

RESOLUTION NO. 2022-2252

A RESOLUTION APPROVING BOARD POLICY REVISIONS FOR B-40 BOARD COMMITTEES AND F-40 BUDGET

THE LAS GALLINAS VALLEY SANITARY DISTRICT

WHEREAS, the Board of Directors ("Board") has determined that a comprehensive list of Policies and Procedures for the Board is in the best interest of the District; and

WHEREAS, the Board has compiled a comprehensive list of Policies and Procedures to serve as the rules and regulations of the Board; and

WHEREAS, the Board did adopt such comprehensive list of Policies and Procedures on July 9, 2009; and

WHEREAS, such policies may need to be updated from time to time; and

WHEREAS, on April 21, 2022, the Board reviewed and suggested changes on Board policies B-40 Board Committees and F-40 Budget;

NOW THEREFORE, the Board of Directors of the Las Gallinas Valley Sanitary District approves the following revised policy sections: B-40 BOARD COMMITTEES and F-40 BUDGET. The previously approved Board Policies B-40 and F-40 are hereby revoked and declared null and void.

If any policy or portion of a policy contained within the Policies and Procedures is in conflict with rules, regulations, or legislation having authority over the Las Gallinas Valley Sanitary District, said rules, regulations or legislation shall prevail.

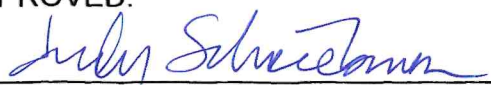
The Policies and Procedures shall remain in effect until amended by at least a majority vote of the Board of Directors.

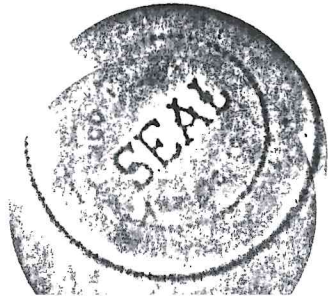
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I hereby certify that the forgoing is a full, true, and correct copy of a resolution duly and regularly passed and adopted by the Sanitary Board of the Las Gallinas Valley Sanitary District, Marin County, California, at a meeting thereof held on the 5TH day of May 2022, by the following vote of the members thereof:

AYES, and in favor thereof Members: Clark, Ford, Murray, Schrieblman, Yezman.
NOES, Members: None.
ABSENT, Members: None.
ABSTAIN, Members: None.


Teresa Lerch, District Secretary

APPROVED:

Judy Schrieblman, President of Board of Directors



B-40 BOARD COMMITTEES**Purpose**

This policy establishes rules for ad hoc committees and workshops.

B-40-10 Standing Committees Abolished. The Board abolished all standing committees after determining that ad hoc committees and periodic Board workshops are more productive than standing committees.

B-40-20 Appointment of Ad Hoc Committees. The Board President shall appoint ad hoc committees as deemed necessary by the Board President and/or a majority vote of the Board.

B-40-20-1 Specific Purpose. Ad hoc committees shall be created for a specific purpose, its duties outlined at time of appointment, and if appropriate a timeline established. The President may dissolve an ad hoc committee after its final report is made to the Board.

B-40-20-2 Appointment of Chairperson. The Board President shall designate the ad hoc committee chairperson who shall determine the date, time, and place of each committee meeting. The chairperson shall make periodic reports to the Board on the committee's progress.

B-40-20-3 Scope of Responsibility. The ad hoc committee shall gather information, explore alternatives, examine implications, and offer recommendations to the full Board. The committee may meet with staff and/or District consultants, but shall not interfere with their duties as determined by the Board.

B-40-20-4 Limits on Authority. The ad hoc committee shall not speak or act on behalf of the Board, shall not conflict with authority delegated to staff by the Board, and shall not attempt to exercise authority over staff.

B-40-30 Periodic Workshops. The Board, by majority vote, shall call for Board workshops as deemed necessary and appropriate. The workshops may be held separate from regular and special meetings of the Board at a time and place to be determined by majority vote of the Board. The agenda for workshops shall be determined in cooperation with the Board President and General Manager and posted as are regular meetings of the Board.

B-40-30-1 Action Plan. Workshops shall generally intend to identify key issues facing the District and provide the opportunity to develop an Action Plan that address those issues with specific actions, along with a timeline and responsibilities for carrying out said actions.

