MEINERS OAKS WATER DISTRICT

EXECUTIVE COMMITTEE MEETING AGENDA

Meeting Location: 202 W. El Roblar Drive, Ojai, CA 93023

Members of the public may attend and participate in person at the District Office or by using the remote access information listed below. The physical meeting location is open and accessible to the public.

HYBRID MEETING PARTICIPATION INFORMATION:

JOIN BY COMPUTER: https://meet.goto.com/981862197

DIAL-IN (US): +1 (571) 317-3112

ACCESS CODE: 981-862-197

In compliance with the Americans with Disabilities Act and the Ralph M. Brown Act, any person who requires a disability-related accommodation to attend or participate in this meeting should contact the District office at least 24 hours before the meeting at (805) 646-2114 ext. 3 or agenda@meinersoakswater.com to allow the District reasonable time to arrange accommodation. Gov. Code § 54954.2(a)(1)(C))

August 6, 2026, at 1:30 p.m.

1. **CALL TO ORDER**

2. **PUBLIC COMMENTS**

3. **CLOSED SESSION**

   a) Discussion of threats to critical infrastructure controls, cybersecurity information, and the security of essential public drinking water systems, pursuant to CA Government Code §54957(a).

4. **DISCUSSION ITEMS**

   a) Review and discussion of the new and updated Administrative Policies & Procedures. – S.Ward (Attachments)

      i. Updated Policies & Procedures
         1. General Financial Management Policy (Update)
         2. Credit Card Use Policy (Update)
         3. Fraud Detection & Prevention Policy (Update)
         4. *Cybersecurity Policy (Update) - Not Attached per CA Gov Code §7929.210*
         5. *Billing Data Security Policy (Update)- Not Attached per CA Gov Code §7929.210*
         6. Fixed Assets Policy (Update)
         7. Unbilled Receivables Procedure (Update)

      ii. New Policies & Procedures

1. Accounts Payable Policy (New)
2. Accounts Receivable Policy (New)
3. Payroll Policy (New)
4. Debt Management Policy (New)
5. Grant Management Policy (New)
6. Disposal of District Property & Equipment Policy (New)
7. Adoption of Policies & Amendments Policy (New)
8. Record Retention Policy (New)

iii. Updates Approved by Board in 2026

1. Conflict of Interest Policy (Updated & Approved 5/19/26)
2. Purchasing Goods & Services Policy (Updated & Approved 7/21/26)
3. Reserve Fund Policy (Updated & Approved 7/21/26)

Recommended Action: Provide direction to staff on updates, revisions, and Board approval.

5. ADJOURNMENT

Review and Approval of New & Updated District Administrative Policies and Procedures

Recommended Action

Review and approve the updated District policies and procedures, including the General Financial Management Policy, Credit Card Use Policy, Fraud Detection and Prevention Policy, Cybersecurity Policy, Billing Data Security Procedure, Fixed Asset Policy, and Unbilled Receivables Policy. In addition, review and approve the new District policies and procedures presented for adoption, including the Accounts Payable Policy, Accounts Receivable Policy, Payroll Policy, Debt Management Policy, Grant Management Policy, Disposal of Surplus Property and Equipment Policy, Adoption and Amendment of Policies and Procedures, and Records Retention and Destruction Policy.

Background

The District Assistant General Manager conducted a review of several administrative, financial, cybersecurity, billing-related, records, grant, debt, payroll, accounts payable, accounts receivable, and property-management policies and procedures to improve clarity, strengthen internal controls, align documentation with current District practices, and support ongoing accountability in the management of public funds, sensitive customer information, District records, and District systems.

The proposed action includes both updates to existing District policies and procedures and adoption of new policies and procedures intended to fill gaps, formalize current practices, and provide clearer Board-level direction. Overall, the documents are intended to modernize policy language, clarify roles and responsibilities, improve documentation and review requirements, strengthen fiscal and operational controls, and better reflect current legal, financial, administrative, and cybersecurity expectations. The Fixed Asset Policy and Unbilled Receivables Policy were updated primarily to standardize formatting and clarify language, with no material changes identified.

The policy package also builds on related District policy updates previously approved by the Board, including the updated **Conflict of Interest Policy** approved on May 19, 2026, and the updated **Purchasing Goods and Services Policy** and **Reserve Fund Policy** approved on July 21, 2026.

Summary of Key Updates

The **General Financial Management Policy** has been expanded to clarify the policy's purpose, scope, and responsibilities; strengthen budget management and small-staff internal controls; establish clearer requirements for bank reconciliations, receivables, procurement, grants and loans, records retention, financial system access, data security, and periodic policy review.

The **Credit Card Use Policy** has been revised to define authorized users and allowable business uses; prohibit personal or unauthorized charges; require supporting documentation and monthly reconciliation; establish review and approval procedures; require timely payment; set card limits; and clarify that credit card records are public records subject to retention requirements.

The **Fraud Detection and Prevention Policy** has been strengthened to emphasize public-resource protection, prevention and internal controls, reporting options, confidentiality, anti-retaliation, anonymous reporting, investigation procedures, evidence preservation, corrective action, and periodic review.

The **Cybersecurity Policy** has been significantly expanded to better align with current recommended cybersecurity practices for critical infrastructure and water systems. Updates address governance, asset inventory, system classification, access controls, multi-factor authentication, backups, protections for network and telemetry systems, vulnerability management, logging, vendor risk, incident response, training, policy exceptions, annual review, and supporting implementation appendices.

The **Billing Data Security Procedure** has been updated to clarify its relationship to the District Cybersecurity Policy and to establish billing-data-specific safeguards for customer records, payment information, authorized access, payment-card handling, secure storage and transmission, physical and electronic records, incident reporting, breach-notification evaluation, training, PCI-related compliance, and annual review.

The **Fixed Asset Policy** and **Unbilled Receivables Policy** have been reformatted and clarified for consistency with the District's policy format. No material changes were identified for these two policies.

Summary of New Policies and Procedures Presented for Approval

The new **Accounts Payable Policy** establishes consistent procedures and internal controls for reviewing, approving, documenting, recording, and paying District obligations. It addresses vendor setup, invoice review, approval authority, segregation of duties, payment processing, electronic payments, reimbursements, emergency payments, grant and restricted-fund documentation, fraud prevention, bank reconciliation, records retention, and audit support.

The new **Accounts Receivable Policy** establishes standards for billing, recording, reviewing, collecting, reconciling, reporting, adjusting, and writing off amounts owed to the District. It clarifies responsibilities, monthly review expectations, delinquency notices, late penalties, payment arrangements, disputed bills, returned payments, allowance for doubtful accounts, write-off authority, internal controls, records retention, and compliance with applicable law.

The new **Payroll Policy** establishes procedures and internal controls for payroll authorization, timekeeping, review, processing, payment, reconciliation, confidentiality, and records retention. It addresses employee setup, payroll changes, overtime and special pay, leave accruals and usage, payroll taxes and deductions, payroll corrections, system access, fraud prevention, and periodic policy review.

The new **Debt Management Policy** establishes parameters for issuing, managing, refinancing, and reporting District debt obligations. It is intended to support prudent long-term financial planning, protect ratepayers, preserve financial flexibility, comply with California Government Code Section 8855(i), define appropriate uses and types of debt, and establish internal control and post-issuance compliance expectations.5/19/26

The new **Grant Management Policy** establishes Board-level direction for applying for, accepting, administering, reporting on, and closing out grants. It addresses Board authorization, staff responsibility, grant administration standards, tracking of revenues and expenditures, allowable cost documentation, procurement compliance, reporting deadlines, changes to grant scope or budget, grant-funded property, closeout, records retention, and compliance with applicable Uniform Guidance requirements for federal awards.

The new **Disposal of Surplus Property and Equipment Policy** establishes a transparent process for identifying, declaring, disposing of, and documenting surplus District property. It addresses Board and General Manager authority, surplus property lists, disposition methods, notice and payment procedures, vehicle and technology disposal, data removal, environmental and safety requirements, conflict-of-interest restrictions, proceeds, accounting, and records retention.

The new **Adoption and Amendment of Policies and Procedures Policy** establishes a consistent process for the adoption, amendment, review, distribution, maintenance, and non-substantive administrative updates of policies and procedures. It clarifies Board authority, management responsibility for administrative procedures, initiation and review processes, Board approval requirements, interim or emergency updates, documentation, distribution, retention, and supersession of conflicting prior practices.

The **Records Retention and Destruction Policy** establishes uniform standards for identifying, maintaining, protecting, retrieving, retaining, and lawfully disposing of District records in paper, electronic, email, cloud, billing, meter, GIS, and other formats. It addresses legal holds, destruction authorization, confidentiality, electronic records, record categories, retention schedules, and compliance with applicable laws governing special district records and the California Public Records Act.

Key Benefits

Approval of the new and updated policies will provide several District-wide benefits, including clearer Board and staff roles, stronger internal controls, improved documentation and audit readiness, better protection of public funds and District assets, enhanced cybersecurity and billing-data safeguards, more consistent records retention practices, and improved compliance with legal, grant, debt, and public records requirements.

The policy package also reduces reliance on informal practices by establishing written guidance for core administrative and financial functions, supporting continuity, transparency, accountability, and sound public agency governance.

Ongoing Review

The Administrative Policy and Procedure Manual should be reviewed administratively annually and presented to the Board of Directors for comprehensive review and approval at least every three years. Material policy amendments, legally required updates, audit-related changes, grant or debt compliance updates, cybersecurity-related changes, or other significant revisions should be brought to the Board sooner as needed. Non-substantive updates, such as formatting, numbering, titles, cross-references, or clerical corrections, may be made administratively when they do not change policy meaning, authority, approval thresholds, rights, duties, or compliance requirements.

Fiscal Impact

There is no direct fiscal impact associated with approval of the updated and new policies and procedures. Implementation will primarily involve staff time for administration, training, recordkeeping, review, and ongoing compliance. Any future costs associated with technology, cybersecurity, training, records management, grant administration, debt issuance, or other implementation needs would be brought to the Board or included in the budget process as appropriate.

Staff Recommendation

Staff recommends that the Board of Directors review and approve the new and updated District policies and procedures, and adopt them as presented. Approval will help maintain clear administrative guidance, strengthen internal controls, improve the protection of District records, data, funds, assets, and systems, support compliance with grants and debt, and promote consistent policy administration across District operations.

General Financial & Administrative Management Policy

Background, Purpose, and Scope

This policy incorporates policies and procedures used by Meiners Oaks Water District to meet its obligations and operate in a financially prudent manner. The purpose of this policy is to provide general fiscal guidelines, establish expectations for financial oversight and accountability, safeguard District assets and resources, promote accurate and timely financial reporting, and support compliance with applicable laws, regulations, grant or loan agreements, and Board-approved policies. This policy applies to the Board of Directors, management, staff, and any contractors or consultants acting on behalf of the District in connection with financial administration, budgeting, accounting, reporting, procurement, cash handling, payroll, grants, loans, debt, reserves, and internal controls. Internal controls are implemented to the extent feasible within the District's small-staff environment, with compensating controls used where full separation of duties is not practical.

Roles and Responsibilities

- The Board of Directors provides fiscal oversight, approves the annual budget, reviews financial reports, approves payables and major financial commitments as required by policy, adopts rates and fees, establishes reserve and financial policies, and ensures that District finances are managed in open and public meetings consistent with applicable law.
- The General Manager is responsible for implementing this policy, maintaining sound financial administration, approving expenditures within authorized limits, ensuring compliance with Board-approved policies and agreements, and reporting material financial matters to the Board.
- The Assistant General Manager, Office Administrator, or designee performs assigned accounting, billing, payroll, accounts payable, accounts receivable, reconciliation, and reporting functions in accordance with approved workflows and subject to appropriate review and approval.
- External auditors, consultants, and other professional service providers support the District by providing independent review, technical assistance, and compliance support as authorized by the Board or management.

Training

Board and staff complete ethics training as required by law, including initial and biennial training requirements. Additionally, office staff receive initial and ongoing training on district-approved accounting software.

Reporting

- All financial reports are filed on time and in compliance with applicable laws and recognized standards for best management/reporting practices (including the Local Government Financial Reporting System).
    - Comprehensive annual financial report(s)
    - Annual Audit – An external financial auditor performs a fiscal audit in accordance with auditing standards generally accepted in the United States of America, whereby the District's internal control over financial reporting is evaluated for the purpose of expressing an opinion on the financial statements.
    - State Controller's Financial Transaction Report
    - State Controller's Compensation Report
- The District requires board members and designated employees to prepare and file statements of economic interests (FPPC Form 700) to identify and disclose potential conflicts of interest. (*See References)*
- Budget Management: The Board budget committee helps develop the fiscal budget, and the budget is then approved by the full Board of Directors. Monthly expenditure reports, compared to the approved budget, are reviewed and approved by the Board. Budget amendments, material transfers between major budget categories, capital project budget changes, and expenditures expected to exceed approved appropriations require review and approval consistent with Board policy and applicable law.

Governance:

- The Board establishes and periodically reviews strategic, financial, and other goals.
- The Board approves an annual budget and capital improvement project plan in an open public meeting. Fiscal years are July 1 – June 30.
- In monthly open and public meetings, the Board reviews revenue, expenses, and accounts payable for compliance with the budget. At least annually, the Board reviews bank reconciliations and receivables aging reports in open public meetings.

- The Board sets rates and fees in compliance with applicable state laws, such as Prop 218, and the District ensures its revenues maintain financial stability and support its commitments.

