

AMSTERDAM WATER DISTRICT

2941 South State Hwy 59
Merced, CA 95341
TEL: (209) 658-8487

MEETING NOTICE AND AGENDA FOR THE REGULAR MEETING OF THE AMSTERDAM WATER DISTRICT BOARD OF DIRECTORS

September 8, 2020 @ 1:00pm

Alternate formats of this agenda will be made available upon request by qualified individuals with disabilities. Appropriate interpretive services for this meeting will be provided, if feasible, upon advance request by qualified individuals with disabilities. Please contact the Interim Agency Secretary at (209) 658-8487 for assistance and allow sufficient time to process and respond to your request.

PLEASE TAKE NOTICE that the regular meeting of the Board of Directors of the Amsterdam Water District will be held on September 8, 2020, at 1:00 PM. VIA Teleconference due to COVID-19 restrictions;

<https://us02web.zoom.us/j/591457536?pwd=bU9PaFhGUdRaU1dVei9tTlo5dkR4QT09>

Conference call in number: (669)-900-9128, Passcode: 591457536#

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. PUBLIC COMMENT**
 - a. Interested persons in the audience are welcome to introduce any topic within the Agency's jurisdiction. No action may be undertaken on any item not appearing on the posted agenda, except that the Board may briefly respond to the comments, refer the matter to staff, or request it be placed on a future agenda.
- 4. BOARD TO CONSIDER APPROVAL OF THE JULY 14, 2020 BOARD MEETING MINUTES**
- 5. BUDGET**
 - a. Board to Review and Consider Approval of the Payable List and the Budget to Actual Report
- 6. BOARD TO REVIEW AND CONSIDER APPROVAL OF THE FY2019 FINANCIAL AUDIT REPORT**
- 7. BOARD TO COSIDER APPROVAL OF THE DISTRICT RESERVE POLICY**
- 8. GROUNDWATER SUSTAINABILITY AGENCY: UPDATE**
- 9. BOARD MEMBER REPORTS**
 - a. Board Members may provide a brief report on notable topics of interest
- 10. OTHER BUSINESS**
- 11. NEXT BOARD MEETING DATE - October 13, 2020, at 1:00 pm**
- 12. ADJOURNMENT**

Amsterdam Water District
Regular Board of Director Meeting Minutes
July 14, 2020

ATTENDANCE-ZOOM MEETING

DIRECTORS

Bert Crane Jr:	President
Mary Crane Couchman:	Vice President-Called in at 1:38 pm
Benjamin Crane:	Secretary
Karen Crane McNab:	Director
Craig Johnson:	Director

OTHERS

Art Godwin:	Robbins, Godwin, et al.
Mike Gardner:	Water & Land Solutions, LLC
Brad Samuelson:	Water & Land Solutions, LLC
Mark Couchman:	The Silverado Group

CALL TO ORDER

President Crane called the meeting to order at 1:06 pm.

ROLL CALL

Mr. Gardner stated that all Directors were on the line except Director Couchman who called in at 1:38 pm.

PUBLIC COMMENT

There was no public comment.

APPROVAL OF MINUTES

Upon a motion by Director Benjamin Crane and seconded by Director Johnson, the June 9, 2020 minutes were unanimously approved.

BOARD TO CONSIDER APPROVAL OF THE FINANCIAL REPORT AND PAYMENT OF BILLS

Upon a motion by Director Benjamin Crane and seconded by Director McNab, the financial report and payment of bills were unanimously approved.

BOARD TO CONSIDER APPROVING AN ASSESSMENT TO GENERATE OUT OF BUDGET REVENUE TO REIMBURSE MERCED IRRIGATION DISTRICT AS PER THE AGREEMENT REGARDING THE ACQUISITION OF CERTAIN FLOOD FLOW WATER RIGHTS AND WATER SUPPLY

Upon a motion by Director Benjamin Crane and seconded by Director McNab, the Board approved an assessment (\$10.53 for irrigated and \$0.16 for non-irrigated) to increase the 2020 budget by the amount of \$44,178.00.

GROUNDWATER SUSTAINABILITY AGENCY (GSA): UPDATE

Mr. Samuelson reported that Merced Irrigation District approved the EIR on their Water Resources Plan which authorized the General Manager to negotiate for the in-basin transfer for up to 40,000 acre feet of water per year for a 10 year term with an option of a 5 year renewal. This is important to AWD for the possibility of entering into a long-term water transfer agreement.

