC <u>34090</u> , <u>60201(d)</u>	Permanent
Election – Ballots – Prop. 218 (Assessment Districts)	Ballots – property related fees (assessment ballot proceeding)	GC <u>53755.5(b)(4)</u>	2 years
Election – Certificate of Election	Certificates of elections; original reports and statements	GC <u>81009(a)</u> , (d)	Termination + 4 years
Employee Files	Personnel – not a public record	GC <u>6254(c)</u> , <u>12946</u>	While current + 2 years
Employee Information, Payment	Rate of pay and weekly compensation earned	GC <u>60201</u>	7 years
Employment Agreements – At-Will Employees	Original agreements/contracts for at-will employees or temporary employees	CCP <u>337</u> , <u>343</u>	Length of employment + 4 years
Employment Applications – Not Hired	Applications submitted for existing or anticipated job openings, including any records pertaining to failure or refusal to hire applicant	GC <u>12946</u> , <u>34090</u> <u>29 CFR 1627.3(b)(1)(i)</u>	2 years
Environmental Quality– Soil Reports	Final reports	GC <u>34090</u>	Permanent

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Ethics Training Records	Records required to be kept under Gov't Code § 53235.2. Records must show dates that district officials satisfied the training requirements	GC <u>53235.2</u>	5 years after receipt of training
Fixed Assets – Inventory	Reflects purchase date, cost, account number	GC <u>34090</u>	Until audited + 2 years
Fund Transfers	Internal; bank transfers and wires	GC <u>34090</u>	Until audited + 2 years
General Ledgers	All annual financial summaries – all agencies	GC <u>34090</u> , <u>60201(d)</u> (10) CCP <u>337</u> Sec. of State Local Gov't. Records Retention Guidelines	Until audited + 4 years Sec. of State Guidelines recommends permanent retention. Maintained by County Auditor-controller
Grants – Successful Federal and State	Grant documents and all supporting documents: applications, reports, contracts, project files	GC <u>34090</u> <u>24 CFR 85.42</u> <u>24 CFR 570.502</u>	Until completed + 4 years
Grants – Unsuccessful	Applications not entitled	GC <u>34090</u>	2 years
Hazardous Materials – Exposure Records	Employee exposure records, name/identity of chemical substance used, when and where chemical substance was used	8 CCR 3204(d)(1)(B)	30 years
Insurance Certificates	Liability, performance bonds, employee bonds, property insurance	GC <u>34090</u>	Current + 2 years
Invoices	Copies sent for fees owed, billing, related documents	GC <u>34090</u>	Until audited + 2 years
Job Descriptions	Descriptions of duties, qualifications, responsibilities for each position	<u>29 CFR 1627.3</u>	While current + 3 years
Lease Agreement	Property or equipment	CCP <u>337</u> , <u>337.2</u> , <u>343</u>	Until terminated + 4 years
Legal Notice Affidavits of Publication	Notices of public hearings, proof of publication of notices	GC <u>34090</u>	2 years

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Legal Opinions	Confidential – not for public disclosure (attorney-client privilege)	GC <u>34090</u>	Until superseded + 2 years
Litigation	Case files	GC <u>34090</u>	Until settled or adjudicated + 2 years
Long Term Debt	Notes, obligations based upon a written document	CCP 337, 337.5	10 years after termination, payment
Maintenance/Repair Records	Equipment	GC <u>34090</u>	2 years
Minutes – Board Meetings	Minutes of board meetings. Documents are to be imaged immediately. Paper records are to be maintained permanently.	GC <u>60201(d)(3)</u>	Permanent
Ordinances	Ordinances adopted by the District.	GC Code <u>60201(d)(2)</u>	Permanent.
OSHA	OSHA Log 200, supplementary record, annual summary (federal and state – California – OSHA); OSHA 300 Log, privacy case list, annual summary, OSHA 301 incident report forms	LC <u>6410</u> 8 CCR 14307 <u>29 CFR 1904.2 – 1904.6</u>	5 years
OSHA (Accident/Illness Reports)	Personnel – employee exposure records and employee medical records Not a public record	LC <u>6410</u> 8 CCR 3204 8 CCR 14307 GC <u>6254(c)</u>	Duration of employment + 30 years
Payroll – Federal/State Reports	Annual W-2s, W-4s, Form 1099s, etc.; quarterly and year-end reports	GC <u>60201</u>	7 years
Payroll Records	Records that specify compensation paid to employees, officers, independent contractors	GC <u>60201(d)(12)</u>	7 years after date of payment
Payroll Records, Terminated Employees	Personnel files	<u>29 CFR 516.5</u> GC <u>60201(d)(12)</u>	7 years from date of last entry

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Personnel Rules and Regulations	Including employee handbooks, employee manuals, and other policies/procedures	CFR 516.6 CFR 1627.3(a)	Current + 3 years
Policies, District Board	Original policies adopted by the district board	GC <u>34090</u>	Current + 2 years
Public Records Act Requests	Requests from the public to inspect or copy public documents	GC <u>34090</u> GC <u>60201(d)(5)</u>	2 years
Resolutions	Vital records	GC <u>34090</u> , <u>60201</u>	Permanent
State Controller	Annual reports	GC <u>34090</u>	2 years
Statements of Econ. Interest – Form 700	Originals of statements	GC <u>81009</u>	7 years (can image after 2 years)
Taxes, Special	Special tax levied by a local agency on a per-parcel basis	CCP <u>338(m)</u>	12 years
Unemployment Insurance Records	Records relating to unemployment insurance – claims, payments, correspondence, etc.	<u>26 USC 3301 – 3311</u> Calif. Unempl. Insur. Code CCP <u>343</u>	Current + 4 years
Wage Garnishment	Wage or salary garnishment	CCP <u>337</u>	Active until garnishment is satisfied, than retain until audited + 4 years
Workers' Compensation Files	Work injury claims (including denied claims), claim files, reports, etc.	8 CCR 10102 8 CCR 15400.2	Until settled + 5 years

CCP Code of Civil Procedure (California)	GC Government Code (California)	LC Labor Code (California)	PC Penal Code (California)
CCR California Code of Regulations	H&S Health and Safety Code	R&TC Revenue and Taxation Code (California)	USC United States Code
CFR Code of Federal Regulations	IRC Internal Revenue Code		