

**RECORDS MANAGEMENT
POLICIES AND PROCEDURES**



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| Policy: | Records Retention and Destruction Policy | |
| Date: | Revision Date: October 17, 2016 | Approved by: Dan Howell |

Eastern Municipal Water District (“EMWD” or the “Company”) recognizes that it is a good business practice to manage Business Records and information in a consistent, systematic and reliable manner so that they can be retained for those periods required by law and for business purposes and retrieved as necessary for legal, regulatory, or operational reasons. The Records Retention and Destruction Policy (the “Policy”) provides guidance and governs the creation, classification, storage and destruction of all Business Records at EMWD, regardless of format (electronic or paper) while enabling EMWD to comply with applicable contractual, regulatory and legal recordkeeping requirements.

1. Purpose

The objectives of this Policy are to:

- 1.1. Define defensible Information Governance (“IG”) guidelines for EMWD that include the appropriate creation, classification, retention and disposition of Business Records and Disposable Information;
- 1.2. Outline essential roles and responsibilities associated with maintenance of the Company’s Information Governance Program (“IG Program”);
- 1.3. Provide for the disposition of Business Records eligible for destruction under the Records Retention Schedule (“Schedule”); and
- 1.4. Outline exceptions to general records management practices.

Unless otherwise noted, **Appendix A – Definitions** contains a glossary for the capitalized terms found in this Policy.

2. Scope

- 2.1. The Policy applies to the Company and all business units, subsidiaries, affiliates and related entities of the Company, including employees, temporary employees, contractors, consultants and anyone else who has access to, creates, has use of, or manages the Company’s Business Records for a reason affecting or relating to the Company’s business (collectively, “Personnel”).

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- 2.2. EMWD is committed to complying with applicable recordkeeping requirements, whether captured in law, regulation or industry best practice. Like any other Company asset, information generated in the course of normal business operations should be used exclusively in serving the interests of EMWD and its business.
- 2.3. Information generated during the course of EMWD's business falls into one of two categories - Business Records and Disposable Information.
 - 2.3.1. Business Records reflect the actions, decisions and obligations of EMWD. Their legal, regulatory, business and/or historical significance make Business Records subject to formal recordkeeping requirements. See **Appendix A** for the definition of Business Records.
 - 2.3.2. By contrast, there are no retention requirements for Disposable Information. Disposable Information should be destroyed once superseded or related work-specific tasks are complete. Disposable Information includes items such as Convenience Copies, Working Papers, Drafts, and other Transitory Information.
- 2.4. This Policy provides for the management of Business Records in the possession, custody or control of EMWD and its Personnel, regardless of physical location or storage format (electronic, including email, or paper). This includes Business Records maintained in individual work spaces, offices, common areas, at the corporate office, satellite office or field location, within the control of third party vendors or at any offsite storage location, as well as Electronically Stored Information (ESI).

3. Policy

- 3.1. EMWD will manage the retention, storage, and disposition of its Business Records, whether they are in paper, electronic, media or other formats, in accordance with all applicable laws, regulations, contracts, accounting, tax, audit, legal or other requirements and/or business practices. All EMWD Personnel must retain Business Records in accordance with the Schedule.
- 3.2. This Policy applies to all Business Records regardless of storage media or format (electronic or paper).
- 3.3. EMWD Personnel who create and manage Business Records must retain them for the minimum Retention Period specified in the Schedule. Unless there is a legal requirement or business purpose to maintain them longer than the specified Retention Period (for example, a Litigation Hold), Business Records should be destroyed promptly after the expiration of the applicable Retention Period.
 - 3.3.1. Electronic records and data residing in virtually all District systems such as SCADA, COINS, Maximo and the Data Warehouse (Systems) will remain in said

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Systems beyond the time specified in the Schedule. The District is working towards compliance with the Schedule, and Retention within these Systems will be addressed as they are either replaced or at the time staff develop effective means of applying retention to the aforementioned records and data.

