



McCloud Community Services District

220 West Minnesota Avenue P.O. Box 640

McCloud, California 96057

Phone (530) 964-2017 Fax (530) 964-3175 e-mail mcsd@ci.mccloudcsd.ca.us

REGULAR MEETING OF THE POLICY REVIEW COMMITTEE

Scout Hall – 405 E. Colombero Drive

March 13, 2024 at 3pm

- 1) Discussion of Policy MCS D 3010 Illness and Injury Prevention Program**
- 2) Discussion of Policy MCS D 3015 Treasurer**
- 3) Discussion of Policy MCS D 3020 Budget Preparation**
- 4) Discussion of Policy MCS D 3025 District Financial Reserves and appendix A**
- 5) Discussion of Policy MCS D 3030 Fixed-Asset Accounting and Inventory**
- 6) Discussion of Policy MCS D 3035 Investment of District Funds**
- 7) Discussion of Policy MCS D 3037 Customer Payment Arrangements and attachment**
- 8) Discussion of Policy MCS D 3040 Expense Authorization and Appendix A Missing Receipt Affidavit**
- 9) Discussion of Policy MCS D 3050 Easement Abandonment**
- 10) Discussion of Policy MCS D 3060 Easement Acceptance**
- 11) General discussion**
- 12) Adjourn.**

MCSD Mission Statement

McCloud Community Services District will strive to provide the full range of municipal services, at a reasonable cost applied consistently to all customers, while maintaining a healthy infrastructure and environmental integrity.

McCLOUD COMMUNITY SERVICES DISTRICT
Policy and Procedure Manual

POLICY TITLE: Illness and Injury Prevention Program
POLICY NUMBER: 3010
ADOPTED: September 23, 2002
REVIEWED: January 9, 2014, May 9, 2018, May 13, 2020
REVISED June 8, 2020

3010.10 Program Goal and Outline

The District has adopted and maintains an Illness and Injury Prevention Plan/Safety Policy. The Code of Safe Practices within the program is a flexible document that will automatically be updated as safety mandates are established. The Board of Directors will be advised by the General Manager of such updates but Board action will not be required to implement new safety mandates. The Board of Directors will, annually review the Illness and Injury Prevention Program, no later than February of each year. The Illness and Injury Prevention Plan/Safety Policy will include:

3010.11 Providing mechanical and physical safeguards to the maximum extent possible.

3010.12 Conducting a program of safety and health inspections to find and eliminate unsafe working conditions or practices, to control health hazards, and to comply fully with the safety and health standards, applicable regulation and law for every job.

3010.13 Training all employees in good safety and health practices.

3010.14 Providing necessary personal protective equipment, and instructions for use and care.

3010.15 Developing and enforcing safety and health rules, and requiring that employees cooperate with these rules as a condition of employment.

3010.16 Any injury no matter how small must be reported to a supervisor immediately and also must follow work place injury procedures outlined in MCSD Injury & Illness Prevention Plan/Safety Policies located in MCSD office.

3010.17 Investigating promptly and thoroughly, every accident to determine its cause and correct the problem so it will not happen again.

3010.18 Developing a system of recognition and awards for outstanding safety service and/or performance.

3010.20 Program Responsibility The District accepts responsibility for leadership of the safety and health program, for its effectiveness and improvements, and for providing the safeguards required to ensure safe conditions. Although the District recognizes that the responsibility for safety and health is shared, the General Manager shall be responsible and have full authority for implementing this policy

3010.21 All personnel will be provided with a copy of the Illness and Injury Prevention Plan/Safety Policy and subsequent revisions will be provided to all employees for review and discussion. All employees will be required, by signature, to confirm that they have reviewed the program and/or subsequent revisions.

McCLOUD COMMUNITY SERVICES DISTRICT
Policy and Procedure Manual

POLICY TITLE: Treasurer
POLICY NUMBER: 3015
ADOPTED: August 11, 2008
REVIEWED: November 14, 2013; June 21, 2016; March 11, 2020
REVISED: July 11, 2016, 03/23/20

3015.10 A Treasurer will be appointed by the President of the Board of Directors at their annual organizational meeting pursuant to Policy 5010.52. Designation of a Treasurer who is not the Finance Officer is intended to provide administrative financial checks and balances.

3015.11 Pursuant to Government Code §61240, the General Manager or District Secretary may be appointed as Treasurer.

3015.2 Tasks of the Treasurer may include:

3015.21 Opening and reviewing all bank statements before presentation to the Finance Officer or General Manager in absence of a Finance Officer.

3015.22 Reviewing all claims and payroll and authorizing the preparation of checks by the Finance Officer or Accounting Clerk.

3015.23 The Treasurer may bring financial concerns to the Board of Directors anytime he/she feels necessary.

3015.24 The provision of periodic declaration to the Board of Directors of tasks completed.

3015.25 Assist with the annual audit and have the authority to call for an unscheduled audit as determined necessary with board approval.

3015.26 Review petty cash balances.

3015.27 Must attend Finance and Audit Committee meetings.

McCLOUD COMMUNITY SERVICES DISTRICT
Policy and Procedure Manual

POLICY TITLE: Budget Preparation
POLICY NUMBER: 3020
ADOPTED: December 09, 2002
REVIEWED: December 18, 2013, August 9, 2016, August 12, 2020
REVISED: March 24, 2014, September 14, 2020

3020.10 An annual budget proposal shall be prepared by the General Manager with assistance from the Finance Officer, Public Works Superintendent and Fire Chief.