Policies

- The District has written, board-approved Code of Conduct and Ethics policies, including compliance with the Conflict of Interest Code and Fraud Detection and Prevention. (*See References*)
- The Board establishes and periodically reviews the fund balances and reserves policy to meet district needs. (See Reserve Fund Policy)
- The Board establishes and periodically reviews that fiscal and internal control policies and procedures are sufficient to safeguard its assets and resources, deter and detect errors, fraud, waste, abuse, and theft, ensure the accuracy and completeness of accounting data, and produce reliable and timely financial and management information.
- The District has established workflow procedures for handling and processing receivables, payment of payables, invoice approval, authorization, and signature of bank checks, transfers, withdrawals, and use of District credit cards. (*See References*) The District has a small staff, and full separation of duties is difficult; however, compensating controls are incorporated into workflows, including documented review and approval, second-person review where feasible, Board review of payables, dual signatures or approvals, restricted system access, monthly reconciliations, and periodic management or Board review. These procedures include:
    - Cash, check, credit card, and electronic receivables are receipted, reconciled to the daily register activity, supported by payment coupons or payment receipts, deposited timely, and reviewed monthly by a second staff member where feasible.
    - Payables are reviewed and approved by the GM before processing payment. Pre-numbered checks are issued in sequence and require two signatures (the General Manager and a Director). The Board approves payables at open and public meetings.
    - Monthly customer service deposits are refunded to the customer after two years or upon account disconnection, either toward the account or paid by check if the account is inactive. Monthly deposit reconciliation reports are provided to the Office Administrator to compare with the Trust Fund bank balance.
    - Bank-authorized signers are reviewed annually, and any mid-cycle changes in Board or staff are reported to the bank promptly.

    - Bank reconciliations are prepared monthly for all District bank accounts and reviewed by management or another authorized reviewer. Reconciliations include review of outstanding checks, deposits in transit, transfers, unusual items, and agreement to supporting accounting records.
    - Bank account access is limited and follows a 2-factor authentication process;
    - Payroll and Payable EFTs are input and scheduled by the Office Administrator or designee, then reviewed and approved for processing by the Assistant General Manager.
- The District actively adopts mechanisms to prevent, detect, and report fraud, waste, abuse, errors, and theft. Suspected fraud, waste, abuse, or misuse of District resources must be reported promptly to the General Manager, Board President, external auditor, or legal counsel as appropriate. Good-faith reporting is encouraged; retaliation is prohibited; and reported concerns will be reviewed and documented in a manner consistent with District policy and applicable law.

Financial System Access and Data Security

- Access to accounting, billing, banking, payroll, and financial reporting systems is limited to authorized users based on assigned responsibilities.
- The District uses unique user credentials, password protections, multi-factor authentication where available, and timely removal or modification of access when staff, Board, or role changes occur.
- User permissions for financial systems are reviewed periodically to confirm that access remains appropriate and consistent with job duties and internal control objectives.
- Financial records, billing data, customer information, banking credentials, and supporting documentation are stored and transmitted securely in accordance with District procedures and applicable legal requirements.

General Administration

- Board and staff travel and other expense reimbursements are supported by receipts and/or appropriate documentation. They are reviewed and approved by the General Manager or designee to ensure that expenses are appropriate and comply with board-approved policy.
- Management reports financial information to the Board monthly in open and public meetings.

- The District has available cash funds to pay its short-term obligations on time.
- The District's revenues and funds are sufficient to meet its long-term obligations on time.
- The District has implemented accounting and bookkeeping systems and records in accordance with generally accepted accounting principles for special districts.
- If the District has received federal or state grant or loan funds, the District carefully administers the grant or loan in accordance with the applicable grant or loan agreement and related requirements. Grant and loan administration includes, where appropriate, tracking revenues and expenditures by project or fund; maintaining documentation of allowable costs; following applicable procurement and conflict-of-interest requirements; meeting reporting deadlines; retaining supporting records; and maintaining audit-ready files. For federal awards, the District complies with applicable federal requirements, including Uniform Guidance requirements when applicable.

Records Retention and Documentation

- Financial transactions must be supported by appropriate documentation, including invoices, receipts, approvals, contracts, bids or quotes, payroll records, bank statements, reconciliations, Board approvals, grant or loan records, audit reports, and other records necessary to support the transaction and demonstrate compliance.
- Records are retained in accordance with the District's records retention schedule, applicable grant or loan agreements, audit requirements, and applicable federal, state, and local laws.
- Documentation must be organized and accessible for management review, Board review, audits, grant monitoring, public records compliance, and other authorized purposes.

Procurement

- The board-approved Purchasing Goods and Services Policy (*See References)* establishes purchasing authorization levels for appropriate District positions, including authorization levels for contract change orders. It also establishes a competitive process for purchasing goods and materials.
- The District uses a competitive process to award construction and construction-related contracts, including construction, project management, architectural, engineering, and related services, in compliance with applicable state law and District policy.

- The District uses a competitive process for awarding contracts for general professional services unless documented criteria are met for not using a competitive process, such as properly justified sole-source procurement.
- Board approval or oversight is required for high-dollar, lengthy, or sensitive procurement contracts.
- Procurement decisions must be free from conflicts of interest, supported by adequate documentation, and consistent with applicable grant or loan requirements when external funding is used.
- The board-approved policy establishes emergency procurement procedures compliant with state law.

Policy Review and Updates

This policy should be reviewed periodically and updated as needed to reflect changes in law, accounting standards, grant or loan requirements, District operations, staffing, technology, internal control practices, or Board direction.

Supersession

Upon approval by the Board of Directors, this policy supersedes and replaces all prior versions, amendments, procedures, directives, and informal practices governing the District's general administrative and financial management. If any prior policy, procedure, practice, or direction conflicts with this policy, this policy shall control.

Revision History:

Version	Date	Action	Approved By	Notes
1.0	12/2024	Adopted	Assistant GM	Initial policy adoption
1.1	8/2026	Revision		

Credit Card Use Policy

Purpose:

The purpose of this policy is to establish internal controls for the authorization, use, documentation, review, and payment of District credit cards to ensure that all credit card purchases are reasonable, necessary, properly approved, and made solely for lawful District business.

Scope:

This policy applies to all employees or officials authorized to use a District credit card, approve credit card charges, reconcile monthly statements, maintain supporting documentation, or process payments for credit card bills.

Implementation:

Credit cards may be issued only to positions with a demonstrated District business need, including the General Manager, the Office Administrator, and Field Operators, as authorized by the General Manager. Credit cards shall not be issued to or used by members of the Board of Directors. Board members shall use personal credit cards for lawful District expenses and seek reimbursement on a form provided by the District for that purpose.

a) District credit cards shall be used only for reasonable, necessary, and lawful District business expenses that are within the adopted budget or otherwise authorized in accordance with District purchasing and approval policies.
b) Personal expenses shall not be charged to a District credit card. If a transaction includes both personal and District business expenses, the employee shall pay for the transaction personally and request reimbursement from the District for the appropriate District portion. Accidental personal charges must be reported immediately and reimbursed to the District promptly.
c) Each credit card transaction shall be supported by third-party documentation, such as an itemized receipt, invoice, order confirmation, or other vendor documentation. The cardholder shall annotate the District's business purpose for each transaction and, when practical, identify the applicable account, project, or budget category.
d) Credit card statements shall be reviewed monthly. The Office Administrator shall reconcile receipts and supporting documentation to the statement. The General Manager shall review and approve credit card transactions, except that the General Manager's own

charges shall be reviewed by the Board President, Treasurer, or another Board member designated by the Board.

e) Credit card bills shall be paid on time to avoid late fees and finance charges. The District shall not reimburse or pay late fees or finance charges resulting from failure to submit required documentation or otherwise comply with this policy, unless approved by the General Manager due to circumstances outside the cardholder's control.

f) The following uses are prohibited: cash advances; gift cards or cash equivalents unless specifically authorized for an approved District purpose; alcohol; personal meals or entertainment not otherwise authorized by District policy; purchases that split transactions to avoid approval limits; and any purchase that violates District policy, law, or grant or contract requirements.

g) Each cardholder is responsible for safeguarding the credit card and account information. Lost or stolen cards, suspected fraud, or unauthorized charges shall be reported immediately to the card issuer and to the General Manager or Office Administrator. Disputed charges shall be documented and resolved promptly.

h) Each authorized District credit card shall have an established dollar limit. Credit limits and any single-purchase limits shall be established by the General Manager based on operational need and may be adjusted or revoked at any time. Card privileges may be suspended or terminated for misuse, failure to provide documentation, or failure to comply with this policy.

Cardholder Category	**Current Credit Limit**
General Manager	$10,000
District Office	$10,000
Field Staff Cards	$2,500 each

i) District records involving credit card use, including statements, receipts, invoices, approvals, reimbursement requests, dispute documentation, and related correspondence, are public records to be maintained in accordance with the District's records retention policy and applicable law.

Supersession

Upon approval by the Board of Directors, this policy supersedes and replaces all prior versions, amendments, procedures, directives, and informal practices governing the District's credit card use. If any prior policy, procedure, practice, or direction conflicts with this policy, this policy shall control.

Revision History

Version	Date	Action	Approved By	Notes
1.0	5/2025	Adopted	Assistant GM	Initial policy adoption
1.1	8/2026	Revision		Comprehensive Update

Fraud Detection & Prevention Policy

Background

This Fraud Detection and Prevention Policy is established to support the development, maintenance, and monitoring of internal controls designed to prevent, detect, and respond to fraud, waste, abuse, misappropriation, and other irregularities involving the Meiners Oaks Water District (MOWD). MOWD is committed to conducting District business with honesty, integrity, transparency, and accountability; safeguarding public assets; promoting ethical conduct; and complying with all applicable federal, state, and local laws, regulations, and District policies.

Scope of Policy

This policy applies to any actual or suspected fraud, waste, abuse, misappropriation, conflict of interest, misuse of District resources, or other irregularity involving District officials, Board members, employees, temporary employees, volunteers, consultants, vendors, contractors, outside agencies, customers, or any other party with a business relationship with MOWD.

Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to the District.

Policy

The General Manager, management staff, and the Board of Directors share responsibility for maintaining an effective control environment. Management is responsible for implementing internal controls, monitoring compliance, responding promptly to reported concerns, and taking corrective action when deficiencies are identified. All employees and District representatives are responsible for complying with this policy and promptly reporting known or suspected violations, including questionable accounting, procurement, contracting, payroll, billing, reimbursement, or auditing practices.

For purposes of this policy, fraud includes an intentional false representation, concealment, omission, or misuse of information or assets for personal gain, benefit to another party, or harm to the District. Management personnel must remain familiar with fraud risks within their areas of responsibility and remain alert for unusual activity, control weaknesses, or indicators of irregularity.

Any actual or suspected irregularity must be reported immediately to the General Manager or designee. If the concern involves the General Manager, the report should be made to the Board President, Board Vice President, District legal counsel, or another designated reporting channel. The District will coordinate investigations with legal counsel, law enforcement, regulatory agencies, auditors, insurers, or other affected parties when appropriate.

Prevention and Internal Controls

MOWD will maintain reasonable internal controls to reduce the risk of fraud, errors, and misuse of public resources. These controls may include, as appropriate to District staffing and operations, segregation of duties, documented approval authority, independent review of bank reconciliations and financial reports, secure access to financial systems and records, competitive procurement practices, inventory and asset controls, conflict-of-interest review, periodic management review of high-risk transactions, and regular communication of ethical expectations to employees and District representatives.

Actions Constituting Fraud

Fraud, misappropriation, waste, abuse, and other fiscal irregularities include, but are not limited to:

- Any dishonest or fraudulent act
- Misappropriation of funds, securities, supplies, or other assets
- Misrepresentation or falsification of financial statement(s), including forgery or alteration of documents
- Impropriety in the handling or reporting of money or financial transactions
- Profiteering as a result of insider knowledge of company activities
- Disclosing confidential and proprietary information to outside parties
- Unauthorized disclosure, use, alteration, destruction, or manipulation of District records, data, systems, or confidential information
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the District
- Authorizing, approving, or receiving payment for goods not received, services not performed, unsupported reimbursements, or unauthorized expenditures
- Circumventing procurement, contracting, payroll, billing, timekeeping, purchasing, or approval controls
- Destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment; and/or
- Any similar or related irregularity.

Other Irregularities

Irregularities concerning employee conduct that do not involve fraud, waste, abuse, misuse of District resources, or other matters covered by this policy should be addressed through applicable personnel, ethics, disciplinary, or governance procedures. If there is any question as to whether conduct falls within this policy, the matter should be reported for review rather than handled informally.

Questions regarding whether an action constitutes fraud or another reportable irregularity should be directed to the General Manager, designee, Board President, District legal counsel, or another appropriate reporting channel.

Investigation Responsibilities

Management, in consultation with District legal counsel and, when appropriate, under Board oversight, has primary responsibility for ensuring that suspected fraudulent acts are reviewed and investigated in a timely, objective, and legally appropriate manner.

Investigations should be planned to preserve evidence, protect confidentiality, avoid conflicts of interest, maintain appropriate documentation, and ensure that findings are communicated only to persons with a legitimate need to know.

If an investigation substantiates fraudulent activity, management will report findings and recommended corrective actions to appropriate designated personnel and, when appropriate, to the Board of Directors. Decisions regarding referral to law enforcement, regulatory agencies, external auditors, insurers, or other outside parties will be made by the Board of Directors in consultation with District legal counsel and senior management.

Confidentiality

Reports, supporting information, and investigation materials will be handled as confidentially as possible, consistent with the District's legal obligations, the need to conduct a complete investigation, and the duty to take corrective action. Employees who suspect dishonest or fraudulent activity must notify the appropriate reporting contact immediately and must not personally conduct investigations, interviews, or searches related to the suspected activity unless specifically authorized to do so.

Investigation results will not be disclosed or discussed except with persons who have a legitimate business, legal, audit, governance, or law-enforcement need-to-know. This protects the integrity of the investigation, the reputation of individuals who may be suspected but not found to have engaged in wrongdoing, and the District's legal interests.

Authorization for Investigating Suspected Fraud

The District will designate an investigative team appropriate to the nature, sensitivity, and scope of the reported concern. The team will include individuals with sufficient independence, authority, and expertise to conduct or oversee the investigation.

