

RESOLUTION NO. 2024-2337

A RESOLUTION APPROVING REVISIONS TO BOARD POLICIES F-90 PURCHASING, F-100 CREDIT CARDS, O-10 CAPITAL ASSET ACCOUNTING CONTROLS, AND ADDING AND NEW BOARD POLICY F-150 GRANT MANAGEMENT

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, Government Code Section 54202 of Title 5, Division 2, Chapter 5, Article 7 requires every local agency to adopt policies and procedures governing purchases of supplies and equipment by the local agency; and

WHEREAS, Government Code Section 54204 of Title 5, Division 2, Chapter 5, Article 7 requires the policies provided for in Section 54202 to be adopted by means of a written rule or regulation; and

WHEREAS, on August 15, 2024 the Board reviewed suggested policy revisions to F-90, F-100, and O-10, and supported the creation of new policy F-150 Grant Management; and

WHEREAS, adoption of the revised and added policies will accurately reflect current operations at the District and provide guidelines for grant funding.

NOW THEREFORE, the Board of Directors of the Las Gallinas Valley Sanitary District approves the following revised policies: F-90 Purchasing, incorporating revisions to F-90-40 Purchasing Authority and F-90-60 Purchase Orders; F-100 Credit Cards, incorporating revisions to F-100-10 Board Oversight, F-100-30 Limits on Purchase and Credit Card Limits, F-100-40 Review; and O-10 Capital Asset Accounting Controls, incorporating revisions to O-10-30 List of Purchases. The previously approved Board Policies F-90, F-100, and O-10 are hereby revoked and declared null and void.

BE IT FURTHER RESOLVED, that the Board of Directors of the Las Gallinas Valley Sanitary District approves adopting and adding Board Policy Section F-100-80 District Credit Card Rewards and Board Policy F-150 Grant Management to the comprehensive list of Policies and Procedures.

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.

* * * * *

I hereby certify that the foregoing 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 September, 2024 by the following vote of the members thereof:

AYES, and in favor thereof Members: *Clark, Murray, Nitzberg, Roberts, Yezman.*
NOES, Members: *None.*
ABSENT, Members: *None.*
ABSTAIN, Members: *None.*

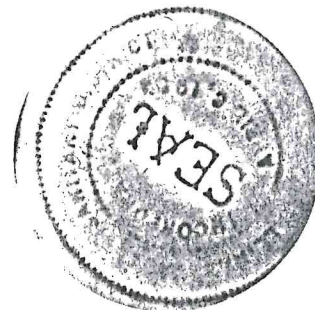

Teresa Lerch, District Secretary

APPROVED:



Craig K. Murray, President of Board of Directors

(seal)



F-90 PURCHASING, INCLUDING RETAINING CONSULTANTS

Purpose

This policy establishes procedures for preparing and approving purchase orders; and preparing, reviewing, and approving contracts. It also covers legal requirements, petty cash, limits on General Manager purchases, the required "paper trail," conformance with received orders, and consultant arrangements.

F-90-10 Vendors for Small Items. To purchase small items -- such as office supplies, auto parts, and other miscellaneous items costing less than \$2,000- the General Manager will set policies for selecting vendors. District accounts are awarded to firms at management discretion that support local businesses, enable the purchase of green and/or recycled products, as well as provide for competitive prices, discounts, service levels, and convenience.

F-90-15 Petty Cash. A Petty Cash fund shall be maintained in the District office having a balance-on-hand maximum of \$500.00. Petty cash may be advanced to District staff upon their request for the purpose of procuring item(s) or service(s) appropriately relating to District business. After said item(s) or service(s) have been obtained, a receipt for same shall be submitted to the Administrative Assistant or Administrative/Financial Specialist and any remaining advanced funds shall be returned. The maximum petty cash advance shall be \$100.00. No personal checks shall be cashed in the petty cash fund. The petty cash fund shall be included in the District's annual independent accounting audit.

