CAYUCOS SANITARY DISTRICT

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BOARD OF DIRECTORS
FINANCE COMMITTEE MEETING AGENDA
MONDAY, AUGUST 31, 2026 AT 3:00PM
200 ASH AVE. CAYUCOS, CA 93430

1. **ESTABLISH QUORUM AND CALL TO ORDER**

2. **PUBLIC COMMENT**
   At this time the public may address the Committee on items other than those scheduled on this agenda that are within the jurisdiction of the Committee (persons wishing to speak on any item scheduled on this agenda will be given the opportunity at the time that agenda item is being considered). When recognized by the Committee, please state your name for the record (though not required). While the Committee encourages public comment, in the interest of time and to facilitate orderly conduct of the meeting, the Committee reserves the right to limit individual comments to three minutes. By conditions of the Brown Act, the Committee is prohibited from discussing issues not posted on this agenda, but may set items for future agendas.

3. **PRESENTATION FROM OPTIMIZED INVESTMENT PARTNERS ON INVESTMENT SERVICES FOR THE DISTRICT**

4. **DISCUSSION AND DIRECTION REGARDING A RESERVES POLICY**

5. **ADJOURNMENT**

This agenda was prepared and posted pursuant to Government Code Section 54954.2. The agenda, staff reports or other documentation relating to each item of business referred to on the agenda can be accessed and downloaded from the District's website at https://www.cayucossanitarydistrict.gov/meetings

All staff reports or other documentation relating to each item of business referred to on the agenda are also on file at the District office, available for public inspection or reproduction at cost. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by the Americans with Disability Act. To make a request for disability-related modification or accommodation, contact the District at (805) 995-3290 as soon as possible and at least 48 hours prior to the meeting date.

CAYUCOS SANITARY DISTRICT
STAFF REPORT

AGENDA ITEM: 4

TO: FINANCE COMMITTEE

FROM: DAVID ATHEY, DISTRICT MANAGER

DATE: AUGUST 31, 2026

SUBJECT: DISCUSSION AND DIRECTION REGARDING A RESERVES POLICY

DISCUSSION

The Cayucos Sanitary District (District) does not currently have a Reserves Policy. The purpose of a Reserves Policy is to ensure that the District has funding available for emergency and non-emergency obligations. Specific reserve categories may include operating, capital, special projects, vehicle fleet and other reserve types. Reserve funds can be “restricted” meaning the funds would only be used for specific events, or un-restricted which are funds that can be used at the Board’s discretion or invested in accordance with the Investment Policy.

Staff has prepared a draft reserves policy for consideration and feedback. The draft Reserves Policy is included as Attachment 1. The benefit of a Reserves Policy is that it provides clarity on how much of the District’s reserve monies are available for investment or other uses as directed by the Board.

RECOMMENDATION

Staff is seeking feedback on the draft Reserves Policy so that the final draft policy can be considered at the September 2026 Board meeting.

ATTACHMENTS

1. Draft Reserves Policy

Cayucos Sanitary District

POLICY TITLE: **Reserves Policy**
POLICY NUMBER: **4205**
ADOPTION DATE:

4205.1 Policy

This policy describes the Board of Directors' intention to establish and maintain reserves sufficient for responsible financial planning and ongoing fiscal health. This policy is intended to be a companion to the District's Investment Policy §4160.

4205.2 Purpose

The purpose of this policy is to ensure that the District will always have sufficient funding available to meet its operating, capital, and debt service obligations. This policy outlines the minimum cash reserves needed to prepare for planned and unplanned expenses and to ensure equity between current and future ratepayers.

4205.3 General Reserve

The District will strive to retain a fund balance equal to three (3) months of the operating budget as a reserve for economic uncertainties. The reserve balance shall be used to pay for current liabilities if current revenue is insufficient to meet obligations.

4205.4 Capital Improvement Project Emergency Reserve

The District will strive to retain a fund balance equal to three (3) months of the operating budget. These funds shall be saved to fund unexpected costs arising from emergencies and other contingencies that may arise outside of the normal budgeting process.

4205.5 Specific Purpose Reserves

The District may establish and fund other specific purpose reserves as needed. Such reserves may include infrastructure reserves to accumulate capital for the purchase, construction, or maintenance of property; equipment reserves for the purchase or maintenance of equipment; or any other specific purpose the Board of Directors designates as prudent to the mission of the District.