- The Board of Directors, in consultation with legal counsel, may assign investigative team members, which may include the Board President or Vice President, General Manager or designee, District legal counsel, external auditors, human resources or labor counsel, law enforcement, or other subject-matter experts as appropriate.
- Free and unrestricted access to all District records and premises, whether owned or rented; and
- The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who might use or have custody of any such items or facilities when it is within the scope of their investigation.

Reporting Procedures

Reports should be made as soon as possible when fraud, waste, abuse, misappropriation, or another irregularity is discovered or suspected. Reports may be made to the General Manager, designee, Board President, Board Vice President, District legal counsel, or any reporting channel designated by the District. Reports may be made anonymously where practical; however, providing sufficient detail may assist the District in reviewing and investigating the concern.

No employee, official, contractor, vendor, or other person acting on behalf of the District may retaliate against an individual who makes a good-faith report, participates in an investigation, or refuses to participate in conduct believed to violate this policy. Retaliation includes termination, demotion, harassment, intimidation, threats, adverse employment action, or any conduct intended to discourage reporting. Retaliation should be reported immediately and may result in disciplinary or corrective action, up to and including termination of employment or termination of a business relationship.

All inquiries concerning a matter under review or investigation from the subject individual, their representative, the media, vendors, customers, or any other person should be directed to the General Manager, Board President, District legal counsel, or other designated spokesperson. No information concerning the status or substance of an investigation should be released unless authorized. The appropriate response to inquiries is: "I am not at liberty to discuss this matter." Under no circumstances should employees characterize the matter as "the allegation," "the crime," "the fraud," "the forgery," "the misappropriation," or any other specific reference unless authorized by the investigative team or legal counsel.

The reporting individual should be informed of the following:

- Do not contact the suspected individual in an effort to determine facts or demand restitution.
- Do not discuss the case, facts, suspicions, or allegations with *anyone* unless specifically asked to do so by the District Attorney or General Manager.

Termination

If an investigation results in a recommendation for discipline, termination, restitution, contract termination, referral, or other corrective action, the recommendation will be reviewed by appropriate management, the Board of Directors when required, District legal counsel, labor counsel, or outside counsel before final action is taken. Any employment action will be handled in accordance with applicable law, District policy, due process requirements, and any applicable employment agreement or memorandum of understanding.

Administration

The General Manager is responsible for the administration, interpretation, communication, and recommended revision of this policy. The Board of Directors and management will periodically review this policy, fraud risks, internal controls, mitigation efforts, and any significant findings or corrective actions. Management will communicate fraud-prevention expectations to District staff and review mitigation practices regularly to support continuous improvement and accountability.

Supersession

Upon approval by the Board of Directors, this policy supersedes and replaces all prior versions, amendments, procedures, directives, and informal practices governing the District's fraud detection and prevention. If any prior policy, procedure, practice, or direction conflicts with this policy, this policy shall control.

Revision History

Version	Date	Action	Approved By	Notes
1.0	2/2022	Adopted	Assistant GM	Initial policy adoption
1.1	8/2026	Revision		Update, Standard Formatting

Fixed Asset Policy

Background

The District has a significant investment in capital assets used to provide reliable water service to customers. The purpose of this policy is to ensure that the District's capital assets are properly acquired, safeguarded, controlled, disposed of, and accounted for in accordance with applicable laws and regulations, generally accepted accounting principles, internal control standards, and audit requirements. This policy establishes requirements for fixed asset accounting, recordkeeping, inventory, depreciation, and disposal. It does not supersede or replace applicable requirements for budget approval, purchasing authorization, public works contracting, or capital project approval.

Definition of a Fixed Asset

A fixed asset is any tangible or intangible asset acquired for use in the District's operations that provides benefit for more than one fiscal year and has an acquisition cost of $10,000 or more. Fixed assets include, but are not limited to, land, water pipelines, pumps, treatment and filtration equipment, wells, storage tanks, buildings, vehicles, equipment, furniture, software, and technology systems. Assets with an acquisition cost below $10,000 shall generally be expensed in the period acquired unless they are part of a larger capital project or asset system that meets the capitalization criteria.

Asset Valuation

Purchased Assets:

Purchased assets shall be recorded at actual cost, including purchase price, sales tax, freight, transportation, installation, site preparation, and other directly attributable costs necessary to place the asset into service. Costs incurred after an asset is placed into service shall be capitalized only when they extend the asset's useful life, increase capacity, improve efficiency, or materially enhance the asset's functionality. Routine repairs and maintenance shall be expensed as incurred.

New Construction:

When the District constructs a fixed asset for its own use, all direct costs shall be included in the total cost of the asset. Direct costs may include construction, materials, labor, engineering, architectural, legal, permitting, inspection, consulting, and other costs directly related to preparing the asset for its intended use. Overhead costs shall be capitalized only when they are directly attributable to the construction activity and are incremental to the project.

Assets under construction shall be recorded as construction in progress until the asset is substantially complete and placed into service. Once placed into service, the asset shall be transferred to the appropriate fixed asset category and depreciation shall begin in accordance with this policy.

Fixed Assets Class & Useful Life

Estimated useful life means the expected period, in years, that an asset will provide service to the District. Assets that meet the capitalization threshold and useful life criteria described above shall be assigned to an appropriate fixed asset class. Useful lives may be adjusted when supported by manufacturer guidance, engineering estimates, operating conditions, historical experience, or changes in asset condition.

Type	**Categories**	**Useful Life (Yrs)**	**Examples**
Land	Land	Infinite	Real Estate
Improvements	Water Wells	50	Drilling, piping, concrete work
	Reservoirs	50	Tanks, foundations
	Pipelines	50	Waterlines
	Pumps/Booster	20	Motors, pumps
Buildings	Buildings	40	Offices, workshops
	Treatment plant	40	Structure, piping
Equipment	Meters	15	Meters, compound meters
	Telemetry	10	Control panels, electrical
	Heavy Equipment	15	Excavators
Vehicles	Trucks	10	Crew trucks
Office	Software	3	PCs, phones, security
	Computers	5	PCs, printers, servers
	Furniture	7	Desks

Expenditures for normal repairs and maintenance shall not be capitalized. Replacement, rehabilitation, or improvement costs shall be evaluated to determine whether the expenditure extends useful life, increases capacity, improves service reliability, or otherwise meets the capitalization criteria.

Purchasing and Receiving a Fixed Asset

Fixed assets shall be purchased in accordance with the District's approved budget, purchasing authority, and applicable procurement policies, including Board Policy F-002, as applicable. The department or employee responsible for ordering the asset shall verify that the item received matches the approved purchase, is in acceptable condition, and is supported by appropriate documentation. Packing slips, invoices, contracts, project records, and other supporting documentation shall be retained for accounts payable processing and fixed asset recordkeeping.

The District shall maintain fixed asset records sufficient to identify each capitalized asset, including asset description, acquisition date, vendor or project source, acquisition cost, funding source when applicable, location, department or responsible party, assigned asset class, estimated useful life, accumulated depreciation, net book value, and disposal information. Movable assets should be tagged or otherwise identified when practical.

Disposal/Retirement of Fixed Assets

A department may dispose of a fixed asset due to:

- Lack of need
- Obsolescence
- Impairment – wear, damage or deterioration
- Excess cost of maintenance
- Theft/loss

The General Manager shall be notified before any fixed asset is sold, transferred, scrapped, donated, or otherwise removed from service. The sale of any fixed asset shall be approved by the Board of Directors unless otherwise authorized by District policy. Disposal documentation, including the reason for disposal, method of disposition, approval, proceeds received, bill of sale if applicable, and date of removal from service, shall be provided to accounting staff for fixed asset recordkeeping. Stolen or lost assets shall be reported promptly to the General Manager; when appropriate, a police report shall be filed and retained with the asset records.

Physical Inventory of Fixed Assets

A physical inventory of inventoriable fixed assets should be conducted at least once every three (3) years. The inventory should verify the existence, condition, location, and assigned responsibility for movable assets and other assets that can reasonably be inspected.

At a minimum, the following asset classes should be included in the periodic physical inventory:

Vehicles and equipment;

Movable furniture, fixtures, technology, and other portable assets.

Due to the nature of certain stationary infrastructure assets, a physical inventory every three years may not be practical. However, the District should periodically review records for stationary assets and evaluate whether any asset has been abandoned, impaired, replaced, or removed from service. When impairment or retirement is identified, the carrying value shall be adjusted as appropriate.

Depreciation of Fixed Assets

At the time a fixed asset is acquired or placed into service, its cost shall be capitalized and depreciated using the straight-line method over the asset's estimated useful life. Depreciation shall begin in the month the asset is placed into service and continue until the asset is fully depreciated, retired, disposed of, or otherwise removed from service. Land shall not be depreciated.

For building, water system, or other infrastructure rehabilitation or renovation projects, the District shall evaluate whether a portion of the existing asset should be retired. When a partial retirement is appropriate, the District shall estimate the historical cost and accumulated depreciation of the retired portion using a reasonable and supportable methodology, such as discounting current replacement or renovation costs back to the original acquisition date or using available project records.

Accounting staff shall review fixed asset additions, disposals, depreciation, and inventory adjustments at least annually as part of the fiscal year-end close process. Material changes to capitalization thresholds, useful lives, or accounting treatment should be reviewed with the District's auditor or financial advisor before implementation.

Responsibility

The General Manager is responsible for implementing and administering this policy, including ensuring that fixed assets are acquired, recorded, safeguarded, inventoried, depreciated, and disposed of in accordance with District policies and applicable accounting requirements. The General Manager may delegate day-to-day duties to appropriate District staff; however, responsibility for policy compliance remains with the General Manager.

Accounting staff is responsible for maintaining fixed asset records, recording additions and disposals, calculating depreciation, supporting year-end financial reporting, and coordinating with the District's auditor or financial advisor as needed. Department supervisors and employees responsible for District assets shall promptly report any acquisitions, transfers, damage, loss, theft, retirement, or disposal of assets to the General Manager or designee.

The Board of Directors is responsible for adopting this policy and approving material policy amendments. The Board shall also approve fixed asset sales or disposals when required by this policy or other District policies.

Supersession

Upon approval by the Board of Directors, this policy supersedes and replaces all prior versions, amendments, procedures, directives, and informal practices governing the District's fixed assets. If any prior policy, procedure, practice, or direction conflicts with this policy, this policy shall control.

Revision History

Version	Date	Action	Approved By	Notes
1.0	10/2023	Adopted	Board of Directors	Initial policy adoption
1.1	8/2026	Revision		Update Standardized Format

Unbilled Receivables Procedure

Background

Fiscal years run from July 1 – June 30, and meter reading is performed monthly around the 19th. This procedure establishes the process for recording unbilled receivables representing water billings for the consumption period of June 19 – June 30, captured in the June 19 – July 19 bill cycle. The unbilled receivables will be recorded as an estimate of the portion of total revenue billed on July 31.

Procedure

Accounts Receivable:

- Run the July billing register for the total billed amount.
- The total July-billed amount will be allocated 1/3 to June and 2/3 to July.

Accounts Payable:

- The entry to be made @June 30, 20xx is:
    - Dr. Accounts Receivable $ (June is 1/3 of July total billed amount).
        - Cr. Water Revenue (various accounts) $ (same amount as above)
- Then, in July, the entry will be reversed since the July billing will be recorded via the billing software.

Supersession

Upon approval by the Board of Directors, this policy supersedes and replaces all prior versions, amendments, procedures, directives, and informal practices governing the District's unbilled receivables. If any prior policy, procedure, practice, or direction conflicts with this policy, this policy shall control.

Revision History

Version	Date	Action	Approved By	Notes
1.0	4/2025	Adopted	Assistant GM	Initial policy adoption
1.1	8/2026	Revision		Minimal Update/Standard Format

Accounts Payable Policy

Purpose

The purpose of this Accounts Payable Policy is to establish consistent procedures and internal controls for the review, approval, recording, and payment of Meiners Oaks Water District obligations. The policy is intended to safeguard public funds, ensure timely and accurate payment of authorized expenses, support compliance with applicable laws and accounting standards, and maintain complete documentation for audit and public accountability purposes.

Scope

This policy applies to all non-payroll disbursements made by or on behalf of the District, including vendor invoices, contract payments, utility and operating expenses, reimbursements, credit card charges, permit and regulatory fees, insurance payments, debt service, and other authorized obligations. Separate District policies or procedures may govern payroll processing, investment transactions, and customer refunds.

Policy Statement

The District shall pay only valid, properly authorized, adequately documented, and budgeted obligations. All accounts payable activity shall be conducted with integrity, transparency, and responsible management of public funds. No employee, officer, or representative may authorize, approve, or process a payment for a personal, unauthorized, unsupported, or unlawful purpose.

Roles and Responsibilities

- **Board of Directors:** Adopts this policy, reviews and approves payment registers or claims in accordance with District procedures, approves budgets and contracts within Board authority, and provides oversight of District financial operations.
- **General Manager:** Oversees implementation of this policy; authorizes purchases, contracts, and payments within approved authority; verifies that expenditures are necessary and appropriate; and ensures adequate segregation of duties.
- **Administrative Staff:** Receives and reviews invoices, confirms supporting documentation, codes expenditures to the proper accounts, prepares payment batches, maintains accounts payable records, and supports audit requests.

- **Managers/Supervisors:** Confirm that goods or services were received, work was performed satisfactorily, charges are accurate, and expenses are consistent with approved budgets, purchase orders, contracts, or project authorizations.
- **Check Signers or Authorized Approvers:** Review payment documentation before approving or signing disbursements, and shall not approve payments for which they have a conflict of interest.