3020.20 Prior to review by the Board of Directors, the Board's Finance and Audit Committee shall review the annual budget proposal.

3020.30 The proposed annual budget as reviewed and amended by the Finance and Audit Committee shall be reviewed by the Board no later than the second meeting in April.

3020.31 In the event of a proposed rate increase, there is a forty-five (45) day legal notification and publication process (Proposition 218).

3020.40 The proposed annual budget as amended by the Board during its review shall be adopted no later than mid-June pending unforeseen circumstances.

McCLOUD COMMUNITY SERVICES DISTRICT

Policy and Procedure Manual

POLICY TITLE: District Financial Reserves
POLICY NUMBER: 3025
ADOPTED: April 14, 2003
COMMITTEE REVIEW: 03/10/15, 10/13/15, 05/09/17, 04/26/21
AMENDED: 06/12/17, 05/10/21

3025.10 The goal of this policy is to increase public awareness of the reserve funding requirements of the District and to limit the use of such reserve funds to only those purposes for which they are intended and approved. The Board of Directors of the District believe that the public is more likely to support development of, understand the need for, and appropriate usage of such reserve funds if the District reserve accounts, approval requirements and limitations are clearly detailed in policy.

3025.20 The objective of this policy is to develop budgeted reserve categories and acceptable expenditures for each and to set into policy reserve funds and amounts that, once adopted, can only be modified through action of the board in public session. The reserve categories detailed herein will be established for every service delivered by the District and for the District administrative office and equipment maintenance facility. The development of fully funded reserve categories will ultimately provide for rate stabilization, District funded capital improvement projects and equipment purchases, and funding for unplanned events and emergencies.

3025.30 Expenditure of reserve funds for purposes not specifically contained within the annual budget shall require approval of the Board of Directors.

3025.31 Amendment or adoption of the annual budget which effects the Capital Reserve and/or Contingency Reserve funding levels as detailed herein shall require amendment of this policy, conducted in accordance with McCloud Community Services District Policy 1010.

3025.32 The District's Finance and Audit Committee shall review any proposed amendment to the financial provisions of this policy prior to review by the Policy Review Committee and/or Board of Directors.

3025.33 For the purposes of this policy, operating expenses such as salaries and other

employee related costs, insurances, supplies, vehicle maintenance, training, publications, fuel, electrical power and similar costs shall **not** be considered eligible expenses for Capital Outlay or Capital Reserve funds. Contingency Reserves may be used to fund operating expenses on a short term basis, not to exceed one Fiscal year and only following exhausting all available operating cost reducing measures.

3025.40 The following standard terminology shall be used when listing reserve accounts in all budgets, reports, financial statements and audits. Reserve account terminology and definitions:

3025.41 Reserve Fund Types: GASB 54 adopted a rule establishing five subcategories of fund balance: Nonspendable, Restricted, Committed, Assigned and Unassigned Fund Balances. Of the five, four apply to our reserve fund balances. The fifth fund type, Nonspendable, does not apply to reserve fund balances. All five are defined below:

3025.411 Nonspendable fund balances are fund balances that are associated with inventories and does not apply to our reserve balances.

3025.412 Restricted Reserves have restrictions imposed by an outside source, such as bond covenants, contractual obligations, loan requirements, etc.

3025.413 Committed Reserves are set aside for a specific purpose as determined by the Board of Directors. The Board of Directors has the authority to redirect the use of these reserves as the needs of the District change. The Capital Outlay and Capital Reserve funds are Committed Reserves.

3025.414 Assigned Reserves are set aside with the intention to use them for a specific purpose; intent can be expressed by the Board of Directors or by an official designated to do so. Contingency Reserves for a specific service category are considered Assigned reserves.

3025.415 Unrestricted Reserves are available for any purpose and reported as Contingency Reserves in the General Fund.

3025.42 Capital Outlay: Board Designated Funding budgeted for expenditure in each service category and for the District administrative office, facility and equipment maintenance within the fiscal year for tools, equipment, facilities or infrastructure. As a guideline for the purposes of this policy, Capital Outlay expenditures shall be those which have a value in excess of five hundred dollars (\$500) and a life expectancy of greater than 3 years.

3025.43 Capital Reserves: Board Designated Funding budgeted in each service category and for the District administrative office, facility and equipment maintenance for accumulation from fiscal year to fiscal year, over a set period of years, for the sole

purpose of funding future tool and equipment purchases, facilities and infrastructure replacement, improvement or expansion. The purposes for which the Capital Reserves are established shall be referenced separately in the budget during each fiscal year that the Capital Reserve fund is maintained. All Capital Reserve funds established shall be substantiated by reference to Master Plans, Capital Improvement Plans or specific funding agency requirements.

3025.431 Capital Reserve funding accumulation shall be limited to the amount set upon its establishment or as amended by the Board of Directors and shall include up to 100% of the value of the depreciated fixed assets related to such service, including a proportionate share of fixed assets relative to the District administrative office and equipment maintenance.

3025.432 For the purposes of this policy, budgeted amounts for repayment of debt service shall not be considered Capital Reserves. Such debt service payment amounts shall be listed separately in each Fiscal year budget during which the payments are applicable.

3025.433 Once the total funding required, as established or amended in any Capital Reserve Account is attained, funding agency requirements met or term limit reached, the Capital Reserve accumulation in that account shall cease unless the term or funding limit is amended by action of the Board of Directors. The total approved amount of that Capital Reserve amount shall be transferred to Capital Outlay budget line in the fiscal year during which the capital purchase or project is to be implemented.

