



P.O. Box 261
Forestville, California 95436-0261
Phone (707) 887-1551 Fax (707) 887-1552
fwd@sonic.net

**RESOLUTION OF THE FORESTVILLE WATER DISTRICT
ESTABLISHING A RESERVE FUND POLICY**

Adopted November 8, 2016

Resolution No. 374

BE IT RESOLVED by the Board of Directors of the FORESTVILLE WATER DISTRICT that it does hereby adopt the following reserve funds policy.

General Reserve Fund

Purpose: The purpose of the General Reserve Fund is to provide the District with resources to guard against service disruption in the event of unexpected temporary budget shortfalls or unpredicted one-time expenditures.

Funding: The General Reserve Fund shall consist of working capital (defined as current assets minus current liabilities) sufficient to provide for a minimum of three months' worth of annual operating expenses and other working capital needs of the annual budget. The General Reserve Fund at no time shall contain more than 12 months' worth of annual operating expenses plus the five (5) year trailing average of the capital improvement plan.

Facilities Reserve Fund

Purpose: The Facilities Reserve Fund shall be funded with connection fees charged in connection with water and sewer services and charges respectively for public facilities. Revenues derived from such charges may be used only for the acquisition, construction, reconstruction of water systems and sanitation, or sewerage facilities, to repay principal and interest on bonds issued for the construction or reconstruction of these water systems and sanitary, or sewerage facilities, and to repay federal or state loans or advances made to the entity for the construction or reconstruction of water systems and sanitary, or sewerage facilities.

Funding: The Facilities Reserve Fund shall be funded solely with water and sewer connection fees and charges respectively for public facilities.

BE IT RESOLVED that the foregoing resolution was introduced by Director Benyo, who moved its adoption, and seconded by Director Reha, and adopted on a roll call vote by the following vote:

Director: Steven Bandettini	<u>aye</u>
Director: Richard Benyo	<u>aye</u>
Director: Gary Harris	<u>absent</u>
Director: Alvin Hasin	<u>aye</u>
Director: Don Reha	<u>aye</u>

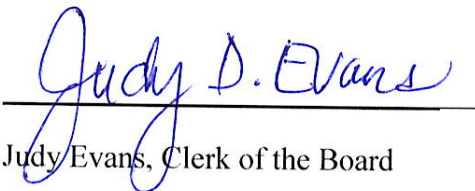
AYES: 4 NOES: 0 ABSENT: 1 ABSTAINED: 0

WHEREUPON, the Chair of the Board for the Forestville Water District declared the foregoing resolution adopted, and SO ORDERED this 8th day of November 2016.



Steven Bandettini, Chair of the Board

Attest:



Judy Evans, Clerk of the Board