- 3.4. Email is a widely-used electronic method of communicating information. An email does not constitute a Business Record in and of itself. The information transmitted through the use of email may be designated as a Business Record if it qualifies as a Business Record. Business Records in email should be managed as a Business Record of any other format, and in accordance with. For more information, see the Email Retention Policy, below.
- 3.5. Business Records should not contain language that is misleading, incomplete, inaccurate, fraudulent, harassing, embarrassing, sexually explicit, profane, obscene, intimidating, abusive, libelous, defamatory, or that violates any laws or regulations.
- 3.6. EMWD is committed to creating authentic, reliable and usable Business Records of its business activities. Deliberately creating false or misleading records regarding the Company's activities is strictly prohibited. All records pertaining to EMWD's business should be thoughtfully, appropriately and accurately worded to reflect the Company's concern for safe and ethical business practices.
- 3.7. Business Records should be created with the specific purpose of communicating or documenting business matters. The Company expects all individuals to be mindful that Business Records may be read by others aside from the intended recipient, and to act responsibly, lawfully and professionally in connection with their creation of Company Business Records.
- 3.8. Business Records should be used in accordance with other EMWD policies. Personnel should take all reasonable measures to ensure the integrity, authenticity, confidentiality and availability of the Business Records they create, use and maintain.

4. Email Retention

- 4.1. Email is a widely-used electronic method of communicating information. An email does not constitute a Business Record in and of itself. The information transmitted through the use of email may be designated as a Business Record if it qualifies as a Business Record. Business Records in email should be managed in the same manner as a Business Record of any other format, and in accordance with the Schedule and this Policy.
- 4.2. Email Policy Settings and Procedures

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The following retention rules will apply to each EMWD user's mailbox:

- a. Users are responsible for ensuring emails that qualify as Business Records are classified with the appropriate retention period.
- b. **Inbox, Drafts and Sent Items.** Emails and attachments will remain in the user's Inbox, Drafts, and Sent Items folders, as well as in any user-specific folder filing structure, for 90 days; if the email has not been classified by the user as a Business Record or Working Document, the email will be automatically deleted after 90 days.
- c. **Calendar Items** will be automatically deleted after 18 months.
- d. **Notes, Tasks and Contacts** are retained until deleted by the user.
- e. **Email Classification.** Email that qualifies as a Business Record and needs to be retained beyond the 90-day period may be classified by the user by applying the appropriate retention classification.
 - i. **Applicable Retention Period.** The Retention Period assigned to the classified email is based on the subject matter of the Business Record and commences on the date the email is first sent or received.
 - ii. Emails and attachments that have been classified as Business Records will be deleted after the assigned Retention Period expires.
- f. **Deleted Items.** Emails will be permanently deleted 14 days after they are placed in the Deleted Items folder.
- g. **Automatic Deletion.** Deletion of Transitory Information and expired Business Records from the Inbox, Drafts, Sent Items, Deleted Items, and any applicable user-created folder filing structure is automatic. No notification will be given that deletion is about to occur, once the applicable Retention Periods expire.
- h. **Legal Hold.** Deletion of relevant emails and attachments will be suspended in the event of a Legal Hold Notice. See Section 7 for more information.

5. Records Ownership

- 5.1. All records created or received in the course or conduct of the EMWD's business by any individual subject to the Policy are the exclusive property of the EMWD, and they are not the property of the record's author, creator, or custodian. No employee has any personal or property right to any EMWD record(s), including those records that they drafted or helped create.

6. Record Retention

- 6.1. The Records Retention Schedule (“Schedule”) groups EMWD Business Records into Record Type Categories and includes a retention period – how long the Business Records should be retained. Because the Schedule cannot explicitly list every Business Record, it does not represent an exhaustive list of Record Types. Rather, EMWD personnel should use common sense, experience and good judgment in identifying the most appropriate Record Type Category and applicable retention period when making retention decisions. Personnel who have questions with respect to identifying the most appropriate Record Type Category, or where multiple Record Types may apply to the same document, should check with Records Management for clarification. Refer to The Pipeline for FAQs and other helpful information.
- 6.2. Retention Periods are assigned to Record Type Categories based on legal, regulatory and business requirements. For convenience and consistency, all Retention Periods start on the last day of the year in which the Business Record is considered finalized (or received). Retention periods are either time-based (e.g., 7 YRS), or event-based, the last day of the year after a triggering event has occurred – (e.g., Expiration of Contract + 10 YRS). Please refer to the Schedule for any exceptions.
- 6.3. Disposable Information is not subject to formal retention requirements. For that reason, retention periods for Disposable Information do not appear in the Schedule. Earlier drafts of documents and duplicates of Business Records should only be retained so long as an immediate business need exists. Except in cases of Legal Hold, Disposable Information should be promptly destroyed after it is no longer needed.

