

AN ORDINANCE OF THE
MONTEREY PENINSULA WATER
MANAGEMENT DISTRICT
ESTABLISHING PROCEDURES FOR
INTRA-DISTRICT FISCAL MATTERS

FINDINGS

1. The Monterey Peninsula Water Management District holds a variety of funds which derive from tax proceeds, user fees, connection charges, special assessments, and other revenue sources. A portion of these revenues are subject to the annual appropriations limit established pursuant to Article XIII B of the California Constitution.
2. Separate fund accounts have been established by the Monterey Peninsula Water Management District to ensure accurate records are maintained respecting all District revenues and disbursements.
3. Proceeds of taxes received by the Monterey Peninsula Water Management District which are in excess of the appropriations limitation established by Article XIII B of the California Constitution are required to be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

4. From time to time the public interest can best be served by accelerating payment of expenses in advance of anticipated income. Accelerated expenses can take advantage of volume purchases, more efficient program implementation, reduced start-up costs, early planning, and other cost saving measures. Pre-payment can cause a reduction in tax rates and fee schedules which would otherwise be imposed to fund expenses.
5. The Monterey Peninsula Water Management District is authorized by statute (section 502) to borrow money to incur indebtedness, and to issue bonds or notes to secure indebtedness.
6. The Monterey Peninsula Water Management District is authorized by statute (section 505) to establish and maintain separate funds and accounts as it deems necessary to carry out the purposes of the Monterey Peninsula Water Management District Law and the District may establish additional separate funds as it shall from time to time determine. All funds of the District, however, must be deposited in the District treasury, subject to disbursement as provided pursuant to the provisions of law under the direction of the District treasurer or such other fiscal officer as is appointed by the Board of Directors.
7. The Monterey Peninsula Water Management District is authorized by statute (section 505) to create and administer revolving funds to facilitate and assist in the carrying on and completing of any acquisition, work or improvements, relating to the purposes of the District.

8. The Monterey Peninsula Water Management District is authorized by statute (section 506) to make transfers, for the purposes of a loan or permanently, from one fund to another fund of the District, as to its funds, or from one fund to another fund of a zone, as to such zone, as the District shall determine.
9. The Monterey Peninsula Water Management District is authorized by statute (sections 507 & 508) to advance general funds of the District to accomplish the purposes of a zone or participating zones formed pursuant to the Monterey Peninsula Water Management District and may repay the District for any advance funds from the proceeds of the sale of bonds authorized for the purposes of the zone or participating zones.
10. The Monterey Peninsula Water Management District is authorized by statute (Government Code section 7911) to return excess proceeds of taxes by granting a credit or refund, or by providing a temporary suspension of tax rates or fee schedules, or by any other means consistent with Article XIII B of the California Constitution.
11. The Monterey Peninsula Water Management District requires clear and precise procedures to account for intra-District fund transfers, loans, advances, tax credits and fee schedule reductions to ensure accurate fiscal records are maintained.

12. The provisions of this ordinance are intended to supercede and replace Ordinance No.29, the purposes of which are contained within the content of this ordinance.

NOW, THEREFORE, BE IT ORDAINED,

SECTION I.

PURPOSE

It is the purpose of this ordinance to establish procedures to account for intra-District fund transfers, loans and advances to ensure accurate fiscal records are maintained by the Monterey Peninsula Water Management District.

It is the further purpose of this ordinance to limit the borrowing of money and the incurring of indebtedness from commercial lenders when District-held funds are available for use at little, if any, interest cost to the public.

It is the further purpose of this ordinance to provide a means to return excess proceeds of taxes through the pre-payment of expenses which would otherwise be paid by increased fee schedules.

SECTION II.

POLICY FAVORING INTRA-DISTRICT FUND TRANSFERS

The General Manager, Treasurer or other fiscal officer may limit the borrowing of money or the incurring of indebtedness from commercial lenders in favor of transfers, loans, and/or advances from District-held funds whenever District funds are available for transfer, loan and/or advance and the public's

interest is best served by not incurring the commercial indebtedness. The interests of the District shall include the amount of funds needed, the period for repayment, competing requirements for the use of funds, the cost of the funds, and other limitations which may be imposed on those funds.

SECTION III.

AUTHORIZATION REQUIRED FOR FUND TRANSFERS

All intra-District fund transfers, loans and/or advances shall be made pursuant to prior authorization of the Board of Directors. The General Manager, Treasurer, and/or fiscal officer may be granted continuing authority by resolution of the Board of Directors to make temporary or revolving fund transfers to accomodate routine fiscal activities of the District.

Any transfer, loan and/or advance of District funds from one account to another for a duration in excess of forty-five (45) calendar days shall only be authorized pursuant to a separate resolution of the Board of Directors, and shall be evidenced by a note which states the principal amount transferred, loaned or advanced, the terms for repayment, interest rates, if any, and any other conditions which may apply to the transfer, loan or advance. Each note which has been issued shall be reviewed by the Board of Directors at the time the annual District Budget is approved, and a resolution of the Board of Directors shall be adopted approving the continuation of those terms each year for which any portion of the loan, transfer or advance remains unpaid to the originating fund account.

SECTION IV.

FEE SCHEDULE REDUCTION BY USE OF EXCESS REVENUES

To the extent that a temporary suspension of tax rates is infeasible, impractical, or not cost effective, the General Manager, Treasurer, and/or fiscal officer shall use any proceeds of taxes received by the Monterey Peninsula Water Management District in excess of State Constitutional expenditure limitations for the payment of expenses which would otherwise result in an increase to District fee schedules. This activity shall be itemized to the Board of Directors at the time the annual District Budget is approved, and shall be ratified by resolution of the Board of Directors.

SECTION V.

LIMITATIONS

Notwithstanding any other provision of the Ordinance, this Ordinance shall not be construed to grant independent authority upon the General Manager, Treasurer, fiscal officer, or any other District Officer, employee or agent to borrow funds, incur indebtedness, to transfer funds, to loan funds, to advance funds to establish tax rates, or to set fee schedules without the further express authorization of the Board of Directors.

SECTION VI.

SEVERABILITY

If any subdivision, paragraph, sentence, clause, or phrase of the ordinance is, for any reason, held to be invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity or enforcement of the remaining portions of this ordinance, or of any other provisions of the Monterey Peninsula Water Management District Rules and Regulations. It is the District's express intent that each remaining portion would have been adopted irrespective of the fact that any one or more subdivisions, paragraphs, sentences, clauses, or phrases be declared invalid or unenforceable.

SECTION VII.

DELETION OF ORDINANCE NO.29.

The provisions of Ordinance No. 29 of the Monterey Peninsula Water Management District are deleted and superceded by reason of the adoption of this ordinance.

SECTION VIII.

PUBLICATION

The provisions of Sections II, III and IV of this ordinance shall be published as Rules 18, 19, and 19.5 respectively, of the Rules and Regulations of the Monterey Peninsula Water Management District.

On motion of Director Dick Heuer, and second by Director Billy DeBerry, the foregoing ordinance is duly adopted on second reading this 8th day of February, 1988 by the following vote:

AYES: Directors Pendergrass, DeBerry, Strasser Kauffman, Lombardo, Davis, Heuer and Hughes
NAYES: None
ABSENT: None

I, Bruce Buel, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify that the foregoing is a full, true and correct copy of an ordinance duly adopted on this 8th day of February, 1988.



BRUCE BUEL, Secretary to the Board

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