Resolution No. 2022-2252	Date Approved: May 5, 2022
President of the Board	Last Reviewed: May 5, 2022

F-40 BUDGET**Purpose**

This policy establishes procedures for preparing budgets and schedules; reviewing budgets; adopting budgets, including committee review, Board review, and public hearings; revising budgets; and budget reports to Board.

F-40-10 Budget Preparation. An annual budget proposal shall be prepared by the General Manager and Administrative Services Manager. The proposed annual budget as amended by the Board during its review shall be adopted at a regular meeting in June.

F-40-20 Basis of Budgeting. All budgetary procedures will conform to state regulations and generally accepted accounting principles. As such, the District shall use a modified accrual basis of accounting for reporting on budgeted versus actual expenditures, with the following exceptions:

- Grant revenues are budgeted on a modified cash basis rather than an accrual basis.
- Fixed assets are depreciated for some financial reporting, but are fully expensed in the year acquired for budgetary purposes.

F-40-30 Balanced Budget. The District shall maintain a balanced budget, defined as total resources (operating revenue, non-operating revenue, intrafund transfers and beginning fund equity) shall equal total requirements (operating expenses, capital expenses, debt service, intrafund transfers and ending fund equity) including contingencies. Furthermore, the District considers the budget to be balanced whenever annual operating and non-operating revenues meet or exceed annual operational expenditures. The District is committed to maintaining a balanced budget under normal circumstances and will disclose deviations from a balanced operating budget when it occurs.

F-40-40 Budget Control. The Board of Directors retains the exclusive authority to increase annual budget authority for Operational Expenditures. If total operating expenditures are expected to exceed the General Manager's signing authority as of the most recently prepared quarterly financial statement the matter shall be brought to the Board's attention so that a budget amendment may be duly approved by the Board.

The Board of Directors also retains the exclusive authority to increase the annual budget authority for Capital Expenditures. In no case may total capital expenditures exceed that which is appropriated by the Board without a budget amendment duly approved by the Board.

Only the Board may authorize transfer of budget authority between Operational Expenditures and Capital Expenditures. Only the Board may increase the number of authorized staff positions.

The General Manager has the authority to approve budget transfers between operating departments. The General Manager has the authority to approve budget transfers between capital projects. The General Manager has the authority to hire employees to maintain the authorized staff positions.

The Administrative Services Manager / District Treasurer shall be responsible for establishing a budgetary control system to ensure compliance with this policy.

F-40-50 Capital asset acquisition, maintenance, replacement and retirement

F-40.50-10 Budget for maintenance The District shall budget for the adequate maintenance of capital equipment and facilities to protect the public investment and ensure achievement of their maximum useful life.

F-40.50-20 Use of operational fund balance for capital. Operational fund balances in excess of established reserves and liquidity requirements may be used for the development, rehabilitation or replacement of capital assets.

F-40.50-30 Capitalization threshold. An asset shall be considered a capital asset when the initial cost of the asset is \$5,000 or more and has a useful life of more than one year. The initial cost shall include any costs necessary to put the asset into its intended use. Interest in real property shall always be considered a capital asset, regardless of its initial cost.

F-40.50-40 Five-year Capital Improvement Plan. The District shall prepare and adopt a five-year Capital Improvement Plan as part of the rate setting process that identifies and sets priorities for all major capital assets to be acquired, constructed or replaced by the District. The Capital Improvement Plan shall be included in the Adopted Budget. The status of the Capital Improvement Plan shall be updated annually as part of the budget.

F-40.50-50 Funding requirement The Capital Improvement Plan shall identify adequate funding to support the acquisition, construction and replacement of assets identified in the plan, and shall identify projects that the District believes beneficial to the system but funding has not yet been identified. The Capital Improvement Plan shall include and indicate when and for what projects the District intends to finance through the issuance of debt. Additionally, the District shall strive to develop a comprehensive strategy and funding plan for the renewal and replacement of existing capital assets.

F-40-60 Quarterly Budget Review. Quarterly reviews compare financial plans and budgets, current forecasts, and actual results. The General Manager shall prepare and present these at regular Board meetings.

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