7. Legal Hold

- 7.1. In the event of certain types of legal matters, EMWD must preserve – and prevent destruction of – all Business Records relevant to that matter.
- 7.2. If EMWD becomes involved in pending, threatened, or reasonably foreseeable litigation, regulatory investigation or other legal matter, the Legal Department will issue a Legal Hold Notice to notify the appropriate EMWD personnel outlining the general nature of the matter and the relevant Business Records and Disposable Information that should be preserved until the matter is resolved.
- 7.3. When EMWD personnel become aware of a reasonable probability that EMWD may become involved in litigation or a regulatory investigation, they must immediately advise the Legal Department, and must preserve any relevant Business Records and Disposable Information. All EMWD Personnel who receive a Legal Hold Notice shall acknowledge it as required by the Legal Department.

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- 7.4. A Legal Hold suspends the normal Retention Period of all relevant Business Records and Disposable Information regardless of format – including hard copy and electronic documents. EMWD personnel are required to preserve relevant Business Records subject to a Legal Hold even if they are no longer needed for business purposes or are eligible for destruction under the Schedule, and shall preserve them until the Legal Department issues a written notice lifting the Legal Hold.
- 7.5. The Legal Department will notify appropriate EMWD personnel when a Legal Hold is lifted and no longer applicable. At that time, any Business Records and Disposable Information preserved under the Legal Hold will once again be subject to the terms of this Policy as otherwise provided and shall be managed according to the Schedule.
- 7.6. Failure to obey a Legal Hold may result in sanctions or penalties being imposed against EMWD and the violating personnel. Violations include, but are not limited to, destroying, altering, modifying, spoliating, or otherwise making inaccessible relevant Business Records and Disposable Information that are subject to a Legal Hold. Violations will be investigated and may result in disciplinary action up to and including termination of employment with EMWD.

8. Access

- 8.1. Business Records must be protected at all times from unauthorized access, disclosure, alteration, deterioration and loss.
- 8.2. Business Records containing Personally Identifiable Information (PII) or Protected Health Information (PHI) must be treated with proper precautions.
- 8.3. When access is permitted, Business Records must be made available in a timely manner to other EMWD personnel, management, regulatory agencies and (when appropriate) authorized third parties in the course of business.
- 8.4. Further, Business Records must be stored in a location (physical or electronic) where they can be easily and securely managed with proper credentials.

9. Responsibilities

- 9.1. All personnel who create, receive, use, or manage EMWD records are required to comply with the Policy. Failure to comply with the Policy may lead to disciplinary action, up to and including termination of employment as well as legal action.
- 9.2. EMWD is responsible for establishing and maintaining organization-wide information governance policies, procedures, standards, and guidelines.

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9.3. Records Manager. The Records Manager is responsible for implementing this Policy. In addition, the Records Manager is responsible for the following:

- 9.3.1. Day to day oversight of the IG Program;
- 9.3.2. Facilitate the creation, maintenance and update of standards, policies, the schedule and any training materials to assist EMWD to comply with known recordkeeping requirements;
- 9.3.3. Work with and support departmental IG Coordinators to assist departments in meeting IG Program responsibilities;
- 9.3.4. With the assistance of departmental IG Coordinators, monitoring and assessing records management practices among EMWD personnel, as well as practices of third parties that hold, store or manage EMWD Business Records; and
- 9.3.5. Execute the strategic vision for the IG Program aligned with EMWD's business strategy and needs.

9.4. Information Governance Teams. The Information Governance Team is chaired by the Records Manager and consists of representatives from Legal, Information Technology, Information Security and other business functions as appropriate. Members of the Information Governance Team are responsible for the following:

- 9.4.1. Set the strategic direction for the IG Program with input from business area senior and executive management;
- 9.4.2. Review and approve off-site storage vendors and facilities;
- 9.4.3. Work to resolve escalated information governance and records management-related issues; and
- 9.4.4. Provide guidance on and final approval of all IG Program documentation prior to distribution to EMWD Personnel.

