

Olivehurst Public Utility District



Agenda Item Staff Report

Meeting Date: March 16, 2026

Item description/summary:

Consider Adoption of a Resolution to Supplement the Policies & Procedures Manual of the Board of Directors for Olivehurst Public Utility District (“OPUD”) to Authorize the Expenditure of Unrestricted Funds:

Staff recommends that the Board of Directors adopt Resolution No. 2458, approving and adopting Policy B-200: Authorization for Expenditure of Unrestricted Funds, attached as Exhibit A.

The District periodically receives unrestricted, non-earmarked funds, including litigation settlements, insurance recoveries, donations, and other one-time revenues that are not legally or contractually restricted for a specific purpose. Historically, the District has not had a formal policy establishing a clear, transparent, and consistent process for authorizing the expenditure of such funds.

In recent years, the Board of Directors has expressed interest in strengthening governance controls around the use of unrestricted funds to ensure:

- Fiscal discipline
- Transparency in decision-making
- Protection of one-time revenues from routine operational use
- Clear documentation of Board intent

The attached Policy B-200 was developed to address these objectives.

Policy B-200 establishes a supermajority voting requirement for the expenditure of unrestricted funds. Specifically, the policy requires:

- An affirmative vote of four-fifths (4/5) of the Board’s total membership to authorize the expenditure of Unrestricted Funds.
- That such actions occur at a Regular Meeting and be recorded by Roll Call Vote in the Meeting Minutes.

The policy also provides a clear definition of “Unrestricted Funds,” ensuring that the requirement applies only to funds that are not legally, contractually, or Board-designated for a specific purpose.

This heightened voting threshold reflects the Board’s intent to ensure that

one-time or non-recurring revenues are used only when there is broad consensus and a clear public benefit.

The accompanying Resolution formally adopts Policy B-200 and directs its incorporation into the District's Policies & Procedures Manual.

Fiscal Analysis:

There is no direct fiscal impact associated with adopting this Policy. Future expenditures of Unrestricted Funds will require a 4/5 vote of the Board of Directors.

Employee Feedback

N/A.

Sample Motion:

That the Board of Directors adopt the attached Policy B-200 regarding the expenditures of Unrestricted Funds as presented and adopt the attached Resolution to supplement the OPUD Policies & Procedures Manual.

Prepared by:

Joan Cox, General Counsel

RESOLUTION NO. 2458

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
OLIVEHURST PUBLIC UTILITY DISTRICT
APPROVING BOARD POLICY THAT ESTABLISHES A PROCESS FOR THE
BOARD OF DIRECTORS TO SPEND UNRESTRICTED FUNDS**

WHEREAS, the Olivehurst Public Utility District (“OPUD”) intends to amend its Policies & Procedures Manual to include a process governing the Board’s authorization to spend unrestricted funds received in settlement of litigation or other monies received that are not earmarked for specific purposes; and

WHEREAS, the Board of Directors of the Olivehurst Public Utility District has reviewed and considered proposed Policy B-200 (the “Unrestricted Funds Policy”), attached hereto as Exhibit A, which requires the affirmative vote of four-fifths (4/5) of the Board of Directors’ total membership to authorize the expenditure of Unrestricted Funds.

NOW, THEREFORE, the Board of Directors of the Olivehurst Public Utility District hereby adopts the Unrestricted Funds Policy attached hereto as Exhibit A.

The attached policy becomes effective immediately upon adoption.

Staff is directed to update the OPUD Policies & Procedures Manual to include the attached policy.

This Resolution supersedes any conflicting prior Board of Directors actions.

PASSED AND ADOPTED by the Board of Directors of the Olivehurst Public Utility District this 16th day of April, 2026.

OLIVEHURST PUBLIC UTILITY DISTRICT

President, Board of Directors
Olivehurst Public Utility District

ATTEST:

APPROVED AS TO FORM AND LEGAL
SUFFICIENCY:

District Clerk and Ex-Officio Secretary

Deirdre Joan Cox, Legal Counsel

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I hereby certify that the foregoing is a full, true, and correct copy of a Resolution duly adopted and passed by the Board of Directors of the Olivehurst Public Utility District, Yuba County, California, at a meeting thereof held on the 16th day of April 2026, by the following vote:

AYES, AND IN FAVOR THEREOF:

NOES:

ABSTAIN:

ABSENT:

District Clerk and ex-officio Secretary

EXHIBIT A
OLIVEHURST PUBLIC UTILITY DISTRICT
Unrestricted Funds Policy

Authorization for Expenditure of Unrestricted Funds

B-200

PURPOSE: This policy establishes the process for the Board to spend unrestricted funds received in settlement of litigation or other monies received that are not earmarked or allocated for specific purposes by statute, contract, grant condition, or prior Board action.

B-200-10 Method. The Board shall require four affirmative votes to authorize the Board to spend Unrestricted Funds received in settlement of litigation or other monies received that are not earmarked or allocated for specific purposes by statute, contract, grant condition, or prior Board action.

B-200-20 Definitions.

B-200-20-1 **Unrestricted Funds** means funds received by the District that are not legally, contractually, or Board-designated for a specific purposes, including certain litigation settlements, donations, insurance recoveries, or other one-time revenues that are not subject to spending conditions.

B-200-30 Action. Board action to authorize the expenditure of Unrestricted Funds shall occur at a Regular Meeting and shall require a Roll Call Vote, which shall be entered into the Meeting Minutes.