F-90-20 Out-of-Pocket Expenses. Whenever employees of the District incur "out-of-pocket" expenses for item(s) or service(s) appropriately relating to District business as verified by valid receipts, said expenses shall be reimbursed upon request from the District's petty cash fund or by check if needed. In instances when a receipt is not obtainable, the requested reimbursement shall be approved by the Administrative Services Manager prior to remuneration.

F-90-30 Quotations. To purchase items costing more than \$2,000, written quotations will be solicited from vendors and received by email, fax, or mail. District Staff may approve purchase orders up to the amount of their purchasing authority per F-90-40. For purchases between \$5,000 and \$15,000 three quotes will be obtained, unless the item is on the District's approved Summary of Specified Equipment List or replacement equipment is from a manufacturer's authorized dealer. In cases where the General Manager determines that certain products may provide a better service life, durability, meet a specific need or provide greater efficiency than other products he/she has the authority to order that product or engage the service without multiple quotes. The General Manager also has the authority to utilize specific maintenance and repair vendors as he/she deems appropriate or necessary.

F-90-35 Uniform Public Construction Cost Accounting Act (UPCCAA). Public projects, as defined by the Act and in accordance with the limits listed in Section 22032 of the Public Contract Code, may be let to contract by informal procedures as set forth in Section 22032, et seq., of the Public Contract Code. Projects less than \$60,000 may be performed by staff of the Agency, by force account with a contractor, by negotiated contract, or by use of a purchase order. (District Code Title 1 Chapter 7).

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President of the Board	Last Reviewed and Approved: April 18, 2024

F-90-40 Purchasing Authority. The purchasing authority listed below shall apply except as authorized by separate Board action for specific construction projects.

Position	Authority
Board of Directors	No Limit
General Manager	<ul style="list-style-type: none"> Construction and consultant contracts up to \$60,000 Purchase Orders up to \$60,000 Budgeted informally bid construction contracts between \$60,001 and \$200,000. <i>(Per UPCCAA)</i>
Plant Manager	Purchases up to \$10,000.
District Engineer	Purchases and budgeted informally bid construction contracts up to \$20,000
Collection System/Maintenance/Safety Manager	Purchases up to \$10,000
Administrative Services Manager	Purchases up to \$10,000
District Executive Assistant/Board Secretary	Purchases up to \$5,000
Administrative/Financial Specialist	Purchases up to \$5,000
Grant Management and Procurement Specialist	Purchases up to \$5,000
Assistant/Associate Engineer	Purchases up to \$5,000
Environmental Services Supervisor	Purchases up to \$7,500
Plant Operations and Maintenance Supervisors	Purchases up to \$7,500
Skilled Maintenance Worker I/II	Purchases up to \$1,000
Administrative Assistant	Purchases up to \$1,000

Formal construction bid contracts in excess of \$60,000 must come to the Board for approval prior to execution.

For purchases in excess of \$15,000, staff will inform the Board of Directors regarding the item as soon as administratively feasible.

F-90-50 Expense Authorization in the Absence of the General Manager. In the absence of the General Manager, two (2) managers may sign the purchase order for amounts in excess of \$15,000. The General Manager will approve the purchase order prior to payment.

F-90-60 Purchase Orders. Purchases over \$10,000 require a purchase order to be issued prior to ordering.

F-90-70 Disbursements. The District requires that all disbursements be properly approved and authorized. To ensure that internal control is maintained over cash disbursements the following procedures will be performed:

- The General Manager can authorize payment of demands without prior approval by the Board if the District Treasurer determines the demands are payable within the District's approved budget.