Segregation of Duties and Internal Controls

To the extent practicable for the District's staffing structure, accounts payable duties shall be separated so that no one individual controls all phases of a transaction. At a minimum, the District shall separate responsibility for purchase authorization, receipt or acceptance of goods and services, invoice processing, payment approval, check signing or electronic payment release, and bank reconciliation. When full segregation is not practical, the General Manager or designee shall implement compensating controls, such as documented supervisory review, Board review of warrants, dual signatures, or periodic independent review.

Vendor Setup and Maintenance

New vendors shall be established only after the District obtains sufficient documentation to verify the vendor's legal name, remittance address, tax identification information when applicable, and business purpose. Changes to vendor names, addresses, banking instructions, or contact information shall be independently verified before payment is issued. Vendor records shall be reviewed periodically to identify duplicates, inactive records, incomplete records, or suspicious records.

Invoice Receipt and Review

Invoices should be submitted directly to the District office or the designated accounts payable email address. Invoices shall be date-stamped or otherwise recorded upon receipt and reviewed for completeness, accuracy, vendor identity, duplicate payment risk, mathematical accuracy, applicable sales tax, contract or purchase order reference, and compliance with approved terms. Statements, quotes, packing slips, or estimates shall not be paid unless accompanied by an invoice or other documentation approved by the General Manager.

Approval Requirements

Each invoice shall be approved by an individual with appropriate authority and knowledge of the underlying transaction. Approval confirms that the expense is valid, goods or services were received or work was satisfactorily performed, the amount is correct, the expenditure is allowable and budgeted, and supporting documentation is complete. The District's Purchasing Goods & Services Policy shall identify approval levels for routine operating expenses, capital expenditures, contracts, emergency purchases, reimbursements, and other payment categories.

Documentation Standards

Payment files shall include sufficient documentation to support the business purpose, approval, and amount of each disbursement. Documentation may include invoices, purchase orders, contracts, Board approvals, receiving records, packing slips, written approvals, reimbursement forms, receipts, mileage logs, grant or project coding, and other relevant records. Documentation shall be retained in accordance with the District's records retention policy and applicable legal requirements.

Payment Processing

Payments shall be processed on a regular schedule established by the General Manager or designee. Payment batches shall be reviewed before release to verify vendor name, invoice number, payment amount, account coding, approval status, and due date. The District shall take advantage of prompt-payment discounts when practical and shall avoid late fees, penalties, and interest charges unless unavoidable or specifically authorized. Duplicate payments shall be prevented through invoice number review, vendor statement reconciliation, and periodic accounts payable review.

Check, ACH, Wire, and Electronic Payments

Disbursements may be made by check, ACH, wire transfer, credit card, or other approved electronic method when appropriate. Checks shall be stored securely, issued sequentially, and reconciled to bank activity. Electronic payments shall require documented approval and appropriate security controls, including restricted system access, verification of banking instructions, and dual review or release when practicable. Blank checks shall not be pre-signed. Voided checks shall be retained or documented in a manner that supports audit review.

Credit Cards and Purchasing Cards

District credit cards or purchasing cards may be used only for authorized District business and in accordance with approved spending limits. Cardholders are responsible for safeguarding cards, obtaining itemized receipts, documenting the business purpose of each charge, and submitting timely reconciliation materials. Personal charges, cash advances, split purchases intended to avoid approval limits, and purchases inconsistent with District policy are prohibited. Card statements shall be reviewed and approved by someone other than the cardholder whenever practicable.

Employee and Director Reimbursements

Reimbursements shall be limited to reasonable, necessary, and authorized District expenses incurred for a valid business purpose. Reimbursement requests shall be submitted on an approved form or equivalent documentation and include itemized receipts, dates, purpose, account or project coding, and required approvals. Mileage reimbursement, travel, meals, training, conferences, and other reimbursable costs shall comply with applicable District policies and any limits established by the Board or General Manager.

Emergency and Exception Payments

Emergency or exception payments may be authorized when necessary to protect public health and safety, maintain essential water service, avoid service interruption, comply with legal or regulatory deadlines, or address urgent operational needs. Emergency payments shall be documented as soon as practicable and shall include the reason for the exception, the approving official, the amount, the vendor, and any follow-up Board reporting required by District policy or applicable law.

Grants, Capital Projects, and Restricted Funds

Expenses charged to grants, capital projects, bond proceeds, restricted funds, or reimbursement programs shall be coded and documented to support eligibility, allowability, allocability, and auditability. The District shall maintain supporting records sufficient to demonstrate compliance with grant agreements, funding conditions, procurement requirements, retention requirements, and reimbursement claim documentation standards.

Fraud Prevention, Conflicts of Interest, and Ethics

All personnel involved in accounts payable shall act in the best interests of the District and shall avoid conflicts of interest, self-dealing, favoritism, and the appearance of impropriety. Suspected fraud, waste, abuse, duplicate billing, unauthorized purchases, or irregular payment activity shall be reported promptly to the General Manager, Board President, legal counsel, auditor, or other appropriate authority based on the nature of the concern.

Bank Reconciliation and Review

Bank accounts shall be reconciled regularly by an individual who does not have sole responsibility for initiating or approving payments, when practicable. Reconciliations shall be reviewed by the General Manager, Board Committee, or other authorized reviewer as established by District practice. Outstanding checks, unusual transactions, electronic payments, bank fees, and reconciling items shall be investigated and resolved in a timely manner.

Records Retention and Audit Support

Accounts payable records shall be maintained in an organized and accessible manner for the period required by the District's records retention schedule, applicable law, grant requirements, and audit standards. Records may be maintained electronically if they are complete, legible, secure, retrievable, and protected from unauthorized alteration or deletion.

Noncompliance

Failure to comply with this policy may result in delayed payment, denial of reimbursement, revocation of purchasing or card privileges, corrective action, referral for investigation, or other action deemed appropriate by the District. Unauthorized purchases may be considered the personal obligations of the individual who made or approved them, unless ratified by the District.

Reference.

For step-by-step procedures, staff responsibilities, and detailed processing guidance, see the separate Accounts Payable Workflow Manual.

Supersession

Upon approval by the Board of Directors, this policy supersedes and replaces all prior versions, amendments, procedures, directives, and informal practices governing the District's accounts payable. If any prior policy, procedure, practice, or direction conflicts with this policy, this policy shall control.

Revision History

Version	Date	Action	Approved By	Notes
1.0	8/2026	Adopted		Initial policy adoption
1.1				

Accounts Receivable Policy

Purpose. It is the policy of the Meiners Oaks Water District ("District" or "MOWD") to administer accounts receivable in a consistent, accurate, timely, and fiscally responsible manner. Accounts receivable are critical to the District's cash flow, financial reporting, and ability to provide reliable water service, and therefore require regular review, prompt follow-up, appropriate documentation, and effective internal controls.

Scope. This policy applies to all amounts owed to the District, including but not limited to water service charges, capacity or connection-related charges, meter installation or replacement charges, penalties, fees, deposits, reimbursements, returned payment charges, damage claims, and any other customer or non-customer receivables recorded by the District.

Responsibilities. The General Manager, or designee, is responsible for implementing this policy and ensuring that accounts receivable procedures are carried out in accordance with District ordinances, resolutions, adopted rates and fees, applicable law, and sound public agency financial practices. Assigned administrative staff are responsible for billing, posting payments, monitoring balances, preparing reports, maintaining records, and escalating delinquent or disputed accounts as required by this policy.

Billing and Recording of Receivables. Amounts due to the District shall be billed in accordance with the District's adopted rates, fees, charges, ordinances, resolutions, service rules, and approved agreements. Customer accounts shall be maintained in the District's billing system, and receivables shall be recorded in a manner that supports timely collection, accurate financial reporting, audit review, and reconciliation to the general ledger.

Monthly Review. Accounts receivable balances shall be reviewed monthly by the General Manager, or designee, together with assigned staff. The review shall identify past-due accounts, unusual or aging balances, credit balances, disputed charges, payment arrangements, and any balances requiring adjustment, allowance, or write-off consideration.

Payment Due Dates and Delinquency. Bills and invoices are due and payable by the due date stated on the bill, invoice, or other written notice. An account is considered delinquent when payment has not been received by the District by the second-to-last business day of the month it is due, unless the customer has entered into an approved payment arrangement or the amount is subject to a timely dispute or appeal under District procedures.

Delinquency Notices and Collection Follow-Up. Notices shall be sent for past-due accounts on the second-to-last day of each month. Staff shall document account activity, customer communications, payment arrangements, returned notices, disputes, and other relevant account history. The District does not currently pursue collection actions against unpaid customer balances. The District shall comply with applicable state law, including requirements governing the discontinuation of residential water service for nonpayment.

Late Penalties. Late penalties may be assessed on past-due accounts only as authorized by District ordinance, resolution, rate schedule, service rule, agreement, or applicable law. The amount and timing of any charge shall be clearly identified on customer bills or notices where required. The District Water Services Policy states that a 10% late penalty will be applied to unpaid balances on the second-to-last business day of each month.

Payment Arrangements. The District may allow payment arrangements, extensions, or other alternative payment options when authorized by District procedures and applicable law. Payment arrangements shall be documented in the account record, shall specify payment amounts and deadlines, and shall require the customer to remain current on new charges as they accrue unless otherwise approved in writing by the General Manager or designee.

Disputed Bills and Adjustments. Customers may request review of disputed charges in accordance with District procedures. Staff shall research the account, meter reads, billing history, service records, payments, and other relevant information before recommending an adjustment. Adjustments, refunds, and credit memos shall be supported by documentation and approved by the General Manager or a designee before posting. Credit memos shall not be used to bypass adopted rates, fees, or collection requirements.

Returned Payments. If a check, electronic payment, credit card payment, or other payment instrument is returned, rejected, reversed, or otherwise dishonored, the payment shall be voided, and the account shall be restored to the amount owed as though payment had not been made. Returned payment charges and related collection actions may be applied as authorized by District policy, resolution, agreement, or applicable law.

Reconciliation and Month-End Close. At month-end closing, an accounts receivable schedule or aging report shall be prepared, reviewed, and reconciled to the general ledger. The billing system trial balance shall be compared to the general ledger for accuracy. Differences shall be researched and corrected in a timely manner, and any material reconciliation issues shall be reported to the General Manager or designee.

Allowance for Doubtful Accounts. The District shall maintain an appropriate allowance for doubtful accounts on the balance sheet when warranted by generally accepted accounting principles, audit guidance, account aging, and any historical collection experience. The allowance shall be reviewed at least annually and adjusted as necessary to present the collectability of outstanding receivables fairly.

Write-Off of Uncollectible Accounts. Every reasonable attempt shall be made to collect amounts owed to the District before an account is recommended for write-off. An account may be considered for write-off when it is determined to be uncollectible, when the cost of further collection is likely to exceed the amount recoverable, when the debtor cannot be located, when the debt has been discharged through bankruptcy or other legal process, when documentation is insufficient to support continued collection, or when other facts support a determination that continued collection is not practical or cost-effective.

Write-Off Approval Authority. Accounts recommended for write-off shall be documented and reviewed by the General Manager, or designee. Write-offs within the amount of the approved allowance for doubtful accounts may be approved administratively by the General Manager, or designee, unless Board approval is otherwise required. Any write-off exceeding the approved allowance, exceeding administrative authority, involving unusual circumstances, or otherwise requiring Board review shall be submitted to the Board of Directors for approval before write-off.

Effect of Write-Off. A write-off is an accounting action to remove an uncollectible receivable from the District's active financial records. A write-off does not, by itself, forgive the debt, waive the District's legal rights, or prohibit future collection if collection later becomes practical, lawful, and cost-effective. Amounts recovered after write-off shall be recorded as revenue or recovery in the appropriate fund and accounting period.

Reporting. Staff shall provide accounts receivable information to the General Manager and Board of Directors as needed for financial oversight, audit preparation, budget monitoring, and policy compliance. Reports may include aging summaries, delinquency trends, significant past-due balances, payment arrangements, adjustments, write-offs, and other information necessary to evaluate receivable management and District cash flow.

Internal Controls and Segregation of Duties. To the extent staffing levels permit, duties related to billing, payment receipt, payment posting, account adjustments, deposits, reconciliations, and write-off approvals should be appropriately separated. Where full segregation of duties is not practical, compensating controls such as supervisory review, documented approvals, bank reconciliations, exception reports, and periodic management review shall be used.

Records Retention. Billing records, account correspondence, delinquency notices, payment arrangements, adjustments, reconciliations, write-off documentation, and related supporting materials shall be retained in accordance with the District's records retention schedule and applicable legal requirements.

Compliance with Law. This policy shall be implemented in a manner consistent with applicable federal and state law, including California requirements governing public agency utility billing, the collection of delinquent charges, customer notices, the discontinuation of residential water service for nonpayment, and protections for customers eligible for alternative payment arrangements. If a law, regulation, ordinance, or Board-adopted rule conflicts with this policy, the more specific or legally controlling requirement shall govern.

Reference. For step-by-step procedures, staff responsibilities, and detailed processing guidance, see the separate Accounts Receivable Workflow Manual.

Supersession

Upon approval by the Board of Directors, this policy supersedes and replaces all prior versions, amendments, procedures, directives, and informal practices governing the District's accounts receivable. If any prior policy, procedure, practice, or direction conflicts with this policy, this policy shall control.

Revision History

Version	Date	Action	Approved By	Notes
1.0	8/2026	Adopted		Initial policy adoption
1.1				

Payroll Policy

Purpose

The purpose of this Payroll Policy is to establish consistent procedures and internal controls for the authorization, calculation, review, processing, recording, and payment of wages, salaries, stipends, benefits, deductions, and related payroll obligations for Meiners Oaks Water District employees and officials. The policy is intended to ensure that payroll is accurate, timely, properly authorized, adequately documented, confidentially maintained, and compliant with applicable laws, employment agreements, Board-approved compensation schedules, and District policies.

