

CAPISTRANO BAY DISTRICT  
AGENDA REPORT  
December 10, 2013

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*Financial Reports*

ITEM G.3

DRAFT RESOLUTION ESTABLISHING SEPARATE RESERVE BANK ACCOUNTS

The Board agreed at the previous meeting to initiate the process to establish two separate reserve bank accounts.

The first step is to memorialize and document the purpose and intent of the Directors' recommendation. To that end, the following page consists of the first draft of a resolution creating two separate reserve bank accounts:

- *District Contingency Reserve Account*

To accrue funds for any variety of emergency calamities that could befall the community from tsunamis, train derailments, earthquakes, mudslides from the coastal bluffs, roadway failure, etc.

- *District Capital Improvement Account*

To accrue funds primarily for undergrounding the overhead power and communications utilities but is left open to include any other capital projects as deemed necessary by the Board.

The text of the resolution is a rough first draft, written by the Manager, and has not been reviewed by our counsel or auditor yet. The purpose here is to make sure the document is accurate to what the Board envisions with establishing the reserve accounts. The details of resolution formatting, language and code references can be revised and corrected as necessary upon professional review.