3025.434 The amount of the Capital Reserve funding approved in any fiscal year budget shall be the amount planned for additional accumulation in that account for that year. The total amount of accumulated Capital Reserves for each service category and account shall be publicly reported pursuant to section 3025.53 of this policy.

3025.44 Contingency Reserves: Funding budgeted in each service category and for the District administrative office, facility and equipment maintenance for accumulation from fiscal year to fiscal year, with no specific term of such accumulation, for the sole purpose of funding Capital Outlay projects in future years and funding unbudgeted items on an emergency or unplanned basis. Contingency Reserves may also be used for expenditures related to short term revenue shortages as detailed in 3025.32 above, rate stabilization or to fund cost overruns from previous fiscal years.

3025.441 A General Provision Contingency Reserve account was established upon the passage and implementation of Propositions 218 in 1996, which modified Article XIID of the California Constitution. Upon its establishment,

the General Contingency Reserve reflected the total amount of reserve funding in all service accounts. The General Contingency Reserve account shall continue to be maintained and reported by the District.

3025.4411 Other than interest on the investment of the General Contingency Reserve fund, no additional funding shall be budgeted to accumulate in this account.

3025.4412 The General Contingency Reserve shall be available for expenditure in any service delivered by the District and as approved for expenditure in accordance with the provisions of this section.

3025.442 The amount of the Contingency Reserve funding approved in any Fiscal year budget shall be the amount planned for additional accumulation in that account for that year. The total amount of accumulated Contingency Reserves for each service category and account shall be publicly reported pursuant to section 3025.53 of this policy.

3025.443 Contingency Reserve total funding accumulation shall be limited to one year's operating budget for the service.

3025.444 Purchases from Contingency Reserves, other than purchases for emergencies declared by the General Manager pursuant to Board Policy 3080, shall require approval of the Board of Directors.

3025.445 Capital Outlay funding approved but not expended during the fiscal year shall be accumulated in a Capital Reserve fund for that service, in the amount of and for the specific purpose previously established.

3025.446 Operating Budget carry over funding (revenue over expenditures) shall be accumulated in the Contingency Reserve fund for that service.

3025.447 Contingency Reserve funding approved for expenditure during any fiscal year shall be detailed in the budget as follows:

3025.448 The budget line item to which the Contingency Reserve funding is transferred shall detail the amount of transfer from Contingency Reserve and the duration of the transfer.

3025.449 The Contingency Reserve fund for that year shall reflect the total fund upon establishment less the amount transferred. A description of the amount transferred, and its

duration shall be detailed in the fiscal year budget for each year during which the transfer occurs.

3025.50 The Capital Reserve and Contingency Reserve funding levels listed in Appendix A shall be contained in the annual budget for each service department and for the District administrative office, facility and equipment maintenance. Amendment of this policy is required for the establishment of a new reserve fund, modification or termination of previously established reserve funds. The fiscal year budget shall clearly identify the expenditure of reserve funds.

3025.501 APPENDIX A- Capital Reserve Accounts. Living document. This will be revised as needed by District staff. Please request the latest version from the District Finance Officer.

3025.51 Reserve Account Reporting

3025.511 This policy shall be considered annually by the Board of Directors in conjunction with the adoption of the annual budget.

3025.512 The Capital Reserve and Contingency Reserve Fund balances and Capital Expenditures shall be reported with the quarterly Financial Statements and contained within an Annual Reserve Report delivered to the Board of Directors and available for public review following the close of each fiscal year.

3025.513 The Annual Reserve Report shall list each service provided by the District and the District administrative office, facility and equipment maintenance separately by Account Title. The report shall be prepared in a manner easily understood by the layperson, available free of charge to the public and posted on the District's website and distributed in the District's newsletter.



APPENDIX A

CAPITAL RESERVE ACCOUNTS-Living Document- Revised April 2021

Service	Account Title	Annual Amount	Year Established or Revised	Term Years	Purpose
General	Administrative Office, Equipment, Facility and Maintenance	\$0.00	Rev.2015-16	3	Replacement of office computers and related equipment on a 3-4 year rotating basis. No term was adopted for this fund.
Fire/Ambulance	Ambulance Equipment Repair and Replacement	\$6,667.00	Rev.2015-16	15	Replacement and repair of ambulance and related equipment. Replacement is estimated to be on a 15 year basis.
Alleys		\$0.00			
Street Lights		\$0.00			
Park	Lawnmower	\$6,000.00	Rev.2015-16	20	Future Purchase of a new Lawnmower
Library	Building Maintenance	\$50.00	Rev.2015-16	3	Building Maintenance on a 3-4 year rotating basis. No term was adopted for this fund.
Refuse		\$0.00	Rev.2015-16		
Sewer	Future Camera	\$0.00	Rev.2015-16		Future Purchase of a State Required Sewer Camera
Water	Equipment Replacement	\$0.00	Est.1997-98 Rev. 2015-16	5	Begin building reserves to replace water system equipment
Water	Equipment Replacement	\$0.00	Est.1998-99 Rev. 2002-03	1	Water Reserve Funding at a faster rate due to failing water system tools, fire hydrants, equipment and service connections, main valves, etc.
Water	Water Main Replacements	\$0.00	Est.1998-99 Rev. 2002-03	1	Water Reserve Funding at a faster rate due to failing water mains, possible upcoming major replacement projects.

