

Resolution 18-04

A RESOLUTION OF THE BOARD OF DIRECTORS FOR THE CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT ADOPTING A RESERVE POLICY

WHEREAS, THE CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT ("District") is a Special District providing water, waste water, trash and community services to the residents of Channel Islands Beach and commercial water services to Channel Islands Harbor; and

WHEREAS, the District maintains funds in unrestricted and restricted reserve accounts for capital improvements, debt service and emergency purposes; and

WHEREAS, the District requires reserve funds to be established and maintained to fund scheduled and unscheduled expenses and to provide periodic review of funding levels to ensure reserves will be adequate to meet the needs of the District; and

WHEREAS, the District considered and approved a Cost of Service Study and a five-year utility schedule in September 2016. As part of the Rate Study, the District approved the following reserve policies;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Channel Islands Beach Community Services District Reserves Policy as follows.

- 1) THAT the Operating Reserve will be comprised of 25% of the Operating Budget
- 2) THAT the Capital Reserve will be comprised of 3.5% of Asset Value
- 3) THAT the Rate Stabilization Reserve will be comprised of 10% of the Annual Operating Budget
- 4) THAT the Debt Service Reserve will be comprised of 100% of the Annual Debt Service

PASSED AND ADOPTED on this 10<sup>th</sup> day of July 2018

AYES: Spiegel, Brewer, Marcus, Koesterer, and Nast

NOES: None

ABTAINS: None



Ellen Spiegel, Board President



Erika Davis, Clerk of the Board

