



## **FINANCE COMMITTEE**

REGULAR MEETING  
Tuesday, October 22, 2019 - 10:00 AM  
1000 Main Street, Cambria, CA 93428

### **AGENDA**

- A. CALL TO ORDER
- B. ESTABLISH QUORUM
- C. CHAIRMAN'S REPORT

#### **1. PUBLIC COMMENT**

Members of the public may now address the Committee on any item of interest within the jurisdiction of the Committee but not on its agenda today. In compliance with the Brown Act, the Committee cannot discuss or act on items not on the agenda. Each speaker has up to three minutes. Speaker slips (available at the entry) should be submitted to the Committee Chairperson.

#### **2. CONSENT AGENDA**

- A. Consideration to Approve the September 10, 2019 Regular Meeting Minutes

#### **3. REGULAR BUSINESS**

- A. Discussion Regarding 2017/18 Audit Status
- B. Discussion of Pros and Cons of Interfund Loans Subject to Board Direction
- C. Discussion Regarding California Financing Coordinating Committee Funding Fairs
- D. Discussion Regarding SAFER Grant Application

#### **4. FUTURE AGENDA ITEMS**

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### **REGULAR BUSINESS ITEM 3.D.**

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**DISCUSSION REGARDING SAFER GRANT APPLICATION**



## FINANCE COMMITTEE

REGULAR MEETING  
Tuesday, September 10, 2019 - 10:00 AM  
1000 Main Street, Cambria, CA 93428

### MINUTES

#### A. CALL TO ORDER

Chairman Steidel called the meeting to order at 10:00 a.m.

#### B. ESTABLISH QUORUM

A quorum was established.

Committee members present: Cindy Steidel, Ted Siegler, Dewayne Lee, Mary Maher, Marvin Corne, Cheryl McDowell

Staff present: Finance Manager Pam Duffield

Public Present:

Karen Dean

Laura Swartz

Crosby Swartz

Harry Farmer

#### C. CHAIRMAN'S REPORT

Reported on IR and Policy Committee changes, Town Hall 9/7

### 1. PUBLIC COMMENT

### 2. CONSENT AGENDA

A. Consideration to Approve the July 30, 2019 Regular Meeting Minutes

Motion to approve the minutes with amendment to delete Committee member Maher's name from votes on motions.

Motion by: Committee member Lee

Seconded by: Committee member Maher

The motion was approved 5-Ayes (Siegler, Lee, Maher, McDowell, Corne), 0-Nays, 0-Abstain

### **3. REGULAR BUSINESS**

- A. Discussion of Finance Ad Hoc Committee Items, Staffed at the July 2019 Finance Committee meeting, Regarding Their Scope and Timing:
  - (1) Bartle Wells Associates Water, Sustainable Water Facility & Sewer Tables & Charts Relative to the Proposition 218 Rate Study D.
  - (2) Work with District Staff to Review the CCSD Fee Schedule and their Effectiveness in Cost Recovery at Levels Currently Established

No actions.

- B. Discuss Continuing the Budget Ad Hoc Committee as a Resource for Staff Support, as Requested During Implementation of Tyler InCode

No actions.

### **4. FUTURE AGENDA ITEMS**

- A. Discussion of 2017/2018 Audit Status
- B. Discussion of pros and cons of interfund loans subject to Board direction

### **5. ADJOURN**

Chairman Steidel adjourned the meeting at 11:45 a.m.

# FINANCE COMMITTEE MEETING SIGN-IN SHEET

Meeting Date: September 10, 2019

Name	Name
Karen De	
Kurt	
P. DeHield	
Laura Swartz	
Cathy Swartz	
Muriel	
Mary Maher	
C. Studel	
Ted Sawyer	
HARRY FARMER	
Dewayne Lee	



## CAMBRIA COMMUNITY SERVICES DISTRICT

### INTERFUND LOAN POLICY

#### **PURPOSE**

This policy documents requirements and responsibilities to be followed regarding borrowing between funds of the Cambria Community Services District.

The purpose of this policy is to ensure that all interfund loans are appropriate, properly documented, and not established to the detriment of the fund issuing the loan.

