

RESOLUTION NO. 13-08

**RESOLUTION OF THE INDIAN WELLS VALLEY WATER DISTRICT, KERN AND SAN BERNARDINO COUNTIES, CALIFORNIA, ESTABLISHING FINANCIAL RESERVE POLICIES.**

---

**WHEREAS**, it is intent of the Indian Wells Valley Water District ("District") to establish and adopt a Financial Reserve Policy for emergency, vehicle, computer replacement, capital improvement/replacement, and future sources of supply reserves; and

**WHEREAS**, the purpose of these reserves are to ensure cash funding is available to make qualifying purchases in an emergency situation and in which the item(s) has not been included in the current year's budget; and

**NOW, THEREFORE, BE IT RESOLVED** by the District Board of Directors as to establish and adopt the following:

Emergency Reserve: Qualifying purchases with the funds in this reserve include unplanned purchases needed as a result of an emergency situation. This reserve shall not exceed a balance equaling six (6) months of operating expenses excluding depreciation and debt service.

Capital Improvement/Replacement Reserve: Qualifying purchases with the funds in this reserve include the acquisition, replacement or construction of capital equipment or improvements that have met or exceeded their estimated useful lives. This reserve has no set maximum balance.

Vehicle Reserve: Qualifying purchases with the funds in this reserve include new and replacement vehicles and heavy equipment. The reserve shall not exceed a balance of \$350,000.

Computer Replacement Reserve: Qualifying purchases with the funds in this reserve include new and replacement computer technology. The balance of this reserve shall not exceed \$100,000.

Future Sources of Supply Reserve: Qualifying purchases with the funds in this reserve include the acquisition, investigation, development or construction of future sources of water supply. The reserve has no set maximum balance.

This Resolution shall take effect immediately upon its adoption.

All the foregoing being on the motion of Vice-President McKernan and seconded by Director Cortichiato, and authorized by the following vote, namely:

AYES:                    Director Cordell  
                              Director Corlett  
                              Director Cortichiato  
                              Vice-President McKernan  
                              President Brown

NOES:                    None.

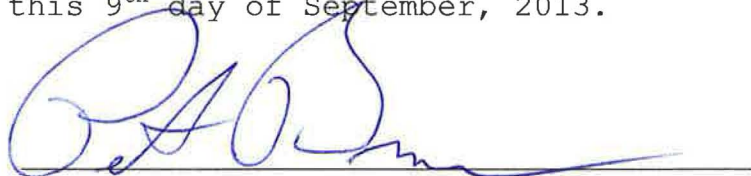
ABSENT:                 None.

ABSTAIN:                None.

**I HEREBY CERTIFY** that the foregoing resolution is the resolution of Indian Wells Valley Water District as duly passed and adopted by said Board of Directors at a legally convened meeting held on the 9<sup>th</sup> day of September, 2013.


**WITNESS** my hand and the official seal of said Board of Directors this 9<sup>th</sup> day of September, 2013.

**ADOPTED AND APPROVED** this 9<sup>th</sup> day of September, 2013.



Peter Brown  
President, Board of Directors  
INDIAN WELLS VALLEY WATER DISTRICT

ATTEST:



Donald M. Zdeba  
Secretary, Board of Directors  
INDIAN WELLS VALLEY WATER DISTRICT

(SEAL)