Service	Account Title	Annual Amount	Year Established or Revised	Term Years	Purpose
Fire/Ambulance	Future Loader Payment	\$66.00	Est.. 2014-15 Rev. 2015-16	5	Set Aside at 1% allocation of purchase option at lease end for John Deere Loader
Alleys	Future Loader Payment	\$825.00	Est.. 2014-15 Rev. 2015-16	5	Set Aside at 12.5% allocation of purchase option at lease end for John Deere Loader
Park	Future Loader Payment	\$165.00	Est.. 2014-15 Rev. 2015-16	5	Set Aside at 2.5% allocation of purchase option at lease end for John Deere Loader
Refuse	Future Loader Payment	\$264.00	Est.. 2014-15 Rev. 2015-16	5	Set Aside at 4% allocation of purchase option at lease end for John Deere Loader
Sewer	Future Loader Payment	\$1,980.00	Est.. 2014-15 Rev. 2015-16	5	Set Aside at 30% allocation of purchase option at lease end for John Deere Loader
Water	Future Loader Payment	\$3,300.00	Est.. 2014-15 Rev. 2015-16	5	Set Aside at 50% allocation of purchase option at lease end for John Deere Loader

Service	Account Title	Annual Amount	Year Established or Revised	Term Years	Purpose
Fire/Ambulance	Future Dump Truck	\$0.00	Est.. 2014-15 Rev. 2015-16	5	For the future purchase of a District Dump Truck
Alleys	Future Dump Truck	\$2,250.00	Est.. 2014-15 Rev. 2015-16	5	For the future purchase of a District Dump Truck
Park	Future Dump Truck	\$1,500.00	Est.. 2014-15 Rev. 2015-16	5	For the future purchase of a District Dump Truck
Library	Future Dump Truck	\$25.00	Est.. 2014-15 Rev. 2015-16	5	For the future purchase of a District Dump Truck
Refuse	Future Dump Truck	\$1,500.00	Est.. 2014-15 Rev. 2015-16	5	For the future purchase of a District Dump Truck
Sewer	Future Dump Truck	\$0.00	Est.. 2014-15 Rev. 2015-16	5	For the future purchase of a District Dump Truck
Water	Future Dump Truck	\$0.00	Est.. 2014-15 Rev. 2015-16	5	For the future purchase of a District Dump Truck

Service	Account Title	Annual Amount	Year Established or Revised	Term Years	Purpose
Fire/Ambulance	Future Trucks	\$0.00	Est. 2014-15 Rev. 2015-16	5	For the purchase of District Trucks
Alleys	Future Trucks	\$2,250.00	Est. 2014-15 Rev. 2015-16	5	For the purchase of District Trucks
Park	Future Trucks	\$1,500.00	Est. 2014-15 Rev. 2015-16	5	For the purchase of District Trucks
Library	Future Trucks	\$25.00	Est. 2014-15 Rev. 2015-16	5	For the purchase of District Trucks
Refuse	Future Trucks	\$1,500.00	Est. 2014-15 Rev. 2015-16	5	For the purchase of District Trucks
Sewer	Future Trucks	\$0.00	Est. 2014-15 Rev. 2015-16	5	For the purchase of District Trucks
Water	Future Trucks	\$0.00	Est. 2014-15 Rev. 2015-16	5	For the purchase of District Trucks

Contingency Reserve Accounts

Service	Account Title	Annual Amount	Year Established or Revised	Purpose
General		\$36,150.00	Revised 2015-16	Budgeted funding level of all general revenue, rate stabilization at current level
General	OPEB	\$25,000.00	Revised 2015-16	Budgeted set aside to fund future Other Post-Employment Benefits
Fire/Ambulance	Revenue Over Expenses	\$1,435.00	Revised 2015-16	Budgeted revenue over expenses, rate stabilization at current level
Alleys	Revenue Over Expenses	\$217.00	Revised 2015-16	Budgeted revenue over expenses, rate stabilization at current level
Street Lights	Revenue Over Expenses	\$977.00	Revised 2015-16	Budgeted revenue over expenses, rate stabilization at current level
Park	Revenue Over Expenses	\$232.00	Revised 2015-16	Budgeted revenue over expenses, rate stabilization at current level
Library	Revenue Over Expenses	\$47.00	Revised 2015-16	Budgeted revenue over expenses, rate stabilization at current level
Refuse	Revenue Over Expenses	\$4,174.00	Revised 2015-16	Budgeted revenue over expenses, rate stabilization at current level
Sewer	Revenue Over Expenses	\$0.00	Revised 2015-16	Budgeted revenue over expenses, rate stabilization at current level
Water	Revenue Over Expenses	\$3.00	Revised 2015-16	Budgeted revenue over expenses, rate stabilization at current level

Restricted Reserve Accounts

Service	Account Title	Annual Amount	Year Established or Revised	Term Years	Purpose
Sewer	USDA RD Debt Service Reserve Account	\$4,345.45	Est. 2002-03 Rev. 2016-17	40	Deposits made annually years 1-10 to ensure cash available for loan payments. Years 11-40 funds may be used for emergency maintenance, extensions, replacement of short lived components. Required by March 2002 RD Letter of Conditions. 2003-2042
Sewer	SWRCB WW Cap Reserve Fund	\$4,057.50	Est. 2002-03 Rev. 2016-17	20	Deposits made annually as a loan condition by SWRCB 2002-2023
Sewer	CDBG Grant Req	\$5,583.00	Est. 1998-99 Rev. 2016-17	40	Deposits made annually as Grant Req from user charge of \$1.17/user (.64 water & .53 sewer) 07/01/98 - 06/30/38 for depreciation for replacement or repair costs
Water	CDBG Grant Req	\$6,917.00	Est. 1998-99 Rev. 2016-17	40	Deposits made annually as Grant Req from user charge of \$1.17/user (.64 water & .53 sewer) 07/01/98 - 06/30/38 for depreciation for replacement or repair costs

