

**Copper Valley Community Services District Special  
Meeting of March 16, 2021**

**AGENDA SUPPORTING DATA**

7. DISCUSSION AND ACTION ITEMS  
d) Adoption of a Resolution approving a budgeting policy for the District

**Recommended Motion**

I move to adopt a Resolution approving the budgeting policy for the District.

**Background**

The District follows state law and standards in development and adoption of its budget, however the state laws do not provide any guidance on our Board's goals for budget preparation timing and process, expenditures, reserve goals and other local priorities. It has been requested by members of the Board that the District adopt a specific policy related to budget goals and preparation.

Following guidance in various publications, a draft policy has been included herein for your consideration.

**COPPER VALLEY COMMUNITY SERVICES DISTRICT**  
**Policy and Procedure Manual**

**POLICY TITLE:** Budget Preparation  
**POLICY NUMBER:** 3020  
**ADOPTED:** March 16, 2021  
**AMENDED:**

**3020.10** An annual budget proposal shall be prepared by the General Manager with assistance from the Office Manager and Site Manager.

**3020.20** Prior to review by the Board of Directors, the Board President shall appoint a committee who shall meet with the General Manager and review his/her annual budget proposal.

**3020.30** The proposed annual budget as reviewed and amended by the Committee shall be reviewed by the Board at its regular meeting in May.

**3020.40** The proposed annual budget as amended by the Board during its review shall be adopted at its regular meeting in June, unless delays are required to resolve budget concerns or needs. The Board may adopt a preliminary budget at its June meeting. The final budget shall in all cases be adopted by September 1 annually.

**3020.50 Budget Goals and Directives**

Reserves are not just money in a bank; they are fundamental resources for ensuring safe and reliable core services.

- 1) Historically, governmental agencies and departments have been known to spend everything they have before the end of the fiscal year in order to justify increased future allocations. The Copper Valley CSD is a very responsible local service provider and places the highest priority on budgetary control, encouraging efficiency and fiscal restraint to develop reserves and spend within established financial plans rather than spending entire budget allocations prior to the end of the fiscal year.
- 2) The District will designate reserves in order to respond to emergencies, keep rates affordable, maintain existing infrastructure and plan for the future
  - a) *Emergency Preparation:* The District will reserve cash so that it is readily available to quickly repair critical local infrastructure until insurance or aid is made available.
  - b) *Affordable Rates:* The District will NOT spend entire budget amounts each fiscal year if not needed in that year. The District will retain appropriate reserves to smooth out the highs and the lows of annual expenses.
  - c) *Infrastructure Maintenance:* Through reserve funds, the District will maintain roads in a condition rating Good to Very Good, maintain equipment in safe, working and reliable condition, replace equipment on schedule, and implement project to achieve future efficiencies

- d) *Planning for the Future:* A long-term, thoughtful approach to public infrastructure requires the foresight to plan for and discipline to save for future needs. The District will plan for and fund appropriate reserves
- 3) Not all “retained earnings,” “fund balances” or “net assets” are liquid reserves, and the District’s reserves are “designated” for specific future investments in infrastructure, equipment and contingencies
- a) *Retained earnings, fund balances, and net assets* include cash and investments, as well as the net value of capital facilities, land and equipment measured from the very inception of the district.
  - b) *Designated funds* are set aside via established policies for specific uses such as road maintenance, infrastructure replacement, contingencies, and equipment replacement.

**RESOLUTION NO. 2021-xx**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE COPPER VALLEY  
COMMUNITY SERVICES DISTRICT APPROVING A BUDGET POLICY**

**WHEREAS**, the Copper Valley Community Services District (herein referred to as District) is a local Government agency formed and operating in accordance with Section §61000 et seq. of the California Government Code; and

**WHEREAS**, the District is required to adopt policies for the effective management and operation of the District; and

**WHEREAS**, the District has prepared a policy prescribing the requirements for preparation of the annual fiscal year budget which is included herein.

**NOW THEREFORE BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE COPPER VALLEY COMMUNITY SERVICES DISTRICT DOES HEREBY** approve the Budgeting Policy, which shall be effective immediately.

**WHEREFORE**, this Resolution is passed and adopted by the Board of Directors of the Copper Valley Community Services District on March 16, 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

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Peter Kampa, Secretary

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Larry Hoffman, President - Board of Directors

**CERTIFICATE OF SECRETARY**

*I, Peter Kampa, the duly appointed and acting Secretary of the Board of Directors of the Copper Valley Community Services District, do hereby declare that the foregoing Resolution was duly passed and adopted at a Regular Meeting of the Board of Directors of the Copper Valley Community Services District, duly called and held on March 16, 2021*

**RESOLUTION ADOPTING BUDGETING POLICY**