

# ORO LOMA SANITARY DISTRICT POLICY/STANDARD PROCEDURE

No: IV.C.8  
Adopted: 03/04/2008  
Previous Revised: 3/21/17  
Current Revised: 3/19/19

## **SUBJECT: DISTRICT FINANCIAL RESERVES**

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I. **PURPOSE:** To establish the District's policy and procedures regarding financial reserve levels for District funds.

II. **POLICY:** The Board has set dedicated financial reserves at half of the annual sewer revenues from Alameda County for the corresponding fiscal year, rounded to the nearest ten thousand.

Example: For FY 2019-20, the anticipated annual sewer revenues from Alameda County is \$12,686,000. The approved reserve level will be half of the anticipated sewer revenues rounded to the nearest ten thousand, which equals \$6,340,000.

III. **PROCEDURE:** The effective date of the revised policy is July 1, 2019. The reserve level will be updated annually by staff based on the Alameda County tax roll revenues for each year to reflect the Board-adopted policy.

If reserves drop below the policy level, staff will communicate the inadequate reserve status on a monthly basis to the Finance & Insurance Committee and to the Board through Committee meeting minutes.

Revised by: Jason Warner and Arlene Wong  
Reviewed by: Finance & Insurance Committee, March 8, 2019  
Approved by Board: March 19, 2019