McCLOUD COMMUNITY SERVICES DISTRICT
Policy and Procedure Manual

POLICY TITLE: Fixed-Asset Accounting and Inventory
POLICY NUMBER: 3030
ADOPTED: December 09, 2002
REVIEWED: May 22, 2014, August 8, 2018, August 12, 2020
REVISED: 01/08/28, 08/27/18, 09/14/20

3030.10 The purpose of this policy is to ensure proper accounting control resulting in the maintaining of accurate financial reports of fixed assets.

3030.20 An accounting or inventory of all fixed assets shall be conducted on an annual basis no later than June 30th. After the conclusion of said inventory, the General Manager shall certify its completeness and report the results thereof to the Board of Directors at its next regular monthly meeting.

3030.30 Applicable purchases for inclusion in said accounting shall be the following:

3030.31 Equipment, tools and vehicles that individually have an original total cost of more than \$5,000 and have a useful life greater than or equal to its Alternative Depreciation System (ADS) life as established by Internal Revenue regulations.

3030.32 All land and building acquisitions regardless of price; and,

3030.33 Additions or major improvements to the District's service infrastructure.

3030.34 Asset values will consider the capitalization of inhouse labor, associated labor costs, outside contractors, licensing, fees and permits in determining its actual cost.

3030.40 When any item defined in Section 3030.31 above is received, a tag with a unique identification number shall be affixed to said item, and the number recorded in the permanent inventory records.

3030.50 Inventory records shall be maintained a minimum of three (3) years past the assets disposition.

3030.60 Information to be maintained in said inventory records shall include, as applicable, at least the following:

- 3030.61** Asset number.
- 3030.62** Description.
- 3030.63** Manufacturer's serial number.
- 3030.64** Storage location.
- 3030.65** Original cost.
- 3030.66** Acquisition date.
- 3030.67** Life expectancy.
- 3030.68** Classification code (e.g., office equipment, vehicle, etc.).

McCLOUD COMMUNITY SERVICES DISTRICT
Policy and Procedure Manual

POLICY TITLE: Investment of District Funds
POLICY NUMBER: 3035
ADOPTED: November 12, 2002
REVIEWED: 12/18/13, 09/13/16, 11/13/19
AMENDED: October 10, 2016

3035.10 Primary Policy Goals and Objectives

3035.11 Safety. The primary and uppermost concern of the District shall be the safety of the funds entrusted to it from whatever source. No undue risks shall be taken to pursue high income at the expense of safety.

3035.12 Liquidity. Provide the liquidity necessary to meet day to day, cyclical, and long-term changes in the mix of the District's assets and liabilities.

3035.13 Return on Investments. The District shall strive to earn an average rate of return on its invested funds at least equal to that earned on average by other public agencies of similar size and characteristics.

3035.14 Diversification. Provide a suitable balance of quality and diversification of the District's assets.

3035.15 Deposits with Financial Institutions. Comply with pledging requirements for deposit of District monies with financial institutions; and/or deposit of District funds only in suitable financial institution deposit accounts.

3035.16 Investment Guidelines. Whenever this investment policy sets maximums, minimums and averages, those standards are to be used as guidelines and are intended to be a flexible tool for management and the Board. This policy will be reviewed at least annually, or more frequently whenever changes and conditions warrant a review.

3035.17 Responsibility for Implementation. Responsibility for investment decisions shall lie with Board of Directors under recommendation of the Finance Officer or General Manager in the absence of A Finance Officer of the District.

3035.18 Report of Activities. All investment activity will be reported quarterly to the Board of Directors at its regular meetings to assist the Board and management in short-term and long-term planning.

3035.19 Investment Advisors. The advice and expertise of various securities firms will be utilized by the District to obtain recommendations for proposed investments, investment strategies and the timing and pricing of securities transactions. Accordingly, the Board of Directors shall review and approve a list of securities firms with whom the District conducts investment activities. Financial information will be maintained on each securities firm used by the District. The Board of Directors will be advised if changes are made in the firms being utilized. A copy of this investment policy shall be delivered to all authorized investment advisors. Any adviser through which investments are purchased must be licensed by the state as a broker-dealer, as defined in Section 25004 of the Corporations Code, or from a member of a federally regulated securities exchange, from a national or state-chartered bank, from a federal or state association (as defined by Section 5102 of the Financial Code) or from a brokerage firm designated as a primary government dealer by the Federal Reserve bank.

3035.20 Primary Policy Goals and Objectives - Continued

3035.21 Authority for Investment Decisions. The Board of Directors, by proper board action, is authorized to buy and sell securities for the District's portfolio. The Board may delegate such responsibility to the Finance Officer or General Manager in the absence of a Finance Officer of the District, as provided below, however such delegation does not relieve the Board of the ultimate responsibility for investment decision review, oversight, and implementation of this policy.