Scope

This policy applies to all District payroll activity, including regular wages, overtime, standby or on-call pay, stipends, Board compensation, leave accruals and usage, benefit deductions, retirement contributions, payroll taxes, reimbursements processed through payroll, and other payroll-related payments. This policy applies to employees, Board members, temporary or part-time employees, and any other individuals paid through the District's payroll system. Independent contractor payments are generally governed by the District's Accounts Payable Policy and applicable contracting procedures.

Policy Statement

The District shall pay employees and officials only for authorized compensation, approved time worked, approved leave, and Board-authorized benefits or stipends. Payroll activity shall be conducted with accuracy, confidentiality, transparency, and responsible management of public funds. No employee, officer, or representative may authorize, process, approve, or receive payroll compensation that is unsupported, unauthorized, inaccurate, duplicative, or inconsistent with applicable law or District policy.

Roles and Responsibilities

- **Board of Directors:** Adopts this policy, approves compensation schedules and employment agreements within Board authority, reviews payroll-related expenditures through the regular financial review process, and provides oversight of District payroll controls.
- **General Manager:** Oversees implementation of this policy; reviews and approves employee time records, personnel changes, payroll adjustments, overtime, standby or on-

call time, leave usage, schedule changes, and payroll-related payments within approved authority; and ensures adequate segregation of duties and internal controls.

- **Administrative Staff:** Maintains payroll records, processes payroll based on approved documentation, verifies employee information, records payroll entries, coordinates with payroll service providers when applicable, and supports audit and reporting requirements.
- **Employees:** Accurately report time worked and leave taken, submit time records and payroll-related forms by established deadlines, promptly report payroll errors, and comply with District timekeeping, leave, and payroll procedures.

Segregation of Duties and Internal Controls

To the extent practicable for the District's staffing structure, payroll duties shall be separated so that no one individual controls all phases of payroll. At a minimum, the District shall separate responsibility for personnel authorization, timekeeping approval, payroll preparation, payroll review, payment release, payroll tax reporting, and bank reconciliation. When full segregation is not practical, the General Manager or designee shall implement compensating controls, such as documented supervisory review, Board review of payroll expenditures, restricted system access, dual review of payroll registers, or periodic independent review.

Employee Setup and Payroll Changes

Employees shall be added to payroll only after required hiring authorization, employment documentation, tax forms, benefit elections, retirement enrollment information, direct deposit authorization, and any other required forms are completed and reviewed. Changes to pay rates, job classifications, employment status, benefit deductions, direct deposit information, tax withholding, or other payroll data shall be supported by written authorization and independently reviewed before implementation whenever practicable.

Timekeeping and Attendance

Employees shall accurately record all hours worked, leave used, standby or on-call time, overtime, and other compensable time in the District's approved timekeeping form. Time records shall be submitted by established deadlines and approved by the General Manager or designee before payroll is processed. Alterations to time records shall be documented and approved. Employees shall not record time for another employee or knowingly submit inaccurate time records.

Overtime, Standby, and Special Pay

Overtime, standby, on-call, holiday, call-back, or other special pay shall be authorized, recorded, and paid in accordance with applicable law, employment agreements, Board-approved compensation schedules, and District personnel policies. Overtime should be approved in advance when practicable. Any exception shall be documented and reviewed by the General Manager or designee.

Leave Accruals and Leave Usage

Vacation, sick leave, administrative leave, compensatory time, holiday pay, and other leave benefits shall accrue, be used, and be paid in accordance with District personnel policies, employment agreements, Board action, and applicable law. Leave usage shall be requested, recorded, and approved before payroll processing whenever practicable. Leave balances shall be reviewed periodically for accuracy and reconciled to payroll records.

Payroll Processing and Review

Payroll shall be processed twice monthly, on the 15th and the last business day of each month. Before payroll is finalized, payroll registers or summaries shall be reviewed for accuracy, including employee names, pay rates, hours worked, leave usage, overtime, deductions, benefits, retirement contributions, taxes, reimbursements, direct deposit information, and total payroll cost. Payroll variances, unusual items, manual adjustments, retroactive payments, or corrections shall be reviewed and documented before payment release.

Direct Deposit, Payroll Checks, and Payment Release

Payroll may be paid by direct deposit, check, or another approved method. Direct deposit changes shall be supported by employee authorization and, when practicable, verified before implementation. Payroll checks shall be stored securely, issued sequentially, and reconciled to payroll records and bank activity. Payroll payment files shall be released only after required review and approval. Lost, voided, or reissued payroll checks shall be documented and controlled.

Payroll Taxes, Deductions, and Benefits

Payroll taxes, retirement contributions, wage garnishments, benefit deductions, deferred compensation contributions, voluntary deductions, and other payroll withholdings shall be calculated, withheld, remitted, and reported in accordance with applicable law, employee elections, court or agency orders, benefit plan documents, and District policy. Employee deductions shall be supported by appropriate authorization unless required by law. Required filings and remittances shall be completed accurately and by applicable deadlines.

Payroll Adjustments, Corrections, and Overpayments

Payroll errors, missed payments, underpayments, overpayments, retroactive adjustments, and benefit or deduction corrections shall be reported promptly and resolved in accordance with applicable law and District procedures. Corrections shall be documented, reviewed, and approved before processing. Recovery of payroll overpayments shall be handled lawfully and with appropriate written notice and documentation.

Confidentiality and System Access

Payroll records contain confidential personnel, financial, tax, and benefit information and shall be accessed, used, disclosed, and stored only for authorized District business purposes. Access to payroll systems and records shall be limited to employees or service providers with a legitimate need to perform assigned duties. Passwords, login credentials, payroll reports, employee banking information, tax forms, and personnel data shall be protected from unauthorized access, disclosure, alteration, or destruction.

Payroll Reconciliation and Reporting

Payroll registers, payroll bank activity, general ledger postings, benefit invoices, retirement reports, tax filings, and related payroll reports shall be reconciled regularly. Unusual variances, outstanding payroll checks, returned direct deposits, benefit discrepancies, tax notices, or reconciling items shall be investigated and resolved in a timely manner. Payroll costs shall be recorded to the appropriate funds, departments, programs, grants, or projects as applicable.

Records Retention and Audit Support

Payroll records shall be maintained in an organized, secure, and accessible manner for the period required by the District's records retention schedule, applicable law, employment requirements, tax requirements, benefit plan requirements, grant requirements, and audit standards. Records may be maintained electronically if they are complete, legible, secure, retrievable, and protected from unauthorized alteration or deletion.

Fraud Prevention, Conflicts of Interest, and Ethics

All personnel involved in payroll shall act in the best interests of the District and shall avoid conflicts of interest, self-dealing, favoritism, falsification of time records, unauthorized payroll changes, and the appearance of impropriety. Suspected fraud, waste, abuse, ghost employees, inaccurate time reporting, unauthorized compensation, or irregular payroll activity shall be reported promptly to the General Manager, Board President, legal counsel, auditor, or other appropriate authority based on the nature of the concern.

Noncompliance

Failure to comply with this policy may result in payroll delays, correction of payroll records, repayment obligations, revocation of payroll system access, corrective action, referral for investigation, or other action deemed appropriate by the District. Knowingly submitting false time records, authorizing unsupported compensation, or altering payroll records without authorization may result in disciplinary action and may be referred to appropriate authorities.

Policy Review and Updates

The General Manager or designee shall review this policy periodically and recommend updates to the Board of Directors as needed to reflect changes in law, payroll systems, tax requirements, benefit plans, audit recommendations, District operations, staffing, banking practices, or internal control needs.

Reference.

For step-by-step procedures, staff responsibilities, payroll deadlines, and detailed processing guidance, see the separate Payroll Workflow Manual.

Supersession

Upon approval by the Board of Directors, this policy supersedes and replaces all prior versions, amendments, procedures, directives, and informal practices governing the District's payroll. If any prior policy, procedure, practice, or direction conflicts with this policy, this policy shall control.

Revision History

Version	Date	Action	Approved By	Notes
1.0	8/2026	Adopted		Initial policy adoption
1.1				

Debt Management Policy

Purpose and Scope. This Debt Management Policy establishes the parameters and guidance for the issuance, management, continuing evaluation, refunding, and reporting of all debt obligations of the Meiners Oaks Water District ("District" or "MOWD"). This Policy is intended to comply with California Government Code Section 8855(i) and applies to all debt issued or incurred by the District, including debt funded through the capital markets, loans, lease-purchase financings, certificates of participation, lines of credit, and other financing obligations.

a) Maintain the District's sound financial position.
b) Ensure the District has the flexibility to respond to changes in future service priorities, revenues, and operating expenses.
c) Protect the District's creditworthiness.
d) Ensure that all debt is structured to protect current and future taxpayers, ratepayers, and the District's constituents.
e) Ensure that the District's debt is consistent with the District's planning goals and objectives and capital improvement program or budget, as applicable.

The District recognizes that prudent debt management supports long-term financial stability, protects ratepayers, preserves operating flexibility, and ensures that debt-funded projects are consistent with the District's service obligations, capital needs, financial capacity, and public purposes.

Purposes for Which Debt May Be Issued

Long-Term Debt. Long-term debt may be issued to finance the construction, acquisition, rehabilitation, replacement, or improvement of capital facilities, water system infrastructure, equipment, land, and other assets owned or operated by the District. Long-term debt may be appropriate under the following circumstances:

a) When a project to be financed is necessary to provide District services.
b) When the project to be financed will benefit constituents over several years.
c) When total debt does not constitute an unreasonable burden to the District and its ratepayers.
d) When the debt is used to refinance outstanding debt to reduce the total cost of the debt or to realize other benefits of a debt restructuring, such as increased flexibility in cash and reserve use.

Long-term debt shall not generally be used to fund current operating expenses or routine maintenance. The District may use long-term debt financing only when the following conditions are satisfied:

a) The project to be financed must be approved by the District Board.
b) The District estimates that sufficient revenues will be available to service the debt through its maturity.

c) The District determines that the issuance of the debt will comply with applicable state and federal law.

Short-Term Debt. Short-term debt may be issued to address temporary cash-flow needs, provide interim financing in anticipation of grants, loans, taxes, assessments, rates, charges, or other revenues, or finance short-lived capital assets. Short-term debt may also include lease-purchase financing for equipment, provided such financing complies with applicable constitutional, statutory, and contractual limitations.

Financings on Behalf of Other Entities. The District may issue debt on behalf of another public agency or qualifying third party only when the Board of Directors determines that the financing furthers a valid District public purpose and is consistent with applicable law and this Policy. Before approving such financing, the District shall take reasonable steps to evaluate the project's financial feasibility and the borrower's or obligated party's financial capacity.

Types of Debt That May Be Issued

a) General obligation bonds (GO Bonds)
b) Bond or grant anticipation notes (BANs)
c) Lease revenue bonds, certificates of participation (COPs), and lease-purchase transactions
d) Other revenue bonds and COPs
e) Tax and other revenue anticipation notes (TRANs)
f) Land-secured financings, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment statutes
g) Tax increment financing to the extent permitted under State law
h) Refunding obligations
i) State Revolving Loan Funds
j) Lines of credit

The Board of Directors may determine that other forms of debt are appropriate to further the District's public purposes and may approve such debt if permitted by law and consistent with this Policy. Debt shall generally be issued on a fixed-rate basis unless the Board makes a specific finding that a variable-rate structure or other alternative structure is in the District's best interest.

Relationship of Debt to Capital Improvement Program and Budget

The District is committed to long-term capital and financial planning. Debt may be used to implement policy decisions reflected in the District's adopted budget, capital improvement program, asset management planning, rate planning, or other Board-approved planning documents.

The District shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues ("pay as you go"). The District shall seek to avoid using debt to fund infrastructure and facility improvements resulting from normal wear and tear.

The District shall integrate its debt issuances with the goals of its capital improvement program by timing debt issuances to ensure that projects are available when needed in furtherance of the District's public purposes.

Policy Goals Related to Planning Goals and Objectives

The District is committed to long-term financial planning, maintaining appropriate reserves, and employing prudent practices in governance, management, and budget administration. The District intends to issue debt for the purposes stated in this Policy and to implement policy decisions incorporated in the District's annual operations budgets.

It is a policy goal of the District to protect taxpayers, ratepayers, and constituents by using conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical total borrowing costs.

The District will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates, and charges.

When refinancing outstanding debt, the District shall seek to achieve measurable savings or other clearly documented benefits. Unless there are overriding policy, legal, operational, or restructuring considerations, the District shall generally target net present value debt service savings of approximately 3.0% or more of the refunded principal amount, after accounting for costs of issuance and any negative arbitrage in the escrow fund.

The District shall seek to avoid the use of debt to fund infrastructure and facilities improvements in circumstances when the sole purpose of such debt financing is to temporarily reduce annual budgetary expenditures. Capital investments intended to reduce District operating costs over the long term, such as improving operational efficiency, are appropriate for long-term debt.

The District shall seek to time debt issues to avoid unplanned general fund expenditures for capital improvements or equipment.

Internal Control Procedures and Post-Issuance Compliance

When issuing debt, in addition to complying with the terms of this Policy, the District shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds. Without limiting the foregoing, the District will periodically review the requirements of and will remain in compliance with the following:

a) Any continuing disclosure undertakings entered into by the District in accordance with SEC Rule 15c2-12 (17 CFR § 240.15c2-12 "Municipal securities disclosure").
b) Any federal tax compliance requirements, including, without limitation, arbitrage, and rebate compliance.
c) The District's investment policies as they relate to the use and investment of bond proceeds.

Debt proceeds shall be held either (a) by a third-party trustee or fiscal agent, which shall disburse proceeds to or upon the order of the District upon submission of written requisitions by the General Manager or other authorized designee of the District, or (b) by the District in a separate fund or account established to ensure that debt proceeds are expended only for the purposes for which the debt was issued. The District shall maintain records documenting the receipt, investment, requisition, disbursement, and expenditure of debt proceeds in accordance with applicable law, bond documents, accounting standards, and audit requirements.