BOARD MEMBER REPORTS

Director McNab:	No report
Director Johnson:	No report
Director Benjamin Crane:	No report
Director Bert Crane:	No report
Director Couchman:	No report

ANY OTHER BUSINESS

No items to report

NEXT BOARD MEETING DATE

August 11, 2020, at 1:00 pm

ACTION ITEMS

1. WLS to provide a Draft District reserve policy

ADJOURNMENT

President Crane adjourned the meeting at 1:43 pm

Secretary
Benjamin C. Crane

Amsterdam Water District

**Payable List
September 8, 2020**

CK#	Date	Name	Deposit	Expense	Bank Balance	Description
					\$84,045.36	
4749	7/29/2020	Craig and Maureen Johnson	\$809.08		\$84,854.44	MID Assessment
19330	7/29/2020	Bert Crane Jr.	\$452.79		\$85,307.23	MID Assessment
2296	7/31/2020	Karen Crane McNab	\$10,536.82		\$95,844.05	MID Assessment
1069	7/23/2020	Nancy Crane	\$595.92		\$96,439.97	MID Assessment
5546	8/4/2020	Roger Johnson	\$3,801.33		\$100,241.30	MID Assessment
19330	7/29/2020	Bert Crane Orchards, L. P.	\$13,578.67		\$113,819.97	MID Assessment
202152	7/30/2020	Bert & Nancy Crane 1993 Trust	\$2,918.84		\$116,738.81	MID Assessment
2396	8/19/2020	Mary Crane Couchman Trust	\$3,960.93		\$120,699.74	MID Assessment
3864	8/19/2020	Mary Crane Couchman Partn.	\$4,262.10		\$124,961.84	MID Assessment
1062	8/3/2020	Bryant L. Jolley, CPA		\$3,000.00	\$121,961.84	2019 Financial Audit
1063	7/27/2020	Provost and Pritchard		\$98.94	\$121,862.90	June Website Hosting
1064	7/31/2020	RBG&M Attorneys at Law		\$510.00	\$121,352.90	July Professional Services
1065	7/31/2020	Spinardi & Jones		\$327.00	\$121,025.90	July Professional Services
1066	8/1/2020	Water and Land Solutions		\$5,663.00	\$115,362.90	July Management Fee
	8/28/2020	Provost and Pritchard		\$68.60	\$115,294.30	July Website Hosting
	8/31/2020	RBG&M Attorneys at Law		\$240.00	\$115,054.30	August Professional Services
	9/1/2020	Water and Land Solutions		\$5,663.00	\$109,391.30	August Management Fee
	8/31/2020	Spinardi & Jones		\$355.20	\$109,036.10	August Professional Services
		Totals	\$40,916.48	\$15,925.74	\$109,036.10	

Amsterdam Water District
FY 2020 Budget to Actual
January - December
September 8, 2020

Description	Budget	2020		Estimated to Complete		
		Actual	%	Sep-Dec	Total	%
Revenue						
Assessment	\$107,363	\$148,279	138%	\$0	\$148,279	138%
Expenses						
O&M	\$94,056	\$88,076	94%	\$77,503	\$165,579	176%
Water						
Total	\$94,056				-\$17,300	
Reserve Balance	\$13,307				-\$17,300	

Voluntary Assessment Irrigable(\$)	\$ 106,185
Voluntary Assessment Irrigable (\$/Ac)	\$ 27.63
Voluntary Assessment Non-Irrigable(\$)	\$ 1,178
Voluntary Assessment Non-Irrigable (\$/Ac)	\$ 0.42

Total Revenue \$107,363

Landowner Name	Acres		Total	Total Assessment
	Irrigable	Non-Irrigable		
Bert Crane Jr.	43	0	43	\$1,188.09
Bert Crane Orchards	1,287	166	1,453	\$35,629.53
Bert S. Crane & Nancy M. Crane 2004 Trust	45	737	782	\$1,563.77
Bert S. Crane & Nancy M. Crane Irrevocable 1993 Trust	268	605	873	\$7,658.94
Craig and Maureen Johnson	76	55	131	\$2,122.98
Johnson Family 1992 Trust	361	0	361	\$9,974.43
Karen Crane McNabb LLC	993	503	1,496	\$27,647.99
Mary Crane Couchman	770	738	1,508	\$21,576.79
	3,843	2,804	6,647	\$107,363
	58%	42%	100%	