3035.22 Compliance with Law. It is the intention of the District to conduct its investment portfolio management activities consistent with all applicable State and Federal laws governing the investment of public funds. In the event that any portion of this policy does not meet that goal, the District will comply with applicable law and amend this policy to reflect such compliance.

3035.30 Reporting to the Board of Directors

3035.31 Annual Reporting Requirements. The Finance Officer or General Manager in the absence of a Finance Officer of the District shall annually render to the Board of Directors a current statement of the District's investment policy, which the Board shall consider at a public meeting. Any changes in the policy shall also be considered by the Board at such meeting.

3035.32 Quarterly Reporting Requirements. The Finance Officer or General Manager in the absence of a Finance Officer shall render a quarterly report to the Board of Directors, to be submitted within 30 days following the end of the quarter covered by the report.

3035.33 The report shall include the following information:

3035.331 The types of investments.

3035.332 Issuers.

3035.333 Date of maturity par and dollar amount invested on all securities.

3035.334 Investments and moneys held by the District.

3035.335 A description of any of the District's funds, investments, or programs, that are under the management of contracted parties, including lending programs. With respect to all securities held by the District, and under management of any outside party that is not also a local agency or the State of California District Investment Fund, the report shall also include a current market value as of the date of the report, and shall include the source of such valuation.

3035.336 The report shall confirm compliance by the portfolio with this investment policy, or manner in which the portfolio is not in compliance.

3035.337 The report shall include a statement denoting the ability of the District to meet its expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.

3035.338 A subsidiary ledger of investments may be used in accordance with accepted accounting practices.

3035.339 The Finance Officer or General Manager in the absence of a Finance Officer shall also report whatever additional information or data may be required by the Board of Directors.

3035.34 Optional Monthly Reporting. The Board of Directors, in its discretion, may require the Finance Officer or General Manager in the absence of a Finance Officer to render monthly reports in lieu of the quarterly reports required above pursuant to subsection B.

3035.35 Optional reporting procedure. If at any time the District has less than \$250,000 invested at all times during the period covered by the report, and if the District has placed all of its investments in the Local Agency Investment Fund, created by Section 16429.1 of the Government Code, or in Federal Deposit Insurance Corporation-insured accounts in a bank or savings and loan association, in a county investment pool, or any combination of these, the Finance Officer or General Manager in the absence of a Finance Officer may supply the Board with copies of the most recent statements received by the District from these institutions in lieu of the information required above by subsection B.

3035.36 Deposit of Funds and Purchase of Securities

3035.37 Deposit of Funds. As far as possible, all money belonging to, or in the custody of, the District, including money paid to the Finance Officer or General Manager in the absence of a Finance Officer to pay the principal, interest, or penalties of bonds, shall be deposited for safekeeping in state or national banks, savings associations, federal associations, credit unions, or federally insured industrial loan companies in this state selected by the Board of Directors; or may be invested in the investments set forth in Government Section 53601, as amended from time to time (the 2002 version of which is appended hereto). To be eligible to receive District funds, a bank, savings association, federal association, or federally insured industrial loan company shall have received an overall rating of not less than "satisfactory" in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California's communities, including low-and moderate-income neighborhoods, pursuant to Section 2906 of Title 12 of the United States Code.

3035.38 Direct Purchase of Securities. The District may make its investments by direct purchase of any issue of eligible securities at their original sale or after they have been issued.

3035.39 Sale or Exchange of Securities. The Board of Directors may sell, or exchange for other eligible securities, and reinvest the proceeds of, the securities purchased. From time to time, the Board of Directors shall cause the sale the securities so that the proceeds may be applied to the purposes for which the original purchase money was placed in the sinking fund or the treasury of the District.

3035.40 Delegation of Duties to Finance Officer or General Manager in absence of a Finance Officer

3035.41 The authority of the Board of Directors to invest or to reinvest funds of the District, or to sell or exchange securities so purchased, may be delegated by the Board of Directors to the Finance Officer or General Manager in the absence of a Finance Officer of the District who shall thereafter assume

responsibility for such transactions until such time as the delegation of authority is revoked, and shall make a monthly report of such transactions to the legislative body, in addition to the reporting required by this Policy and by law. Before taking action that deviates significantly from this Policy, approval must be obtained from the Board of Directors. The spirit of this Policy is not to prevent exceptions but to promote planning for investments and to integrate investment strategy with other District goals.

3035.50 Deposit of Securities. The Board of Directors of the District may deposit for safekeeping with a federal or state association (as defined by Section 5102 of the Financial Code), a trust company or a state or national bank located within this state or with the Federal Reserve Bank of San Francisco or any branch thereof within this state, or with any Federal Reserve bank or with any state or national bank located in any city designated as a reserve city by the Board of Governors of the Federal Reserve System, the bonds, notes, bills, debentures, obligations, certificates of indebtedness, warrants, or other evidences of indebtedness in which the money of the District is invested. The District shall take from such financial institution a receipt for securities so deposited. The authority of the Board of Directors to deposit for safekeeping may be delegated by the Board to the Finance Officer or General Manager in the absence of a Finance Officer of the District; who shall not be responsible for securities delivered to and receipted for by a financial institution until they are withdrawn from the financial institution by the Finance Officer or General Manager in the absence of a Finance Officer.