Supersession

Upon approval by the Board of Directors, this policy supersedes and replaces all prior versions, amendments, procedures, directives, and informal practices governing the District's debt management. If any prior policy, procedure, practice, or direction conflicts with this policy, this policy shall control.

Revision History

Version	Date	Action	Approved By	Notes
1.0	8/2026	Adopted		Initial policy adoption
1.1				

Grants Management Policy

Purpose and Scope

The purpose of this policy is to establish Board-level direction for applying for, accepting, administering, reporting on, and closing out grants awarded to Meiners Oaks Water District. The District shall manage grant funds with accountability, transparency, and fiscal prudence, and shall comply with applicable federal, state, local, and grant-specific requirements. For federal awards, the District shall comply with applicable Uniform Guidance requirements. Where grant requirements are more restrictive than District policy, the more restrictive requirement shall apply.

Board Authorization and Administrative Responsibility

- The Board of Directors authorizes grant applications, acceptance of grant awards, execution of grant agreements when required, budget amendments, matching fund commitments, and other material grant-related actions.
- The General Manager is responsible for implementing grant agreements, assigning staff responsibilities, approving grant-related expenditures within authorized limits, monitoring compliance, and reporting material grant matters to the Board.
- District staff, consultants, contractors, and professional service providers shall provide documentation necessary to support grant compliance, reimbursement, reporting, procurement, audit, and closeout requirements.

Grant Administration Standards

- Before submitting or accepting a grant, the District shall evaluate alignment with District priorities, legal authority, staffing capacity, budget impact, required match, procurement needs, and ongoing operation or maintenance obligations.
- Grant revenues and expenditures shall be tracked by grant, project, fund, account, or another method sufficient to identify the source and use of funds and support accurate financial reporting.
- Grant expenditures must be necessary, reasonable, allocable, authorized under the approved scope and budget, supported by adequate documentation, and consistent with District policy and grant requirements.

- Grant-funded procurements shall comply with the District's Purchasing Goods and Services Policy, applicable public contracting requirements, conflict-of-interest rules, and any federal or state procurement standards applicable to the award.
- Required financial, reimbursement, progress, performance, and closeout reports shall be prepared accurately, reviewed as appropriate, and submitted by required deadlines.
- Grant records shall be organized, retained, and made available for management review, Board review, grantor monitoring, audit, public records compliance, and other authorized purposes.

Changes, Property, and Closeout

- Changes to approved grant budgets, scopes of work, timelines, matching funds, key personnel, or deliverables shall be made only with required District and grantor approvals.
- Equipment, supplies, or property purchased with grant funds shall be used for authorized purposes, safeguarded, inventoried when required, and disposed of only in accordance with District policy and grant requirements.
- At grant closeout, staff shall reconcile revenues and expenditures, submit required final reports and reimbursement requests, confirm match documentation, address any questioned or disallowed costs, and preserve records for the required retention period.

Policy Review and Updates

This policy should be reviewed periodically and updated as needed to reflect changes in federal, state, or local grant requirements; District operations; staffing; accounting practices; procurement standards; audit guidance; technology; or Board direction.

Supersession

Upon approval by the Board of Directors, this policy supersedes and replaces all prior versions, amendments, procedures, directives, and informal practices governing the District's grant management. If any prior policy, procedure, practice, or direction conflicts with this policy, this policy shall control.

Revision History

Version	Date	Action	Approved By	Notes
1.0	8/2026	Adopted		Initial policy adoption
1.1				

Grant Administration Checklist

Phase	Required Action	Documentation to Maintain
Pre-Application	Confirm project eligibility, District priority alignment, budget capacity, required match, staffing capacity, procurement needs, and long-term obligations.	Funding notice, eligibility review, project scope, budget estimate, match documentation, staff recommendation, and Board authorization if required.
Application	Prepare and submit complete, accurate application materials by the deadline.	Application package, certifications, submitted forms, budget, scope of work, attachments, confirmation of submission, and correspondence.
Award Acceptance	Review award terms before acceptance, including period of performance, eligible costs, reimbursement process, reporting deadlines, special conditions, insurance, procurement, environmental, audit, and closeout requirements.	Award notice, grant agreement, Board approval, executed agreement, approved budget, scope, reporting schedule, and grantor contacts.
Project Setup	Establish grant files, accounting tracking, staff responsibilities, reporting calendar, procurement plan, and internal review procedures.	Grant file index, accounting codes, responsibility assignments, reporting calendar, procurement checklist, and internal control notes.
Procurement and Contracting	Follow District purchasing policy, applicable public contracting requirements, grant-specific procurement rules, conflict-of-interest standards, and debarment checks when required.	Solicitations, quotes or proposals, evaluation materials, selection justification, conflict disclosures, debarment verification if required, Board approvals, contracts, insurance, bonds, invoices, and change orders.
Financial Management	Track revenues and expenditures by grant or project, confirm cost allowability before payment, reconcile records, and submit reimbursement requests as required.	Invoices, receipts, approvals, payment records, timesheets if applicable, ledger detail, match records, reimbursement requests, grantor payment confirmations, and reconciliations.
Performance and Reporting	Monitor progress against approved scope, schedule, budget, deliverables, and performance measures; submit required reports on time.	Progress reports, performance data, photos if applicable, correspondence, deliverables, site visit notes, grantor approvals, and submitted reports.
Changes and Issues	Obtain required approvals before making scope, budget, schedule, personnel, match, or deliverable changes; report material delays, variances, compliance issues, or audit concerns.	Change requests, grantor approvals, Board approvals if required, revised budgets or schedules, issue logs, corrective actions, and related correspondence.
Property and Equipment	Safeguard and track grant-funded equipment, supplies, and property; follow grant requirements for inventory, use, maintenance, disposition, transfer, or replacement.	Inventory records, serial numbers, location records, condition notes, maintenance records, disposition approvals, and property reports.
Closeout and Retention	Submit final reports and reimbursement requests, reconcile grant activity, confirm match documentation, resolve questioned or disallowed costs, and retain records for the required period.	Final financial and performance reports, final reimbursement request, closeout confirmation, reconciliation, match documentation, audit records, and retained grant file.

Disposal of Surplus Property or Equipment

Purpose and Scope

The purpose of this policy is to establish a consistent, transparent, and accountable process for identifying, declaring, disposing of, and documenting Meiners Oaks Water District surplus property, equipment, supplies, materials, vehicles, technology, and other District-owned property. This policy is intended to protect District assets, support internal controls, promote fair value recovery when practical, and ensure that surplus property is disposed of in a manner that is lawful, efficient, and in the best interest of the District.

Policy Authority

- The Board of Directors has authority to declare District property or equipment surplus and authorize its sale, transfer, donation, recycling, trade-in, disposal, or other disposition, unless such authority has been delegated by Board action or District policy.
- The General Manager or designee is responsible for identifying surplus property, maintaining appropriate records, recommending a method of disposition, and implementing Board direction consistent with this policy, applicable law, grant or loan conditions, accounting requirements, and District internal controls.
- This policy applies to property and equipment owned by the District. Disposition of real property, easements, land interests, or property subject to specialized legal requirements shall be handled separately and reviewed by legal counsel as appropriate.

Identification of Surplus Property

- Property may be identified as surplus when it is no longer needed for District operations, has reached the end of its useful life, has been replaced, is obsolete, uneconomical to repair, unsafe, damaged beyond practical use, incompatible with District systems, or has no continuing operational value.
- Before recommending disposal, staff should consider whether the property can be reassigned, reused, repaired, retained for emergency backup, used for parts, or otherwise placed back into productive District use.
- The General Manager or designee shall prepare or approve a surplus property list when practical, identifying the item, description, serial number or asset tag if applicable, condition, estimated value, recommended disposition method, and any special handling requirements.

Declaration and Approval

- Surplus property with an estimated value, original acquisition cost, grant-funded status, public visibility, or operational significance that warrants Board review shall be presented to the Board of Directors for declaration as surplus and authorization of disposition.
- Minor, obsolete, broken, consumable, or low-value items may be disposed of administratively by the General Manager or designee when the cost of storage, handling, sale, or repair is expected to exceed the likely value recovered, provided the disposition is documented and consistent with this policy.
- Property purchased with restricted funds, grant funds, loan proceeds, or subject to contract, warranty, insurance, regulatory, or funding-agency requirements shall not be disposed of until applicable restrictions, notice requirements, repayment obligations, or approval requirements have been reviewed.

Methods of Disposition

- Surplus property may be disposed of by public auction, online government surplus marketplace, sealed bid, public sale, trade-in, transfer to another public agency, donation to an eligible public agency or nonprofit organization, recycling, scrap sale, disposal as waste, or any other method approved by the Board or General Manager consistent with this policy.
- When property has meaningful resale value, the District should use a disposition method reasonably expected to produce fair value, provide public transparency, and avoid favoritism or conflicts of interest.
- Items offered for sale shall generally be sold "as is," "where is," without warranty, guarantee, or representation regarding condition, suitability, fitness for use, title beyond the District's ownership interest, or future performance.
- The District reserves the right to reject any or all bids, withdraw items from sale, combine or separate items, establish minimum bids, negotiate when appropriate, or choose a disposal method that best serves the District's interests.

Notice, Sale, and Payment

- For sales by sealed bid, auction, or other public sale process, staff shall provide reasonable notice of the item, viewing or inspection opportunity when practical, bid or sale deadline, payment requirements, pickup requirements, and the District's right to reject any or all offers.

- Payment shall be received in a form acceptable to the District before release of the property unless the General Manager approves another arrangement that adequately protects the District.
- Purchasers are responsible for removal, loading, transport, permitting, taxes, fees, registration, title transfer, and any costs or liabilities associated with the property after release, unless otherwise approved in writing by the District.

Vehicles, Technology, and Sensitive Items

- Vehicles, trailers, and titled equipment shall be disposed of with appropriate title transfer, release of liability, registration, and documentation to protect the District from future claims or obligations.
- Computers, mobile devices, storage devices, radios, meters, network equipment, software-bearing equipment, or other technology assets shall be reviewed before disposition to remove District data, credentials, licensed software, confidential information, security configurations, customer information, and other sensitive content.
- Hazardous materials, batteries, chemicals, electronic waste, contaminated materials, and regulated equipment shall be recycled, transferred, or disposed of in accordance with applicable environmental, safety, and regulatory requirements.

Employee, Board Member, and Conflict-of-Interest Restrictions

- No District Board member, employee, consultant, contractor, or immediate family member shall receive preferential treatment, advance notice not available to the public, private access, or special pricing in connection with surplus property disposition.
- District personnel may not purchase surplus property except through a public, competitive, or otherwise transparent process available on the same terms to similarly situated members of the public, unless prohibited by law or District direction.
- Any potential conflict of interest, appearance of impropriety, or personal interest in surplus property shall be disclosed and addressed before disposition.

Proceeds and Accounting

- Net proceeds from the sale of surplus property shall be deposited into the appropriate District fund or account in accordance with District accounting practices, funding restrictions, grant or loan requirements, and auditor guidance.

- Disposition costs, including advertising, auction, transportation, recycling, title, disposal, or handling costs, may be deducted from sale proceeds or charged to the appropriate District account.
- Capital assets shall be removed or updated in District asset records after disposition, and any gain, loss, or disposal entry shall be recorded consistent with applicable accounting standards and District procedures.

Documentation and Records Retention

- The District shall maintain records sufficient to document the identification, approval, disposition method, sale price or disposal outcome, purchaser or recipient when applicable, payment, release, title transfer, data removal, recycling, and asset record update for surplus property.
- Supporting records may include staff reports, Board minutes, surplus lists, photographs, bid notices, bids received, auction records, receipts, transfer forms, disposal certificates, recycling documentation, and accounting entries.
- Records shall be retained in accordance with the District's records retention policy and any applicable legal, audit, grant, insurance, or funding requirements.

Supersession

This policy supersedes and replaces all prior versions, amendments, procedures, directives, or informal practices relating to the disposal of District surplus property or equipment. To the extent any prior policy, practice, or direction conflicts with this policy, this policy shall control upon approval by the Board of Directors.

Revision History

Version	Date	Action	Approved By	Notes
1.0	8/2026	Adopted		Initial policy adoption
1.1				

Adoption and Amendment of Policies and Procedures

Purpose and Scope

The purpose of this policy is to establish a consistent process for the adoption, amendment, review, distribution, and maintenance of Meiners Oaks Water District policies and procedures. This policy applies to District-wide policies adopted by the Board of Directors and to administrative procedures, workflows, manuals, forms, and internal guidance used to implement Board policy and District operations.

Policy Authority

- The Board of Directors has authority to adopt, amend, suspend, or repeal District policies in open and public meetings, consistent with applicable law.
- Board-adopted policies establish the governing direction for the District and may include financial, administrative, operational, personnel, ethics, procurement, records, safety, technology, grants, reserves, debt, and other policy matters.
- The General Manager and Assistant General Manager are responsible for implementing Board-adopted policies and may approve, update, and maintain administrative procedures, workflows, forms, checklists, and internal guidance that are consistent with Board policy, applicable law, contracts, grants, and District operations.

Initiation and Review

- A new policy or policy amendment may be initiated by the Board, a Board committee, the General Manager, District staff, legal counsel, an auditor, a consultant, a grantor, an insurer, or any other authorized advisor.
- Proposed policies and amendments should be reviewed for consistency with District authority, applicable law, Board direction, existing policies, budgetary impact, staffing capacity, internal controls, operational feasibility, public transparency, and risk management needs.
- Legal counsel, the District auditor, technical consultants, or subject-matter advisors should review proposed policies when legally required or when the policy involves significant legal, financial, regulatory, employment, procurement, grant, debt, safety, cybersecurity, or operational risk.