Added 45.4 Irrigable acres to the Bert & Nancy Crane 2004 Trust (as per Ben)

Adjusted Mary Crane Couchmans Acres (email dated 3-27-19)

Amsterdam Water District
FY 2020 Budget to Actual
January - December
September 8, 2020

Operation & Maintenance

	Description	2020			Estimated to Complete		
		Budget	Actual	%	Sep-Dec	Total	%
I.	Administration						
a.	Management: Water & Land Solutions	\$67,956	\$45,304	67%	\$22,652	\$67,956	100%
b.	General Counsel	\$10,000	\$6,090	61%	\$3,910	\$10,000	100%
c.	Insurance	\$1,500	\$816	54%	\$0	\$816	54%
d.	Audit	\$2,500	\$3,000	120%	\$0	\$3,000	120%
e.	Supplies, Misc.	\$500	\$0	0%	\$500	\$500	100%
f.	Accounting Services	\$3,600	\$1,817	50%	\$1,043	\$2,268	63%
g.	Wagner and Bonisignore (35K)	\$0	\$30,254		\$4,746	\$35,000	
	Sub	\$86,056	\$87,280	101%	\$32,851	\$119,540	139%
II.	Operations & Maintenance: Facilities						
a.	Repairs & Maintenance						
b.	PGE Power						
	Sub	\$0.00	\$0.00	0%	\$0	\$0	0%
III.	Merced Sub-basin: SGMA Compliance						
a.	GSA Participation	\$5,000	\$0.00	0%	\$0	\$0	0%
b.	Website P&P (hosting & maintenance)	\$3,000	\$796	27%	\$519	\$1,315	44%
	Sub	\$8,000	\$796	0%	\$519	\$1,315	16%
IV.	Appropriative Water Right (SWRCB)						
a.	Flood Water Application	\$0.0	\$0	0%	\$44,133	\$44,133	
	TOTAL	\$94,056	\$88,076	94%	\$77,503	\$165,579	176%

AMSTERDAM WATER DISTRICT

INDEPENDENT AUDITOR'S REPORT

AND

FINANCIAL STATEMENTS

DECEMBER 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Amsterdam Water District
Merced, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Amsterdam Water District (District), which comprise the statement of net position as of December 31, 2019, and the related statement of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Amsterdam Water District as of December 31, 2019, and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

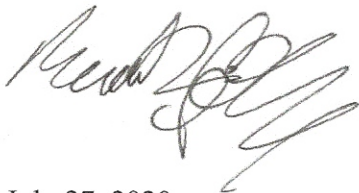
Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2020, on our consideration of the Amsterdam Water District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to be 'Meredith J. [unclear]', written in a cursive style.

July 27, 2020

AMSTERDAM WATER DISTRICT

STATEMENT OF NET POSITION DECEMBER 31, 2019

ASSETS

Current assets

Cash and investments	\$	54,685
Total current assets		<u>54,685</u>

Total assets	\$	<u><u>54,685</u></u>
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LIABILITIES

Current liabilities

Accounts payable	\$	5,852
Total current liabilities		<u>5,852</u>

NET POSITION

Unrestricted		<u>48,833</u>
Total net position	\$	<u><u>48,833</u></u>

AMSTERDAM WATER DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2019

Operating Revenues

Assesments	\$	106,191
Total operating revenues		<u>106,191</u>

Operating Expenses

Management fee		50,967
Legal and professional		3,083
Insurance		816
Website Develop/Hosting		<u>2,492</u>
Total operating expenses		<u>57,358</u>

Operating income/(loss)		<u>48,833</u>
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Change in Net Position

48,833

Net Position

Beginning of year		<u>-</u>
End of year	\$	<u>48,833</u>

AMSTERDAM WATER DISTRICT

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2019

Operating Activities

Receipts from landowners	\$ 106,191
Payments to suppliers for goods and services	<u>(51,506)</u>
Net cash provided by (used in) operating activities	<u>54,685</u>

Net Increase (Decrease) in Cash

54,685

Cash and Investments

Beginning of year	<u>-</u>
End of year	<u>\$ 54,685</u>

Cash Flows from Operating Activities

Operating income (loss)	\$ 48,833
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Increase (Decrease) in accounts payable and accrued expenses	<u>5,852</u>

Net Cash Provided by (Used in) Operating Activities

\$ 54,685

AMSTERDAM WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

Note 1 – Summary of Significant Accounting Policies

The financial statements of the Amsterdam Water District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to enterprise funds of governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the District are described below:

Reporting Entity

The Amsterdam Water District was reorganized on February 26, 2019, this involves the formation of 6,662 acres, a California Water District, and the parallel detachment of 19.11 acres from the Merced Irrigation District, constituting a governmental reorganization application for the purpose of representing this territory in Sustainable Groundwater Management Act (SGMA). The governing board of the District consists of five directors elected at large by land-owners voters of the District serving four year staggered terms.