3035.60 Other Permissible Investments. At such time as the District has money in a sinking fund of, or surplus money in, its treasury not required for immediate necessities, the District may invest any portion of the money that it deems wise or expedient in the Local Agency Investment Fund, created by Section 16429.1 of the Government Code, or in Federal Deposit Insurance Corporation-insured accounts in a bank or savings and loan association, in a county investment pool, or any combination of these, or in any legally permissible investments as authorized by the California Government Code, section 53601, attached hereto, and as may be amended from time to time.

3035.70 Prohibited Investments

3035.71 The District shall not invest any funds in inverse floaters, range notes or interest only strips that are derived from a pool of mortgages.

3035.72 The District shall not invest any funds in any security that could result in zero interest accrual if held to maturity. The foregoing restriction shall not apply to investments in shares of beneficial interests issued by diversified management companies registered under the Investment Company Act of 1940 (15 U.S.C. § 80a-1, and following) that are authorized for investment pursuant to California Government Code section 53601(k).

3035.80 Amendment Whenever a change in law or other circumstances require, this Policy shall be amended on adoption of an appropriate resolution by the Board of Directors of the District. This policy shall be reviewed at least annually to determine if any amendments are appropriate, given investment experience of the District during the preceding period, or as may be required by law.

McCLOUD COMMUNITY SERVICES DISTRICT
Policy and Procedure Manual

POLICY TITLE: Customer Payment Arrangements
POLICY NUMBER: 3037
ADOPTED: December 09, 2002
REVIEWED: 02/12/08; 08/09/16; 11/06/19
REVISED: 03/10/08; 02/24/14; 12/09/19

- 3037.10** When customer payments are received for multiple properties and the total is for less or more than the monthly fee, payments will be divided evenly between the customer accounts, but not to result in an overpayment/credit on any single account, unless designated by customer as to what accounts to be credited.
- 3037.11** When a tenant/occupant of a property pays the water payment (per SB998) that payment will go to said property only.
- 3037.20** Upon request, the General Manager may grant approval of special arrangements to be made for payment of the following fees when an extreme hardship exists:
- 3037.21** Regular monthly service charges for water, sewer, refuse collection, streetlights and alley maintenance services.
- 3037.30** Special arrangements for monthly payments not to exceed three (3) months. Extensions of the three-month limit may be made at the discretion of the General Manager.
- 3037.40** Upon request, the General Manager may grant approval of special arrangements to be made for payment of the following fees when hardships meet the standards of SB998:
- 3037.41** Regular water service. Only if true hardship can be demonstrated in writing to the General Manager.
- 3037.42** Reasonable payment schedule following receipt of delinquency "shut-off" notice. The past due amount must be paid in full, or an installment payment agreement, not to exceed twelve (12) months (without General Manager approval), must be signed and adhered to as described in the agreement.
- 3037.43** Connection fee. The connection fee must be paid in full before service begins, or an installment payment agreement, must be approved by the General Manager and signed by the General Manager or Finance Officer.

- 3037.50** Monthly payments over a period not to exceed twelve (12) payments (unless General Manager approval for a longer term). When payments are to be made at the close of escrow, but property is not sold, arrangements must be made for payment to continue on a regular basis.
- 3037.60** The McCloud Community Services District Service Agreement is shown in Appendix 1. The form may be revised from time to time.

(Reconciliation Agreement)
MCCLLOUD COMMUNITY SERVICES
AGREEMENT

This Installment Payment Agreement (Agreement) is entered into by and between the McCloud Community Services District, a community services district formed and operating pursuant to the provisions of government Code Section 61000 et seq., (District), and (Customer).

RECITALS

1. District provides water and sewer service parcels of real property located within its jurisdictional boundaries, including the real property owned by customer consisting of the following:

Siskiyou County Assessor Parcel No. _____
address: _____, McCloud, CA (property).

2. The District's Ordinances provide for payment of monthly bills for water and sewer service.

3. The District's Ordinances further state that if the bill is not paid and becomes delinquent, utility service will be shut off and additional fees will be charged. When service is disconnected due to non-payment of bills, service shall not be resumed until payment of all charges and fees is received.

4. Customer has one utility account with district. The account number is _____. Account _____ is in delinquent status. As of the date of this agreement, customer's delinquent amount owed is: \$_____.

5. Customer has requested that this delinquent amount be paid in installments.

NOW, THEREFORE, the parties hereto agree as follows:

1. The parties hereto agree that the correct amount of the delinquency of account _____ is \$_____.

2. District hereby agrees to waive its right to full and immediate payment of the delinquent utility charges in consideration for which customer agrees to maintain account _____ in current status and to make installment payments to District in a total amount of the balance due specified in Section 4 above by paying the following installment amounts on the following installment dates:

<u>Installment No.</u>	<u>Due Date</u>	<u>Amount Due</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

<u>Installment No.</u>	<u>Due Date</u>	<u>Amount Due</u>
<u>Installment No.</u>	<u>Due Date</u>	<u>Amount Due</u>
<u>Installment No.</u>	<u>Due Date</u>	<u>Amount Due</u>
<u>Installment No.</u>	<u>Due Date</u>	<u>Amount Due</u>
<u>Installment No.</u>	<u>Due Date</u>	<u>Amount Due</u>
<u>Installment No.</u>	<u>Due Date</u>	<u>Amount Due</u>

3. Should customer default in the performance of its promises to pay installment payments as specified in this Agreement, or materially breaches any of the other provisions of this Agreement, Customer agrees that District may, at its option, immediately terminate utility service to the property by giving written notice to customer. Customer waives any and all other notification procedures and processes.