Board Adoption or Amendment

- Board-adopted policies and material amendments shall be placed on a Board meeting agenda with sufficient description to provide public notice of the proposed action.
- The Board may adopt or amend a policy by motion, resolution, or other Board action, unless a specific law, grant condition, contract, or District requirement requires a different form of approval.
- When appropriate, a proposed policy or amendment may be presented to the Board as a first review item before final adoption at a later meeting, particularly for policies involving significant fiscal, operational, legal, personnel, ratepayer, or public impacts.
- Policies and amendments become effective upon Board approval unless the Board specifies a different effective date or implementation schedule.

Administrative Procedures and Non-Substantive Updates

- The General Manager or Assistant General Manager may approve or update administrative procedures, workflow manuals, checklists, forms, templates, implementation guidance, and staff instructions that are consistent with Board-adopted policy.
- Non-substantive updates may be made administratively, including formatting, numbering, cross-references, job titles, contact information, grammar, spelling, outdated terminology, document organization, and similar edits that do not change policy meaning, authority, rights, duties, approval thresholds, or compliance requirements.
- Administrative procedures may not conflict with Board policy, expand staff authority beyond Board authorization, waive legal requirements, materially alter financial controls, or create obligations requiring Board approval.

Interim or Emergency Updates

When immediate action is necessary to address legal compliance, safety, cybersecurity, financial control, grant compliance, emergency response, insurance, regulatory, or operational continuity needs, the General Manager or Assistant General Manager may issue interim administrative direction consistent with applicable law and Board authority. Interim direction that materially changes Board policy or requires Board approval shall be presented to the Board for ratification, amendment, replacement, or repeal as soon as reasonably practical.

Documentation, Distribution, and Retention

- Board-adopted policies shall be maintained in an organized policy manual or other official District filing system.
- Each policy should identify the title, adoption or approval date, effective date (if different from the approval date), revision history, and approving authority (when practical).
- Staff shall maintain prior versions, Board agenda materials, resolutions or motions, signed approvals when applicable, and supporting records in accordance with the District's records retention policy.
- Adopted or amended policies and related procedures shall be distributed or made available to affected Board members, staff, consultants, contractors, auditors, legal counsel, or other parties as appropriate for implementation and compliance.

Supersession

Upon approval by the Board of Directors, this policy supersedes and replaces all prior versions, amendments, procedures, directives, and informal practices governing the District's adoption and amendments of policies or procedures. If any prior policy, procedure, practice, or direction conflicts with this policy, this policy shall control.

Revision History

Version	Date	Action	Approved By	Notes
1.0	8/2026	Adopted		Initial policy adoption
1.1				

Records Retention and Destruction Policy

Purpose

The purpose of this Records Retention and Destruction Policy is to establish uniform standards for identifying, maintaining, protecting, retrieving, retaining, and lawfully disposing of District records. This Policy is intended to support efficient District operations, preserve records with legal, fiscal, operational, historical, or regulatory value, and ensure compliance with applicable federal and state law, contractual obligations, audit requirements, grant requirements, and District business needs.

Scope

This Policy applies to all District records, regardless of format, location, or storage medium, including paper files, electronic files, email, scanned records, databases, billing system records, meter and AMI data, GIS files, photographs, audio or video recordings, text messages, collaboration platform messages, cloud-stored records, and any other recorded information created, received, owned, used, or retained by the District in the conduct of District business.

Authority and Administration

The General Manager is authorized by the Board of Directors to interpret, administer, and implement this Policy. The General Manager may authorize destruction of records that have met the applicable retention period and otherwise qualify for destruction, provided that the destruction is consistent with this Policy, applicable law, and any required consultation with General Counsel.

This Policy is intended to be consistent with California laws governing special district records, including Government Code sections 60200 through 60204, and with the California Public Records Act as recodified in Government Code section 7920.000 et seq. Legal citations should be periodically reviewed by General Counsel to confirm current applicability.

Definitions

- Record. Any writing or recorded information containing information relating to the conduct of the public's business prepared, owned, used, or retained by the District, regardless of physical form or characteristics.

- Record Copy. The official District copy of a record retained to satisfy legal, fiscal, operational, historical, or administrative requirements.
- Duplicate or Convenience Copy. A copy maintained for reference or convenience that is not the official record copy.
- Record Series. A group of related records that are filed together or used for a common purpose and have the same retention value.
- Vital Records. Records essential to the continuation of District operations, protection of legal and financial rights, fulfillment of obligations to customers, employees, regulators, grantors, or bondholders, or recovery after an emergency or disaster.
- Retention Period. The minimum period a record must be retained before it may be considered for destruction.
- Legal Hold. A written or documented instruction requiring preservation of records because of pending or reasonably anticipated litigation, claim, audit, investigation, Public Records Act request, subpoena, or other legal or regulatory matter.

General Retention Rules

1. Retention periods in this Policy are minimum retention periods. Records shall be retained longer when required by law, contract, grant agreement, audit requirement, litigation hold, investigation, Public Records Act request, District business need, or direction of the General Manager or General Counsel.
2. Duplicate and convenience copies may be destroyed when no longer needed, unless they are subject to a legal hold, Public Records Act request, audit, investigation, contractual requirement, or other preservation obligation.
3. Drafts, notes, working papers, and transitory records may be destroyed when no longer needed, unless they document District action, support a final record, are required by law or contract, or are subject to a preservation obligation.
4. Permanent records shall be retained permanently in a reliable, accessible, and protected format. Permanent records include, but are not limited to, Board minutes, ordinances, resolutions, deeds, easements, water rights records, as-built plans, official policies, and other records with continuing legal, fiscal, historical, or operational value.
5. When a paper record is scanned or otherwise converted to electronic format, the electronic version must accurately reproduce the original in all material respects and remain accessible, searchable, readable, and protected for the full retention period before the paper original may be considered for destruction.

Electronic Records, Email, and System Data

Electronic records shall be managed according to their content and record series, not by storage location or format. Email, electronic documents, scanned records, cloud files, billing system data, customer account records, meter and AMI data, GIS data, photographs, and collaboration messages must be retained for the same period as comparable paper records when they document District business.

District systems used to store official records should preserve records in a manner that maintains authenticity, integrity, accessibility, readability, and appropriate security for the full retention period. Routine system backups are maintained for disaster recovery and are not a substitute for managing official record copies under this Policy.

Legal Holds and Exceptions

No record may be destroyed if it is subject to pending or reasonably anticipated litigation, claim, audit, investigation, subpoena, Public Records Act request, legal hold, contractual retention requirement, grant requirement, or other preservation obligation. When a legal hold is issued, routine destruction, automatic deletion, email purging, and other disposal practices must be suspended for affected records until the hold is released.

Legal holds shall be issued, modified, and released by the General Manager in consultation with General Counsel. Staff who receive notice of a legal hold must preserve all responsive records in their custody or control and must not alter, delete, or destroy such records until written release of the hold is provided.

Authorization and Destruction Procedures

1. Before records are destroyed, staff shall confirm that the applicable retention period has expired and that no legal hold, Public Records Act request, audit, investigation, grant requirement, contractual requirement, or business need requires continued retention.
2. Destruction of official record copies shall require authorization by the General Manager or designee, with consultation from General Counsel when required or appropriate.
3. The District shall maintain a destruction log documenting the record series, date range, volume or description, destruction method, authorization date, and staff or vendor responsible for destruction.
4. Confidential records shall be destroyed using secure methods appropriate to the format, including shredding, pulping, certified destruction, secure deletion, or other methods that make the records unreadable, undecipherable, and unrecoverable.
5. Destruction logs should be retained permanently or for the longest period required by applicable law, audit practice, or District business need.

Confidentiality, Privacy, and Security

The District shall protect confidential, privileged, proprietary, security-sensitive, and personally identifiable information in its custody or control. Records containing customer billing information, account information, employee personnel information, medical information, financial information, cybersecurity information, attorney-client privileged communications, or other confidential information shall be stored, accessed, retained, and destroyed in a manner that protects confidentiality and complies with applicable law.

District Record Categories

District records include, but are not limited to, the following categories: Board agendas, agenda packets, minutes, ordinances, and resolutions; customer account and billing records; meter records and AMI data; water quality monitoring and reporting records; Division of Drinking Water and State Water Resources Control Board correspondence; permits, licenses, regulatory filings, and compliance reports; water rights, production, groundwater, and surface water records; capital improvement project files; grants, reimbursements, and related audit records; contracts, agreements, bids, and procurement records; easements, rights-of-way, maps, GIS files, as-builts, and facility plans; personnel and payroll records; insurance, claims, and risk management records; financial and accounting records; and Public Records Act requests and responses.

Records Retention Schedule

The Records Retention Schedule is the District's approved schedule for retaining and disposing of records by record series. If a record is not listed, staff shall consult the General Manager before destruction. If a listed retention period conflicts with law, contract, grant agreement, audit requirement, legal hold, or other preservation obligation, the longer retention requirement shall apply.

Record Category	Minimum Retention	Notes
Board minutes, ordinances, resolutions, official policies	Permanent	Official record copy retained permanently.
Deeds, easements, rights-of-way, water rights, title records	Permanent or life of asset plus applicable period	Retain while District owns or relies on interest.
As-builts, maps, GIS, facility plans, capital asset records	Life of facility/asset, then as legally required	Retain longer for operations, claims, compliance.
Audits, annual financials, ledgers, journals, payroll registers	Permanent for final audits/core ledgers; otherwise per law/audit practice	Do not destroy while audit, grant, or claim remains open.
Invoices, warrants, POs, receipts, bank/source accounting records	At least 5 years after fiscal period, or longer if required	Retain longer for grants, audits, disputes.
Contracts, agreements, leases, grants, loans, project files	Life of agreement plus at least 7 years, or longer if required	Grantor/lender/audit rules may require longer.
Construction, CIP, bids, change orders, closeout records	At least 7 years after completion; longer for grants, claims, asset life	As-builts/facility records may be permanent.
Customer billing, accounts, payments, service, meter/AMI records	Per law, audit requirements, and District business need	Protect privacy; retain for disputes/claims/regulatory needs.
Water quality, regulatory compliance, permits, DDW/SWRCB	Per applicable regulatory program; permanent where necessary	Confirm requirements before destruction.
Personnel, payroll, medical, injury, benefits, retirement records	Per employment, payroll, benefit, and safety laws; longer if required	Restrict access; securely destroy when eligible.
Public Records Act requests and responses	At least 2 years after closure, or longer if dispute/litigation/business need	Retain request, response, exemptions, production record.
Transitory records, duplicates, drafts, notes, working/reference copies	Destroy when no longer needed	Do not destroy if preservation duty applies.

Supersession

Upon approval by the Board of Directors, this policy supersedes and replaces all prior versions, amendments, procedures, directives, and informal practices governing the District's records retention. If any prior policy, procedure, practice, or direction conflicts with this policy, this policy shall control.

Revision History

Version	Date	Action	Approved By	Notes
1.0	5/2025	Adopted	Assistant GM	Initial policy adoption
1.1	8/2026	Revision		Update, Standard Formatting

RESOLUTION NO. 20260519-2: CONFLICT OF INTEREST CODE

A RESOLUTION OF THE BOARD OF DIRECTORS OF
MEINERS OAKS WATER DISTRICT

WHEREAS, pursuant to Chapter 7, Article 3 of the Political Reform Act, Government Code Section 81000 *et seq*., every local government agency is required to adopt and promulgate a Conflict of Interest Code and to amend such Conflict of Interest Code when necessitated by certain specified changed circumstances; and

WHEREAS, the California Fair Political Practices Commission (FPPC) has adopted a regulation, 2 Cal. Code Regs. Section 18730, which contains the terms of a standard Conflict of Interest Code, which may be amended by the FPPC to conform to amendments in the Political Reform Act after public notice and hearings; and

WHEREAS, the incorporation by reference of such regulation along with the designation of employees and the formulation of disclosure categories as set forth therein constitute the adoption and promulgation of a Conflict of Interest Code within the meaning of Government Code Section 87300 or the amendment of a conflict of interest code within the meaning of Government Code Section 87306.

NOW, THEREFORE, BE IT RESOLVED by the Meiners Oaks Water District Board of Directors that:

1) The terms of 2 Cal. Code Regs. Section 18730, and any amendments to it duly adopted by the FPPC, along with the attached Exhibit A (which designates positions requiring disclosure), Exhibit B (which sets forth disclosure categories for each designated position), and "Appendix - Designating Officials Who Manage Public Investments" are hereby incorporated by reference and constitute the Conflict of Interest Code of Meiners Oaks Water District.

2) Persons holding positions designated in Exhibit A shall file Form 700 Statements of Economic Interests with the Clerk of the Ventura County Board of Supervisors, which shall be the Filing Officer.

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3) In preparing the Form 700, designated filers need only disclose those financial interests falling within the disclosure categories designated for that filer's position, as stated in Exhibits A and B.

4) This Resolution 20260519-2 shall replace and supersede in its entirety Resolution 20220719-4 previously adopted by the Board of Directors.

PASSED, APPROVED AND ADOPTED this 19th day of May 2026 by the following vote:

AYES: 4
NOES: 0
ABSTAIN: 0
ABSENT: 1 - Pangea

ATTEST:

Michel Etchart
President of the Board

Summer Ward
Secretary of the Board

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EXHIBIT A – DESIGNATED POSITIONS AND FILING OFFICERS

# of Positions	Position Title	Disclosure Categories	Filing Officer
5	Director	Category 1	COB
1	General Manager	Category 1	COB
1	Board Secretary	Category 1	COB
1	District Legal Counsel	Category 1	COB
0	Consultant[1]	NA	COB

[1] The disclosure, if any, required of a consultant will be determined on a case-by-case basis by the head of the agency or designee. The determination of whether a consultant has disclosure requirements should be made in writing on a Fair Political Practices Commission Form 805. The determination should include a description of the consultant's duties and, based upon that description, a statement of the extent, if any, of the disclosure requirements. Each Form 805 is a public record and should be retained for public inspection either in the same manner and location as the Conflict of Interest Code or with appropriate documentation at the location where the Conflict of Interest Code is maintained, cross-referencing to the Form 805.

