

RESOLUTION NO 20-07 OF THE
BOARD OF DIRECTORS OF THE INTERIM BORREGO SPRINGS WATERMASTER
TO ESTABLISH FINANCIAL REPORTING PROTOCOLS

WHEREAS, pursuant to the Rules & Regulations, the Watermaster shall provide for the levy, billing, and collection of all assessments provided for under the Judgment; for the payment of costs and expenses of the Watermaster; and for the performance of such accounting and related functions as may be required in connection with those functions.

WHEREAS, pursuant to the Rules & Regulations, all funds received, held, and disbursed by the Watermaster shall be by way of separate Watermaster accounts, subject to separate accounting and auditing.

WHEREAS, the Board of Directors has hired consultants to perform the requisite accounting duties as envisioned by the Rules & Regulations, including the management of a Watermaster Bank Account.

WHEREAS, the Board of Directors seeks to establish minimum reporting protocols to ensure the proper management of Watermaster's finances, including transparency of funds received and dispersed.

NOW, THEREFORE, be it resolved by the Board of Directors of the Interim Borrego Springs Watermaster, that

1. All checks must be signed by two authorized signatories to the Watermaster's bank account. As a first priority, the checks should be signed by members of the Board of Directors. The Executive Director should sign checks only when obtaining a secondary signature by a member of the Board is not practical or timely.

2. A statement of financials will be prepared and presented for approval as part of the consent calendar at each regularly scheduled meeting of the Board of Directors. The financials will include the following items:

- i. A budget status report detailing the approved and actual revenues and expenses for the reporting period and fiscal year to date
- ii. A check disbursement list, detailing the payee, purpose of payment, check number, and payment amount for each check issued during the reporting period
- iii. A statement of financial transactions, including starting and ending account balances for the reporting period
- iv. Copies of invoices approved for payment

3. Prior to inclusion in the Board agenda package for approval the financials will be submitted to the Board Treasurer for review.

4. Prior to issuing payment for Watermaster staff invoices (Executive Director and Technical consultant services and legal services), the invoices will be distributed via email to designated Board members for review and approval. Once approved, the invoices will be included as part of the monthly financial report.

5. The Watermaster will contract with an auditor to perform an annual audit of its financials. The audit report will be included as an appendix to the Annual Report to the Court.

PASSED AND ADOPTED at a special meeting of the Board of Directors of the Interim Borrego Springs Watermaster held on the 8th day of October 2020, by the following vote:

AYES: Duncan, Smith, Seley, Jorgensen, Bennett

NOES:

ABSENT:

Dave Duncan, Chairperson
Board of Directors

Shannon Smith, Secretary
ATTEST