4. Should customer default in the performance of its promises to pay installment payments as specified in this Agreement, or materially breaches any of the other provisions of this Agreement, customer agrees that all delinquent charges shall be immediately due and owing and shall become collectable pursuant to this Agreement.

5. In addition, in event of such default by customer in performance of its promises specified in this Agreement, district retains all of its remedies to collect such delinquent charges as specified in Government Code Section 61115 as follows: (1) to record a lien against the property and all other real property owned by customer in Siskiyou County in the amount of the total balance of the delinquency not paid by customer's promised in the terms of this Agreement; and (2) the remedy of requesting the county auditor to place the amount of any delinquent water and sewer charges on the property tax rolls prepared with respect to the property in the next fiscal year following the date of default in order to collect such delinquent payments by means of the county's property tax collection procedures. The district retains the right to exercise any and all of these remedies either individually or collectively.

General Manager/Finance Officer

Date

Constituent

Date

McCLOUD COMMUNITY SERVICES DISTRICT
Policy and Procedure Manual

POLICY TITLE: Expense Authorization
POLICY NUMBER: 3040
ADOPTED: September 23, 2002
REVISED: 07/08/08, 09/12/16, 12/09/19
REVIEWED: 12/18/13, 08/09/16, 11/13/19

3040.10 All purchases require a signed purchase order and, shall be reviewed and approved by the General Manager, and shall be in conformance with the approved District budget.

3040.20 Any commitment of District funds for a purchase or expense greater than the amount approved in the current fiscal budget shall first be submitted to the Board of Directors for approval, or shall be in conformance with prior Board action and/or authorizations.

3040.21 In case of emergency, the General Manager may authorize purchases in excess of the amount budgeted, up to a maximum of \$5000 per occurrence, and shall inform the Board of such action at the following regular meeting.

3040.30 The District's purchasing goal is to secure all materials, supplies, equipment and other items necessary for operation of the District at the most reasonable cost. Purchases of single items, items purchased in aggregate for a single project or contracted project work costing less than the current legal competitive bid limit may be made on the open market without calling for bids. District staff is encouraged to solicit vendors for competitive quotes when at all possible.

3040.40 An imprest cash fund shall be maintained in the District office having a balance-on-hand maximum of \$300.00. Of this amount, \$200 shall be maintained as a petty cash fund and \$100 shall maintain a cash drawer to facilitate customer transactions.

3040.1 No personal checks shall be cashed using the imprest cash fund.

3040.2 The fund shall be included in the District's annual independent accounting audit.

3040.50 Directors and staff may be reimbursed for receipted expenses from the imprest cash fund or a check may be issued for reimbursement. When receipts are not obtainable, the expense must be approved by the General Manager and Appendix A "Missing Receipt Affidavit" completed and signed prior to reimbursement.

McCloud Community Services District

220 West Minnesota Avenue P.O. Box 640 McCloud, California 96057
Phone (530) 964-2017 Fax (530) 964-3175 e-mail mcsd@ci.mccloudcsd.ca.us

Policy 3040 Expense Authorization Appendix A

Missing Receipt Affidavit

EXPENSE TRANSACTION INFORMATION

Employee Name: _____ Current Date: _____
Department Name: _____ Transaction Date: _____
Account #: _____ Expense Report Date: _____
Vendor Name: _____ Amount \$: _____
Reference #: _____

DESCRIPTION OF PURCHASE

[describe]

MISSING RECEIPT AFFIDAVIT

I certify that the transaction amount documented above was incurred on behalf of the District as a legitimate business expense. The charge complies with the District's purchasing policy and authorization limits. This form is submitted as a substitute to the original missing receipt and must be approved and signed by the General Manager.

Initial for acknowledgement of affidavit: _____

THIS SECTION COMPLETED BY EMPLOYEE

Print Name: _____ Signature: _____
Date: _____ ****Note: Attach this statement to your expense report****

THIS SECTION COMPLETED BY EMPLOYEE'S SUPERVISOR

Approved by: _____
Date: _____ Signature: _____

McCLOUD COMMUNITY SERVICES DISTRICT
Policy and Procedure Manual

POLICY TITLE: Easement Abandonment

POLICY NUMBER: 3050

ADOPTED: November 25, 2002

REVIEWED BY COMMITTEE: November 14, 2013; July 12, 2016

REVISED: July 8, 2008

3050.10 Abandonment by the District of its interest in public utility easements and other easements dedicated to the District for installation, maintenance, repair, etc., of facilities, shall require approval of the Board of Directors and a determination that such land is exempt surplus land within the meaning of Government Code section 54221.

3050.20 Commitments to abandon easements or assurances that easements will be abandoned may be provided by staff only after approval of same by the Board of Directors.

McCLOUD COMMUNITY SERVICES DISTRICT
Policy and Procedure Manual

POLICY TITLE: Easement Acceptance
POLICY NUMBER: 3060
ADOPTED: November 25, 2002
REVIEWED BY COMMITTEE: November 14, 2013; July 12, 2016; May 13, 2020
REVISED: July 08, 2008

3060.10 Acceptance by the District of any interest in public utility easements and other easements dedicated to the District for installation, maintenance, repair, etc., of facilities, shall require approval of the Board of Directors and Acceptance.

3060.20 Commitments to accept easements or assurances that easements will be accepted may be provided by staff only after approval of same by the Board of Directors.

3060.21 Acceptance of easements shall be accomplished by the Board of Directors by adoption of a resolution.