RESOLUTION NO. ________

A RESOLUTION OF THE BOARD OF DIRECTORS OF EASTERN MUNICIPAL WATER DISTRICT ESTABLISHING AN UPDATED RESERVE POLICY

WHEREAS, on August 18, 1999, the Board adopted Resolution No. 3359 to establish reserve and restricted fund policies, referred hereto as the Reserve Policy; and

WHEREAS, on December 19, 2001, the Board adopted Resolution No. 3359.1 formally establishing two additional reserves, General Damage Reserve and Dental Reserve, to be added to the Reserve Policy; and

WHEREAS, on January 22, 2003, the Board adopted Resolution No. 3359.2 updating the Reserve Policy to permit surplus funds in reserve accounts to be transferred to the Capital Replacement Reserve Fund in order to meet funding requirements; and

WHEREAS, it is necessary the District review its financial policies on a regular basis to ensure they meet the District’s operational and financial needs while mitigating any unnecessary risk; and

WHEREAS, a review of the District’s current Reserve Policy, reserve funds, accounting practices, and justifications for reserve calculations have been conducted by the District’s Chief Financial Officer; and

WHEREAS, it has been determined the District’s Reserve Policy does not align with the District’s financial needs nor does it provide relevant guidance for the District’s ongoing operational and financial needs.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF EASTERN MUNICIPAL WATER DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

1. That the Board adopt said Resolution No. ________ and the Reserve Policy attached hereto as Exhibit “B” with an effective date of April 7, 2021, and at which time all previous versions of the Reserve Policy including Resolution Nos. 3359, 3359.1, and 3359.2, are rescinded and superseded in their entirety; and

2. That any other existing conflicting documents, policies, and Board action items in conflict with the Reserve Policy adopted on this date are hereby rescinded and repealed; and
3. This Resolution shall be effective upon its adoption.

DATED: April 7, 2021

______________________________
Philip E. Paule, Board President

I hereby certify that the foregoing is a full, true and correct copy of the Resolution adopted by the Board of Directors of the Eastern Municipal Water District at its meeting held on April 7, 2021.

ATTEST:

______________________________
Sheila Zelaya, Board Secretary

(SEAL)