

OLIVENHAIN MUNICIPAL WATER DISTRICT ADMINISTRATIVE AND ETHICS CODE	Article No. 16	Page 1 of 5
	Title CASH AND NON-RESTRICTED FUNDS	
	Latest Revision Date August 15, 2018	Ordinance No. 459

ARTICLE 16. NON-RESTRICTED FUNDS
(Also see Board Designated Fund Balance Policy for further information)

Sec. 16.1. revised via Ordinance No. 459 / August 15, 2018
Sec. 16.1. revised via Ordinance No. 303 / February 26, 2003

Sec. 16.1. Operating (Revenue) Fund and Capital and Equipment Replacement Fund

Sec. 16.1.1. Operating (Revenue) Fund – Water

Purpose: To ensure cash resources are available to pay for day to day operations, to pay annual debt service, and to provide funding in case of operating emergencies and unforeseen circumstances.

Target
Balance: A minimum balance of 60 days of the current fiscal year’s budgeted operating expenditures less budgeted depreciation expenses shall be maintained in this fund. The maximum amount in this fund shall not exceed 120days of the current fiscal year’s projected potable water operating expenditures.

Sec. 16.1.2. Capital and Equipment Replacement Fund - Water

Purpose: To fund capital projects and needed replacements as listed in the District’s Comprehensive Master Plan.

Target
Balance: A minimum balance of one fiscal year approved capital expenditure based on the District’s long-term capital spending plan. The maximum in this fund shall not exceed five fiscal years of approved capital expenditures based on the District’s long-term capital spending. Excesses over the maximum amount in this fund shall be reported to the Board at the first regular monthly meeting when occurs with a staff recommendation on handling of the excess funds.

Sec. 16.1.3. Operating (Revenue) Fund – Sewer

Purpose: The District receives the majority of sewer revenues in December and April when customers pay their property tax bills. Because of the timing difference between sewer fees collections and expenditures, the District must have cash resources available to fund the day-to-day expenses of non-capital related expenditures, and operations and maintenance expenditures.

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Target
Balance: A minimum of 180 days of the next fiscal year’s operating budget before depreciation expenses. The maximum in this account shall not exceed 365 days of the next fiscal year’s operating budget before depreciation expenses. Excesses over the maximum amount in this Fund shall be reported to the Board at the first regular meeting with Staff recommendation on handling of the excess fund.

Sec. 16.1.4. Capital and Equipment Fund - Sewer

Purpose: To fund capital projects and needed replacements as listed in the approved 20-year Wastewater Master Plan.

Target
Balance: A minimum balance of two-year average net present value of approved 10-year Wastewater capital improvement spending shall be maintained in the Capital and Equipment Fund. The maximum in this fund shall not exceed five years’ average present value of the approved 10-year Wastewater Capital improvement spending plan. Excesses over the maximum amount in this fund shall be reported to the Board at its next regular meeting with a Staff recommendation on handling of the excess funds.

Sec. 16.2. Depositories.

- A. Depositories for the money of the District and signatures for management of the deposits are established by Resolutions of the Board of Directors. The Treasurer and his/her delegates are authorized and directed to manage the District’s funds in accordance with the most recent respective Resolutions(s).

- B. All money in said depositories, whenever available for investment, shall be invested by the Treasurer or his/her delegates under rules established for investment of District funds. At the time of making investments, the Treasurer or his/her delegates will ascertain that any new investments are made in accordance with the District’s statement of investment policy which shall be reviewed and approved annually by the District’s Board of Directors.

Sec. 16.3. revised via Ordinance No. 459 / August 15, 2018

Sec. 16.3. revised via Ordinance No. 296 / July 24, 2002

Sec. 16.3. Cash Disbursements.

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- A. Payroll checks will be drawn against a payroll account and will be issued to District employees as necessary to properly administer the payroll requirements of the District. Also, payments to payroll depositories, credit unions, etc. for payroll taxes and amounts withheld from employees may be drawn against this account.
- B. Checks other than payroll will be drawn against a regular checking account. These checks are submitted for approval by the Board of Directors.

Sec. 16.4.(A) revised via Ordinance No. 459 / August 15, 2018

Sec. 16.4.(A) revised via Ordinance No. 296 / July 24, 2002

Sec. 16.4. Petty Cash Fund.

- A. This Fund is established in the amount of \$1,500. The District's General Manager or designee is authorized to pay or delegate payment out of this Fund any small or emergency claims against the District, which in his/her opinion, are necessary or desirable for the prompt and orderly transaction of the business of the District.
- B. Records shall be kept of all payments made from this Fund, itemizing the amount of cash paid out and for what purpose each payment was made, after which the Fund shall be reimbursed from the Operating (Revenue) Fund for the total of such payments.
- C. An additional fund is established in the amount of \$750.00 to be maintained in case of emergencies in the event of a disaster. This cash will be locked in the District's safe and will not be utilized for any purpose other than an emergency. In the event of utilization of money from this fund, records will be maintained as specified above for the regular Petty Cash Fund.

Sec. 16.5. Payment under Protest of Disputed Fees, Charges, Assessment and Taxes.

In situations in which a customer disputes the legality of a fee, charge, assessment, or tax imposed by the Olivenhain Municipal Water District as a prerequisite to providing service, the customer must comply with

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the following payment and protest procedure in addition to any other procedures or limitations imposed by law.

- A. Payment must be made and concurrently with payment the specific basis for disputing the validity must be stated in writing and this protest must be filed with the District.
- B. Upon receipt by the District of the basis for the dispute of validity, the matter shall be set for hearing before the Board of Directors at the next regularly scheduled Board Meeting, at which time the claimant must appear and present all evidence relating to the claim of invalidity.
- C. The Board of Directors shall take the matter under advisement and notify the claimant in writing of the decision of the Board.
- D. If the claim is allowed, appropriate refund shall be made. If the claim is denied and the claimant desires to pursue the matter further, appropriate legal action must be initiated within one hundred twenty (120) days following the date of the filing of the protest letter at the District or the claim shall be deemed waived and barred.

Sec. 16.6.

Stale Dated Checks and Unclaimed Checks.

- A. Outstanding checks that are more than 120 days old should be investigated and followed up on by contacting the vendor or customer (customer refund check) to determine if the check has or has not been lost in the mail or just un-deposited for some reason. If the District does not receive a response to its follow-up from its vendor or customer or if checks are not cashed after 180 days, Stale Dated Checks (outstanding after 180 days) will be recorded in the District's Unclaimed Checks account.
- B. Unclaimed Checks, recorded in the District's Unclaimed Checks account, that are less than fifteen dollars (\$15) and more than one-year old, or any amount if the depositor's name is unknown, will be voided and written off to the District's Operating (Revenue) Fund to become the property of the District according to California State Law.
- C. Unclaimed Checks, recorded in the District's Unclaimed Checks account, that are greater than \$15.00 and more than three years

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old, or any amount if the depositor's name is unknown known, will be published on a local newspaper once a week for two consecutive weeks and will become the property of the District's Operating (Revenue) Fund on the date stated in the notice according to California State Law.