

ORO LOMA SANITARY DISTRICT POLICY/STANDARD PROCEDURE

No: IV.C.8
Adopted: 03/04/2008
Reviewed by F&I: 10/15/21
Reviewed by Board: 10/19/21

SUBJECT: DISTRICT FINANCIAL RESERVES

I. **PURPOSE:** To establish the District's policy and procedures regarding financial reserve levels to ensure sufficient funds for District operations and maintenance, debt service and capital improvements.

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 2021-22, the anticipated annual sewer revenues from Alameda County is \$14,865,000. The approved reserve level will be half of the anticipated sewer revenues rounded to the nearest ten thousand, which equals \$7,430,000.

III. **PROCEDURE:** The effective date of the revised policy was 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, October 15, 2021
Reviewed by Board: October 19, 2021