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EXHIBIT B – DISCLOSURE CATEGORIES

The terms *italicized* below have specific meanings under the Political Reform Act. In addition, the financial interests of a spouse, domestic partner, and dependent children of the public official holding the designated position may require reporting. Consult the instructions and reference pamphlet of Form 700 for an explanation.

Category 1 – BROADEST DISCLOSURE

[SEE FORM 700 SCHEDULES A-1, A-2, B, C, D, and E]

(1) All Sources of *income, gifts, loans,* and *travel payments;*
(2) All *interests in real property;* and
(3) All *investments* and *business positions* in *business entities.*

Category 2 – REAL PROPERTY

[SEE FORM 700 SCHEDULE B]

All interests in real property, including interests in real property, held by business entities and trusts in which the public official holds a business position or has an investment or other financial interest.

Category 3 – LAND DEVELOPMENT, CONSTRUCTION, AND TRANSACTION

[SEE FORM 700 SCHEDULES A-1, A-2, C, D, and E]

All investments, business positions, and sources of income, gifts, loans, and travel payments, from sources that engage in land development, construction, or real property acquisition or sale.

Category 4 – PROCUREMENT

[SEE FORM 700 SCHEDULES A-1, A-2, C, D, and E]

All investments, business positions, and sources of income, gifts, loans, and travel payments, from sources that are subject to the regulatory, permitting, or licensing authority of, or have an application or license pending before, the designated position's agency or department.

Category 6 – FUNDING

[SEE FORM 700 SCHEDULES A-1, A-2, C, D, and E]

All investments, business positions, and sources of income, gifts, loans, and travel payments, from sources that receive grants or other funding from or through the designated position's agency or department.

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APPENDIX – DESIGNATING OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

Pursuant to Government Code section 87200 et seq., certain city and county officials, as well as all "other officials who manage public investments," are required to disclose their economic interests in accordance with the Political Reform Act. This Appendix provides the relevant definitions for determining which public officials qualify as "other officials who manage public investments," designates the agency's position that qualifies as such, and states the Filing Officer for each designated position.

APPLICABLE DEFINITIONS

As set forth in 2 California Code of Regulations Section 18700.3, the following definitions apply for Government Code section 87200:

(1) "Other public officials who manage public investments" means:
   a. Members of boards and commissions, including pension and retirement boards or commissions, or of committees thereof, who exercise responsibility for the management of public investments;
   b. High-level officers and employees of public agencies who exercise primary responsibility for the management of public investments, such as chief or principal investment officers or chief financial managers. This category shall not include officers and employees who work under the supervision of the chief or principal investment officers or the chief financial managers; and
   c. Individuals who, pursuant to a contract with a state or local government agency, perform the same or substantially all the same functions that would otherwise be performed by the public officials described in (1)(b) above.

(2) "Public investments" means the investment of public moneys in real estate, securities, or other economic interests for the production of revenue or other financial return.

(3) "Public moneys" means all moneys belonging to, received by, or held by, the state, or any city, county, town, district, or public agency therein, or by an officer thereof acting in the officer's official capacity, and includes the proceeds of all bonds and other evidences of indebtedness, trust funds held by public pension and retirement systems, deferred compensation funds held for investment by public agencies, and public moneys held by a financial institution under a trust indenture to which a public agency is a party.

(4) "Management of public investments" means the following non-ministerial functions: directing the investment of public moneys; formulating or approving investment policies; approving or establishing guidelines for asset allocations; or approving investment transactions.

DESIGNATED POSITIONS AND FILING OFFICERS

Based on the foregoing, the following agency positions and/or consultants qualify as "other officials who manage public investments". They shall file Statements of Economic Interests (Form 700) pursuant to Government Code section 87200 et seq. with the below-designated Filing Officers:

# of Positions	Position Title/Consultant	Filing Officer
None		

Resolution No. 20260721-3

A Resolution of the Board of Directors of the Meiners Oaks Water District

Adopting the Purchasing Goods & Services Policy

WHEREAS, the Meiners Oaks Water District ("District") is responsible for the prudent, transparent, and accountable expenditure of public funds in support of District operations, maintenance, administration, capital projects, and public services; and

WHEREAS, the Board of Directors desires to maintain purchasing procedures that promote competition, fairness, fiscal responsibility, documentation, and compliance with applicable legal, regulatory, contractual, and funding-agency requirements; and

WHEREAS, the District has prepared a Purchasing Goods & Services Policy establishing purchasing authority, competitive procurement requirements, documentation standards, approval procedures, and exceptions for District purchases, contracts, services, public works, emergency purchases, and grant-funded procurements; and

WHEREAS, the Board of Directors has reviewed the Purchasing Goods & Services Policy and finds that its adoption is in the best interest of the District and will support consistent, efficient, and accountable purchasing practices.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Meiners Oaks Water District as follows:

1. Recitals. The foregoing recitals are true and correct and are incorporated herein by this reference.

2. Adoption of Policy. The Board of Directors hereby adopts the Purchasing Goods & Services Policy, attached hereto as Exhibit "A" and incorporated herein by this reference.

3. Authority to Implement. The General Manager, or designee, is authorized and directed to implement the Purchasing Goods & Services Policy and to take such administrative actions as may be necessary to carry out the policy, consistent with applicable law, approved budgets, grant requirements, and Board direction.

4. Supersession. Upon adoption, the Purchasing Goods & Services Policy shall supersede and replace all prior District policies, procedures, directives, and informal practices governing the same subject matter to the extent they conflict with the adopted policy.

5. Effective Date. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Directors of the Meiners Oaks Water District at a regular meeting held on July 21, 2026, by the following vote:

AYES: 4

NOES: 0

ABSENT: 1 - Caillard

ABSTAIN: 0

ATTEST:

Michel Etchart, Board President

Summer Ward, Board Secretary

Resolution No. 20260721-2
A Resolution of the Board of Directors of the Meiners Oaks Water District
Adopting a Reserve Fund Policy

Supersedes Resolution No. 21908-1 and any prior inconsistent reserve policy direction

Whereas, the Meiners Oaks Water District operates and maintains a public water system serving customers within its service area and is responsible for maintaining the financial resources necessary to provide safe, reliable, and cost-effective water service;

Whereas, the District's reserves are necessary to provide working capital, address seasonal and timing variations in cash flow, fund capital repair and replacement, respond to emergencies, support long-term infrastructure investment, and maintain financial stability;

Whereas, the District completed a 2026 Water Rate Study as set forth in that certain Final Report prepared by Robert D. Niehaus, Inc., dated April 22, 2026, which includes financial planning, revenue requirements, cost-of-service, and rate-setting analysis for the District's water service;

Whereas, the Board of Directors desires to update and restate the District's reserve policy to reflect current financial planning practices, capital improvement needs, emergency preparedness objectives, and the assumptions incorporated into the 2026 Water Rate Study;

Whereas, the Board finds that maintaining prudent reserves is necessary to preserve District liquidity, reduce the need for short-term borrowing, provide rate stability, support timely infrastructure repair and replacement, and protect customers from avoidable service disruptions;

Whereas, reserve balances and reserve targets should be reviewed annually as part of the District's budget process and periodically through comprehensive rate studies, capital improvement planning, and long-term financial planning;

Now, Therefore, Be It Resolved, by the Board of Directors of the Meiners Oaks Water District, that the following Reserve Fund Policy is hereby adopted and shall supersede prior inconsistent reserve policy provisions:

RESERVE FUND POLICY

1. **Purpose.** The purpose of this Reserve Fund Policy is to establish clear reserve categories, target levels, funding methods, authorized uses, replenishment requirements, and review procedures to support the District's financial stability, infrastructure stewardship, emergency preparedness, and cost-based rate setting.

2. **Policy Objectives.** The District shall maintain reserves sufficient to: (a) meet routine operating obligations; (b) address seasonal and other variations in cash flow, billing, and collection timing differences; (c) fund repair, replacement, and improvement of District infrastructure; (d) respond to emergencies and unplanned events; and (e) maintain rate stability and legally defensible revenue requirements.

3. **Reserve Categories.** The District shall allocate surplus revenues to the following reserve fund categories: Operating Reserve, Capital Replacement Fund, and Emergency Reserve. The reserve categories are intended to provide working capital for District operations, fund annual capital replacement needs, and build and maintain the District's total reserve target of $2.4 million by the end of FY2031. The purpose of and policy applicable to each reserve category is further described as follows:

Reserve Category	Purpose	Policy
Operating Reserve	Provides working capital for routine operating expenses and revenue timing fluctuations.	Two months of operating expenses, calculated annually from the adopted budget.
Capital Replacement Fund	Funds repair, rehabilitation, replacement, and improvement of District facilities and infrastructure.	Annual contribution of $200,000.
Emergency Reserve	Provides liquidity for emergencies, unplanned repairs, natural disasters, regulatory response, supply disruption, or other urgent events.	The Emergency Reserve Fund is the sum of the other reserve categories, with a total reserve target of approximately $2.4 million by the end of FY2031.

4. **Reserve Targets.** The District's reserve targets for FY2026 through FY2031 based on the above reserve policy and in accordance with the District's 2026 Water Rate Study are as follows:

Reserve Target Table, FY 2026 to FY 2031

Reserve Target	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Operating Reserve	$363,401	$343,419	$360,138	$377,445	$428,129	$448,552
Capital Replacement Fund	$1,000,000	$1,200,000	$1,400,000	$1,600,000	$1,800,000	$2,000,000
Emergency Reserve	**$1,363,401**	**$1,543,419**	**$1,760,138**	**$1,977,445**	**$2,228,129**	**$2,448,552**

5. Operating Reserve. The Operating Reserve shall be used to provide working capital for routine District operations and to address timing differences between revenues and expenditures. The target shall be two months of annual operating expenses, recalculated annually using the adopted budget. Use of the Operating Reserve for routine purposes may be authorized through the adopted budget, subject to Board-approved appropriations.

6. Capital Replacement Fund. The Capital Replacement Fund shall be used to fund planned and unplanned repair, rehabilitation, replacement, and improvement of District infrastructure, including projects identified in the District's capital improvement plan, asset management records, engineering evaluations, depreciation analysis, or rate-study financial plan. The District shall make an annual contribution of $200,000 to the Capital Replacement Fund, subject to Board appropriation through the adopted budget.

7. Emergency Reserve. The Emergency Reserve shall be maintained for urgent, unexpected, or extraordinary events, including but not limited to emergency repairs, natural disasters, water supply interruptions, regulatory response actions, cybersecurity or operational disruptions, or other conditions requiring immediate expenditure to preserve public health, safety, water service reliability, or District property. The Emergency Reserve represents the total sum of all District reserve funds.

8. Funding of Reserves. Reserve funding shall be considered annually during preparation of the District's budget and shall be incorporated into rate studies, cost-of-service analyses, and long-term financial plans. Funding sources may include water rate revenues, non-rate revenues, grants, reimbursements, interest earnings, surplus revenues, or other legally available funds. The Board may phase reserve funding over time to balance financial prudence with customer affordability, provided that the reserve program remains structured to reach the total reserve target shown in the Reserve Target Table by the end of FY2031.

9. Authorized Use of Reserves. Reserve funds may be used only for purposes consistent with the reserve category and applicable law. Use of reserves outside the adopted budget shall require Board approval. If immediate action is necessary to protect public health, safety, water service reliability, or District property, the General Manager shall notify the Board as soon as practicable and present the action for Board review at the next regular meeting.

10. Replenishment of Reserves. If any reserve balance falls below its target level, staff shall identify the shortfall and present a replenishment plan to the Board as part of the next budget cycle. The replenishment plan shall identify the cause of the shortfall, the proposed funding sources, the projected restoration schedule, and any recommended rate, budget, capital plan, or expenditure adjustments necessary to maintain progress toward the total reserve target shown in the Reserve Target Table by the end of FY2031.

11. Annual Review and Reporting. Staff shall report reserve balances, reserve targets, and any recommended changes to the Board at least annually during the budget process. The annual review shall compare actual balances to the Operating Reserve target, the annual Capital Replacement Fund contribution, and the Emergency Reserve total reserve target schedule shown in the Reserve Target Table; identify anticipated uses of reserves; address replenishment needs; and evaluate consistency with the District's adopted budget, capital improvement plan, rate study, and long-term financial plan.

12. Rate-Setting and Proposition 218. Reserve funding shall be evaluated as part of the District's rate-setting process and cost-of-service analysis. Reserve contributions funded through water rates shall be reasonably related to the District's cost of providing water service, shall support the District's revenue requirements, and shall be considered in a manner consistent with Proposition 218 and other applicable legal requirements.

13. Investment and Accounting. Reserve funds shall be invested and accounted for in accordance with the District's investment policy, accounting practices, applicable law, and any restrictions imposed by grant agreements or other binding obligations. Interest earnings shall be credited to the applicable reserve category or otherwise allocated as approved by the Board and permitted by law.

14. Periodic Policy Review. This policy shall be reviewed at least every five years, or sooner if the District completes a new rate study, adopts a major capital improvement plan, receives material grant funding, experiences a declared emergency, materially changes its financial assumptions, or determines that reserve categories or target levels should be revised.

15. Effective Date. This Reserve Fund Policy shall become effective upon adoption by the Board of Directors and shall remain in effect until amended, restated, or repealed by subsequent Board action.

Passed, approved, and adopted by the Board of Directors of the Meiners Oaks Water District at a regular meeting held on July 21, 2026, by the following vote:

AYES: 4
NOES: 0
ABSENT: 1 - Oakland
ABSTAIN: 0

ATTEST:

Michel Etchart, Board President

Summer Ward, Board Secretary