Amsterdam Water District does not have a relationship with any other related activities, organizations or functions of government which should be included in the financial reporting entity of the District as required by GASB Statement No. 14, *The Financial Reporting Entity*. In addition, the District is not a component unit of any other governmental entity.

Basis of Accounting and Measurement Focus

The District accounts for its operations in an enterprise fund using the economic resources measurement focus and the accrual basis of accounting. A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific government activity. The activities of enterprise funds closely resemble those of ongoing businesses in which the purpose is to conserve and add to basic resources while meeting operating expenses from current revenues. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

An enterprise fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's principal ongoing operations. The principle operating revenues of the District are assessment charges. Operating expenses for enterprise funds mainly include consulting fees and some administrative fees. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

AMSTERDAM WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

Note 1 – Summary of Significant Accounting Policies (Continued)

Financial Statement Amounts

Cash and Investments – Cash represents the District’s cash bank account. The District currently has no investments.

Revenues and Expenses – The District distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District’s principle ongoing operations. The principle operating revenues of the District will be financed through fees charged to the landowners on a per-acre basis for management, administrative and SGMA related costs. Operating expenses for enterprise funds include consulting and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Net Position/Fund Equity – The financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- *Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* – This category presents external restrictions on net position imposed by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents net position of the District not restricted for any project or other purpose.

When an expense is incurred for the purposes for which there are both restricted and unrestricted net position available, it is the District’s policy to apply those expenses to restricted net position to the extent such are available and then to unrestricted net position.

AMSTERDAM WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 2 – Cash and Investments

Cash as of December 31, 2019 consist of the following:

Statement of Net Position

Cash - Deposits with financial institutions	\$ 54,685
	<u>\$ 54,685</u>

Note 3 – Accounts Payable and Accrued Expenses

Accounts payable at December 31, 2019 consist of trade accounts payable amounting to \$5,852.

Note 4 – Subsequent Events

The District evaluated subsequent events for recognition and disclosure through July 27, 2020, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since December 31, 2019 that required recognition or disclosure in such financial statements.

AMSTERDAM WATER DISTRICT
MANAGEMENT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2019

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BRYANT L. JOLLEY

CERTIFIED PUBLIC ACCOUNTANTS

Bryant L. Jolley, C.P.A.
Ryan P. Jolley C.P.A.
Darryl L. Smith C.P.A.
Luis A. Perez C.P.A.
Lan T. Kimoto
John P. Burt

Board of Directors
Amsterdam Water District
Merced, California

We have audited the financial statements of the Amsterdam Water District for the year ended December 31, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 9, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by District are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2019. We noted no transactions entered into by District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The District did not have any sensitive accounting estimates for the year ended December 31, 2019.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 27, 2020.

Management Consultations with Other Independent Accountants

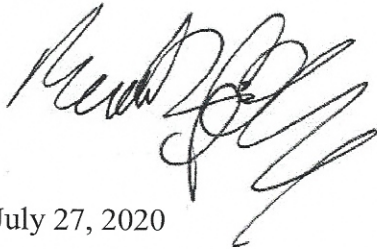
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Restriction on Use

This report is intended for the use of management, the Board of Directors, and others within the organization, and it's not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to be "Meredith J. [unclear]", written in a cursive style.

July 27, 2020

RESOLUTION NO. 19-8

**RESOLUTION ADOPTING INVESTMENT AND RESERVE POLICY FOR THE
AMSTERDAM WATER DISTRICT**

WHEREAS, the Board of Directors of the Amsterdam Water District (the "DISTRICT") has heretofore established a general fund from which monies may be expended for general operating purposes in accordance with the approved Budgets for the DISTRICT and its various Projects and Programs; and

WHEREAS, the DISTRICT has on hand in the general fund from time to time monies which are surplus to the its immediate operating needs; and

WHEREAS, the DISTRICT finds it prudent to have various categorical reserves in depositories that will allow for efficient and effective management of lands within its boundaries; and

WHEREAS, the Board of Directors has determined it to be in the public interest to invest such surplus monies in a manner which ensures safety as a first objective, liquidity of such surplus funds as a second objective, and obtaining a maximum yield consistent with the other criteria as a third objective; and

WHEREAS, the Board of Directors has heretofore designated depositories, and may from time to time hereinafter designate additional or alternate such depositories, to have custody of District funds; and

WHEREAS, such designated depositories must provide security for such District funds as may be deposited with them, as provided by statute; and

WHEREAS, pursuant to Section 53646(a) of the Government Code, the Board has reviewed the proposed Budget Year 2021 Investment and Reserve Policy presented to the Board and on file with the Secretary thereof.