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- Disbursements, whether by check or electronic transfer, shall be included on a Warrant List and presented to the Board at the next regular meeting for review. Invoices and related support documents will be available prior to and at the Board meeting for review, providing for additional Board oversight.
- Demands exceeding the District’s approved budget shall be subject to Board approval before payment.
- Disbursements made by check shall require two signatures for valid, documented and approved expenses by the District. Signing authority is to be granted by Resolution. Generally, checks drawn from the Operating bank account will be signed by the General Manager and Administrative Services Manager, who serves as the District Treasurer. Where either the General Manager or Administrative Services Manager is not available, a Board member may sign in place of the General Manager or the Administrative Services Manager, or two Board members may sign in place of the General Manager and the Administrative Services Manager.

F-90-75 Intergovernmental Agreements. Agreements between two or more government agencies or non-governmental organizations (NGOs) regardless of purchase amount must be approved by the Board.

F-90-80 Contract Execution. Regardless of expenditures and expense authorization levels, and unless otherwise authorized by the District Board, the Board (in the form of its President) and/or the General Manager shall remain the sole entities authorized to execute formal contracts on behalf of the District. Contracts shall include but not be limited to: Agreements with other governmental entities or NGOs; professional services agreements; construction, maintenance services, equipment procurement, and material supply contracts; and amendments thereof.

F-90-90 Consultants. Consultants will be retained whenever in the judgment of the General Manager that there are not sufficient resources or expertise to accomplish a task.

- Prospective consultants shall be selected from experienced, competent and reliable firms or individuals to provide the necessary resource.
- For consulting expenditures below \$60,000, consultants may be selected sole-source on the basis of their qualifications and ability.
- For consulting procurements exceeding \$60,000, a competitive process may be followed with emphasis on professional capability, availability to complete the task as well as cost. Professional Services Contracts over \$60,000 shall be submitted to the Board for approval. However in the case where the Board deems it more prudent and in the best interest of continuity of services, a consultant contract may be awarded without a competitive process.
- Regular reports of consultant's progress shall be reviewed by the General Manager and reported to the Board.

F-90-95 Vehicles. Fleet vehicles should be purchased through cooperative purchasing agreements or statewide contract. The Vehicle & Equipment Replacement Fund will be used to fund replacement vehicles and related equipment. The Board shall authorize the purchase of vehicles as part of the budget process or by separate Board action if not budgeted.

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F-100 CREDIT CARDS
Purpose

This policy establishes who gets credit cards, the controls over their use, repayment, and required documentation for employees for purchases of minor supplies and services on behalf of the District; paying for travel when on District business trips; and making small purchases as authorized in the Purchasing Policy.

F-100-10 Board Oversight. The General Manager is authorized as the primary account holder who shall review statements of credit card transactions with supporting materials along with the warrant list. Per Board decision, on May 8, 2003 Board Members cancelled their credit cards.

F-100-20 Distribution. Credit cards shall be provided to District Staff members as determined necessary for the position by the General Manager. The Board is to be notified of the issue of new cards in a timely matter.

In order to maintain security over District issued credit cards, staff shall maintain possession of their District issued credit cards and not loan them to other staff for use.

F-100-25 Responsibility. The primary responsibility for ensuring the appropriate use of credit cards lies with the Named Cardholder. The Named Cardholder is responsible for obtaining receipts and providing them to the Administrative/Financial Specialist monthly.

The Department Head is responsible for (1) safeguarding against misuse of credit cards under control of their department staff; (2) implementing departmental procedures to ensure that purchases are appropriately reviewed, approved, and processed in a timely manner.

F-100-30 Limits on Purchases and Credit Card Limits. Credit card purchases shall be limited to:

- Budgeted District expenses and to certain vendor accounts.
- District business related seminar and conference expenses to include lodging, travel, meals, conference registration, and other appropriate expenses. The Administrative Services Manager is to be notified if the credit card is to be used outside the District. This is done in order to notify the bank for security.
- Meal expenses, as well as the meal expense of a guest if the breakfast/lunch/dinner meeting includes necessary discussion of District business with the guest. Excludes alcohol.
- Spouse or guest expense under very limited circumstances and only when paying for the spouse or guest in another manner is difficult or cumbersome. Reimbursement to the District, accompanied by an expense receipt, shall be made in a timely manner.
- Other instances deemed appropriate by the General Manager.