#### **POLICY**

Interfund loans may not be used to solve ongoing structural budget problems. Interfund loans should be limited to addressing short-term issues within one fund (e.g., a major emergency repair).

Interfund loan recommendations and agreements must include the loan amount, an identified repayment source and the date or timing of repayment. Repayment of all loans will be made within a maximum of seven (7) years of the loan being made.

The term of the interfund loan may continue over a period of more than one year, but must be “temporary” in the sense that no permanent diversion of the lending fund results from the failure to repay by the borrowing fund. Additionally, interfund loans should not hinder the accomplishment of any function or project for which the lending fund was established.

The agreements may include an interest component that equals the investment earnings the fund would have received had the loan not occurred. Loans made from the District General Fund to either the Water or the Wastewater Fund may include interest at the discretion of the Board and as recommended by the General Manager or designee.

The Board of Directors must approve all interfund loans by resolution. The interfund loan agreement will be included as an exhibit to the resolution.

Payments made on outstanding loans shall be reflected in the proposed and adopted operating budget and in the annual financial statements. The annual financial statements will also include the loan amount, term, rate of interest, and amount of interest due on the total amount of the loan.

If the borrowing fund continues to maintain a negative cash balance for periods beyond the term of the loan, scheduled payments should be postponed until the fund has a positive cash balance.

Postponement of any loan payment shall not be for more than one year in duration, unless approved by Board resolution. Interest should continue to accrue and be added to the principal of the loan.

Modifications to existing loans may be made only with Board approval.

#### **DEFINITION**

Interfund loans are loans from one District fund to another District fund for a designated purpose.

Interfund loans may be made for the following reasons:

- To offset timing differences in cash flow;
- To provide interim financing in conjunction with obtaining long-term financing;
- For short-term borrowing in place of external financing;
- To provide operating capital for utility funds while the customer base increases;
- For other needs as deemed appropriate by the Board of Directors.

Interfund loan monies may only be used for the purpose identified in the authorizing resolution. Records of interfund loan transactions will be maintained in accordance with generally accepted accounting principles and will reflect the balances of loans in every fund affected by such transactions.

#### **SAMPLE LOAN DOCUMENT**

##### **INTERFUND LOAN AGREEMENT**

The Cambria Community Services District ("District") hereby adopts this Interfund Loan Agreement ("Agreement") authorizing the transfer of funds by and between the Cambria Community Services District General Fund ("General Fund") and the Cambria Community Services District Wastewater Fund ("Wastewater Fund").

##### **RECITALS**

- A. The Wastewater Fund requires an interfund loan in order to fund a shortfall from the \_\_\_\_\_ Fiscal Year of \$\_\_\_\_\_ that was the result of unanticipated and necessary repairs at the Wastewater Treatment Plant, and to address deficiencies in the District's wastewater infrastructure and system.
- B. The District desires and has the resources necessary to facilitate an interfund loan from the General Fund to the Wastewater Fund.
- C. This Agreement is executed for the purpose of evidencing the obligation of the Wastewater Fund to the General Fund for the repayment of monies loaned to the Wastewater Fund by the General Fund.

##### **AGREEMENT**

1. The District agrees to transfer from the General Fund to the Wastewater Fund the amount of \_\_\_\_\_ as of \_\_\_\_\_.
2. The term of this interfund loan shall be for a five (5) year period and shall accrue interest at a simple rate of \_\_\_\_\_ per annum.

3. The Wastewater Fund shall make annual payments based upon the Repayment Schedule contained in Exhibit "A," attached hereto and incorporated herein by reference. The Wastewater Fund shall repay the General Fund in full by \_\_\_\_\_.
4. District staff is directed to make necessary appropriation adjustments to effectuate this interfund loan.
5. District staff is directed to appropriately record this loan in the District's ledger system and subsequent financial reports, as necessary.

IN WITNESS WHEREOF, this Agreement is executed by duly authorized officers of the Cambria Community Services District this \_\_\_ day of \_\_\_\_\_, 20\_\_.

Regular Business Item 3.C. Attachment

Discussion Regarding California Financing Coordinating Committee Funding Fairs

To review the supporting documentation for this item, please visit this link:

<https://www.cambriacsd.org/2019-10-22-finance-standing-committee-meeting>