NOW THEREFORE, BE IT RESOLVED, AS FOLLOWS:

Section 1. The recitals above are true and correct, and the Board so finds and determines.

Section 2. The Board hereby approves and adopts that certain FY 2021 Investment and Reserve Policy, attached hereto as EXHIBIT "A," and by this reference incorporated herein, effective as of _____, 2020.

PASSED AND ADOPTED, this ___ day of _____, 20__.

President

Attest: Secretary

Exhibit "A"
AMSTERDAM WATER DISTRICT
FISCAL YEAR 2021
INVESTMENT AND RESERVE POLICY

PURPOSE

This statement is intended to provide a guideline for the prudent investment of reserve funds and money in excess of immediate cash flow demands, and to outline a policy for maximizing the efficiency of the cash management system.

OBJECTIVE

The cash management system of the Amsterdam Water District (District) will be maintained to accurately monitor and forecast expenditures and revenues, thus enabling the District to invest funds to the fullest extent possible.

POLICY

All investments will be made under the terms and conditions of Sections 53600-53683 and Section 16429.1 to 16429.3 of the Government Code of California. Criteria for the selection of investments and the order of priority of such criteria are as follows:

1. Safety
2. Liquidity
3. Yield

INVESTMENTS

The following instruments are authorized for investment of District funds:

1. Funds may be invested in banks which are insured by the Federal Deposit Insurance Corporation. Savings accounts and active bank accounts will be insured and or collateralized to the degree consistent with or exceeding the existing law or regulation. In accordance with California Government Code Section 53635.2, to be eligible to receive District deposits, a financial institution shall have received an overall rating of not less than "satisfactory" in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California's communities.
2. Funds may be invested, to the extent permitted by law and as conditions dictate, in the State of California Local Agency Investment Fund (LAIF) in accordance with Section 16429.1 of the Government Code.

RESERVE CATEGORIES

O&M

The board has determined that it is prudent to maintain one full year of the District's average O&M budget in reserves. This will allow for unforeseen events that may occur at any time during the course of the Districts activities. The goal will be to collect this reserve over the next three fiscal years.

Target:	\$94,056
FY 2021:	\$31,352
FY 2022:	\$31,352
FY 2023:	\$31,352

CAPITAL PROJECTS

There are various items such as the California Sustainable Groundwater Management Act, varying annual hydrologic weather patterns and access to supplemental surface water supplies that may require the District to budget for and construct capital construction projects in the future. The board has determined that for FY2021, there will not be a need to start collecting for Capital Project Reserves.

Target:	\$0.00
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REPORTING

Except as otherwise provided herein, the authority of the Board of Directors to invest or reinvest the District funds is delegated to the District Treasurer.

The Treasurer shall annually review the investment policy and provide any recommendations for any changes or updates to the Board of Directors, which is in accordance with Government Code Section 53646(a) (2). The investment policy may be established and modified only by action of the Board of Directors at a public meeting thereof.

The Treasurer shall render a quarterly report to the Board of Directors showing all investments in accordance with Section 53646 (b) of the Government Code. This report shall include:

1. The last statement from the LAIF and any banks holding the funds.
2. A statement of the extent to which the District investments are or may be out of compliance with this policy.

3. The report shall include a statement denoting the ability of the District to meet its cash demands for the next six months or shall provide an explanation as to why sufficient cash shall, or may not, be available.

This investment policy will be reviewed and approved by the Board of Directors on an annual basis in accordance with Section 53646 (a) of the Government Code and may be modified only upon action of the District Board of Directors.

* * * * *

I hereby certify that the foregoing is a true and correct copy of a resolution duly adopted by the Amsterdam Water District, at a regular meeting of the Board of Directors thereof duly called and held at the office of the District on the ___ day of ___, 20__.

Secretary