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President of the Board	Last Reviewed and Approved: October 6, 2022

Credit Card Limit

General Manager	Up to	\$20,000
Plant Manager	Up to	\$10,000
District Engineer	Up to	\$10,000
Collection/Maintenance/Safety Manager	Up to	\$10,000
Administrative Services Manager	Up to	\$10,000
Administrative/Financial Specialist	Up to	\$ 7,500
District Executive Assistant/Board Secretary	Up to	\$ 7,500
Grant Management and Procurement Specialist	Up to	\$ 5,000
Assistant/Associate Engineer	Up to	\$ 5,000
Environmental Services Supervisor	Up to	\$ 5,000
Plant Operations Supervisor	Up to	\$ 5,000
Maintenance Supervisor	Up to	\$ 5,000
Administrative Assistant	Up to	\$ 5,000
Selected Plant, Collections and Maintenance Workers	Up to	\$ 1,200

F-100-40 Review. The Grant Management and Procurement Specialist is to provide monthly statements to each Named Cardholder, collect receipts from each Named Cardholder and reconcile them to credit card transactions on a timely basis. The Administrative Services Manager shall review credit card purchases and determine the adequacy of receipts. The General Manager shall be provided credit card statements, receipts, and summary report for final review.

F-100-50 Revocation. A majority vote of the Board is required to revoke the use of a card by the General Manager. The General Manager may revoke the use of a credit card by an employee.

F-100-60 Prohibitions. Unauthorized use of a credit card or use of a credit card for personal purchases is strictly prohibited. The unauthorized use shall be reimbursed to the District by the employee before continuation of the use of the credit card will be allowed.

F-100-70 Use of Personal Credit Cards for District Business. Employees who are issued District credit cards are required to use them for District business unless administratively unfeasible.

Employees who do not have District issued credit cards may use personal cards to pay for travel expenses, emergency purchases and incidental items related to District business up to \$2,500 per event.

Use of personal credit cards for District purchases other than outlined above requires prior approval by the General Manager or will not be paid by the District.

F-100-80 District Credit Card Rewards. Any reward points, benefits, cash back bonus or discounts resulting from use of District issued credit card, if applicable, shall be utilized solely for the benefit of the District. Use of any such reward points, benefits, cash back bonus or discounts shall follow all applicable laws. No reward points, benefits, cash back bonus or discounts shall be utilized for individual gain.

Resolution No. 2024-2337	Date Approved: September 5, 2024
President of the Board	Last Reviewed and Approved: October 6, 2022

F-150 GRANT MANAGEMENT**Purpose**

This policy establishes authority for the District for the application, acceptance, and reporting of grants. This policy shall be approved by Board resolution and applies to all grants for which the District may apply.

A grant is an external funding source that is awarded for a specific purpose, is valid within a defined timeframe, and typically imposes contractual obligations on the District. The method of grant disbursement is determined by the granting agency and the use of the funds is generally subject to audit by the granting agency.

It is the objective of the District to affirmatively seek grant funding opportunities that add to the District's financial resources to help maintain and provide quality service and capital improvements for residents and businesses in the service area.

F-150-10 General Manager Authorization. All grant application submittals must be approved by the General Manager or designee.

Based on the following circumstances, Board delegates to the General Manager the ability to approve grant application submittals if:

- The Board has a policy, goal, or plan in place supporting the program the grant funds would be used if awarded.
- The grant or application does not require any substantial staff time, other than that of the Grant Management and Procurement Specialist, and which will not be funded by the grant or program.
- The grant or application does not require any additional District funds not already budgeted for this purpose and which falls under the purchasing authority of the General Manager.

Board approval must be obtained to apply for a grant that does not meet the conditions set forth above or if the granting agency requires governing body approval before applying for a grant.