9.5. Departmental Records Coordinators. Departmental Records Coordinators facilitate the implementation of the Policy and Schedule within their designated department or functional area, in coordination with their departmental management and under the leadership of the Records Manager. The responsibilities of the Departmental Records Coordinators include:

- 9.5.1. Proposing revisions, changes and additions to the Schedule;

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- 9.5.2. Communicate the process of packing, shipping, retrieval and disposition of inactive Business Records, lead clean-up efforts and moving to offsite record storage facilities to the appropriate departmental personnel;
 - 9.5.3. Communicate the process of managing electronic records and records disposition processes, once defined, and lead clean-up efforts in the department or functional area;
 - 9.5.4. Coordinate with departmental leadership a self-assessment to document compliance with the IG Program;
 - 9.5.5. Facilitate all IG Program-related activities, as directed by the Records Manager; and
 - 9.5.6. Promote the IG Program and Policy to their department or functional areas within their scopes of responsibility.
- 9.6. Legal Department. Legal Department personnel are responsible for the following:
- 9.6.1. Review of updates of this Policy;
 - 9.6.2. Review of updates to the Schedule, as needed in response to changing legal, regulatory or business requirements;
 - 9.6.3. Provide legal advice regarding applicable laws and regulations, whether to the IG Governance Team or departmental management; and
 - 9.6.4. Initiate, manage and release Legal Holds.
- 9.7. Board of Directors. The Board of Directors is responsible for approving updates to this Policy as well as the Schedule.
- 9.8. Information Systems. Expertise found within the Information Systems Department is needed to implement policy settings on electronic information, and in helping to automate records disposition where appropriate. Information Technology personnel are also responsible for the following:
- 9.8.1. Support enterprise technology solutions necessary for the proper functioning of EMWD's IG Program;
 - 9.8.2. Assist business areas with requirements scoping, selection and purchase of technology solutions that complement the objectives of the IG Program, if necessary; and

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- 9.8.3. Provide advanced notice of proposed technology changes that could potentially impact the creation, classification, retention or destruction of EMWD Business Records.

10. Exceptions, Changes, and Violations

- 10.1. Requests for exceptions or changes to this Policy should be submitted to the Records Manager, and will be reviewed for approval by the Information Governance Team.
- 10.2. Effective administration of this policy requires the support of all EMWD personnel and others who deal with business-related information and/or information storage systems. Therefore, it is the responsibility of all EMWD personnel and other authorized users to understand and adhere to this Policy. Willful or negligent destruction of corporate Business Records, as well as the destruction of documents (Business Records or Disposable Information) subject to a Legal Hold Notice, constitute violations of this Policy. Personnel, contractors, consultants and others working at EMWD or providing services to the Company who violate this Policy are subject to immediate discipline, up to and including termination of their employment and/or termination of any applicable contract with EMWD.
- 10.3. Personnel who learn of a violation of this Policy should promptly report any such violations to the Records Manager, the Information Governance Team, or the Legal Department.

APPENDIX A - DEFINITIONS

Business Record – Any document or object that contains data and/or information and which relates to business activities or decisions. Business Records can exist in many forms, including writings, documents, data, software, samples, drawings, graphs, charts, maps, email, photographs, sound recordings, video, images, or other data compilations stored in any medium from which information can be obtained. Material retained for personal reference or use is not a Business Record.

Convenience Copy – One or more records created for convenient reference that duplicates the original Business Record, which may or may not be kept in the department of record. Convenience Copies are not considered Business Records and are not required to be kept according to the Record Retention Schedule, unless additional information is added to them that changes their classification to a Business Record. Convenience Copies should be kept only as long as they are needed for operational business purposes.

Data – Symbols or characters that represent raw facts or figures and form the basis of information.

Disposable Information - Documents, files and other information not required to be retained by the Record Retention Schedule. Disposable Information includes Convenience Copies, Drafts, Working Papers, and Transitory Information, and should be destroyed as soon as it is no longer needed for operational business purposes.

Draft – The preliminary form of a document before it becomes a Record. In most cases, Drafts can be disposed of once a new draft is created, or the final version of a Record is finalized document is completed, not including interim final documents.

Electronically Stored Information (“ESI”) – Includes any Business Records created or stored in electronic format.

Information – Data that has been given value through analysis, interpretation, or compilation in a meaningful form.

Record Type Category – A grouping of Business Records according to their particular function, and assigned a common Retention Period by the Record Retention Schedule.

Retention Period – The period of time a Business Record is required to be kept retained by the Record Retention Schedule, whether for regulatory, legal, or business purposes.

Transitory Information – Short-term records that are not covered by any of the other record

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types. Examples include reference materials and notes, out-of-office replies, routine system messages and log files, and correspondence and/or email with no ongoing business value. Transitory Records should be disposed of promptly.

Working Papers – Short-term records created as part of a project or in conjunction with working on a task. These records could include notes, reference materials, and other papers associated with the preparation and creation of Records. Working Papers are not considered as Business Records under the Record Retention Schedule, and should only be kept as long as they are needed for operational business purposes.