When considering the submittal of a grant application, the General Manager will consider the grant application parameters referenced at the end of this policy. In addition, the General Manager is authorized to accept or reject all grant awards that do not fall under Board authorization described in the following section.

F-150-20 Board Authorization. Board approval for acceptance of grant awards is required when any of the following apply:

- Funding for the project is not already approved in the amended operating or capital budgets.
- Funds will be used to purchase or lease real property.
- The District acts as a fiscal agent for another agency.
- Appropriation of additional funds to serve as matching funds is required.
- The granting agency requires governing body approval.

F-150-30 Board Reporting Guidelines. The Administrative Services Manager or designee will report to Board as follows:

- As part of the Quarterly Financial Reports, staff will include the following for all active grants and grants closed-out during the fiscal year:
 - Purpose of the grant
 - Granting agency
 - Grant amount awarded
 - Grant amount spent
 - Grant amount remaining
 - Grant term/period of performance

F-150-40 Grant Application Parameters.

1. The minimum dollar amount of the solicitation of grant funds from both Federal/State government agencies and private agencies should generally be the following:
 - a. Federal \$1,000,000
 - b. State \$500,000
 - c. Private and Other Local Public Agencies \$5,000

When grant opportunities arise that have funding available below the minimum thresholds identified above, the General Manager or designee are authorized to determine if it is still in the best interest of the District and their resources to move forward with preparing and submitting a grant application.

2. Amounts under this minimum should be considered only if there are minimal administrative tasks (i.e., financial/project reporting, maintaining receipts, vouchers, etc.) imposed on the District by the grantor.
3. Program and projects proposed for grant funding should be those that are consistent with the District's Mission, Vision and Strategic Goals as identified as part of the District's Strategic Plan, Integrated Wastewater Master Plan, or similar planning documents.
4. Grant programs must comply with rules established by the granting agency. If the requirements by the granting agency conflict with District policies, the granting agency requirements prevail. No grant may be accepted if grant program requirements conflict with state or federal law or with any District ordinance.
5. The submission of a grant application does not commit the District to appropriating match funds or funds for ongoing costs not covered by the grant.

Resolution No. 2024-2337	Date Approved: September 5, 2024
President of the Board	Last Reviewed: NEW

OPERATIONS

O-10 CAPITAL ASSET ACCOUNTING CONTROLS

Purpose

This policy establishes procedures for accounting controls, inventory of facilities and equipment, assignment of value, depreciation, and maintenance procedures.

O-10-10 Accurate Financial Reports. The purpose of this policy is to ensure proper accounting control resulting in the maintaining of accurate financial reports of capital assets.

O-10-20 Report to Board. An accounting of all capital assets shall be conducted on an annual basis.

O-10-30 List of Purchases. Applicable purchases for inclusion in said accounting shall be the following:

- Equipment, tools, and vehicles that individually have an original total cost basis of more than \$15,000 and a useful life greater than one year
- All land and building acquisitions regardless of price; and,
- Additions or major improvements to the District's service infrastructure.

O-10-40 Recordkeeping. Permanent inventory records shall be maintained in either a paper file or electronic (computer data base) format. Said records shall be updated whenever a change in the status of a particular capital asset occurs (e.g., original purchase, sale, destruction, loss, theft, etc.).

O-10-50 Inventory Requirements. Information to be maintained in said inventory records shall include at least the following:

- Asset number
- Description
- Manufacturer's serial number
- Storage location
- Original cost
- Acquisition date
- Life expectancy
- Classification code (e.g., office equipment, vehicle, etc.)

O-10-60 Administrative Policies and Procedures. The General Manager and Administrative Services Manager shall develop internal capital asset policies and procedures necessary for establishing and maintaining internal controls to achieve the objectives of effective and efficient operations, reliable financial reporting, and compliance with laws and regulations.

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President of the Board	Last Reviewed and Approved: December 15, 2022