



MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

RESERVE POLICY

Adopted by Board of Directors on September 20_____, 20242

This revised Reserve Policy replaces the previous Board approved policy of June 17, 2022 and, prior to that date, the November 2002 version which as amended the original in February 2009 version.

Reserves are essential to ensuring fiscal responsibility, a key organizational goal of the District. They can also provide the savings necessary to balance budgets during periods of fiscal constraint, allow for emergency preparedness, assist in maintaining stable solid waste service rates, provide for a well-maintained infrastructure, and demonstrate a commitment to investing in the future. The Government Finance Officers Association recommends adopting a policy governing the amount of resources to be held in reserve and conditions under which those reserves can be used. A reserve policy is central to a strategic, long-term approach to financial management.

This Reserve Policy defines that the District maintains reserves in threefive (5) designated categories: an Operating Reserve, a Capital Equipment Reserve, ~~and~~ a Capital Infrastructure Reserve, a Landfill Closure Reserve, and a Landfill Post-Closure Care Reserve. These reserves are described below and are considered “unrestricted” funds meaning that they are not encumbered by a third party and can be used for the District based on Board approval of use. Note that the general purpose of a reserve policy is to establish reserve funds to help meet known and estimated future obligations or unknown events causing economic or physical disruption. This policy establishes the level of fund balances and the process whereby funds may be spent. The source of all District funds are tip fee revenue, commodity revenue, and service revenue.

This Policy will be reviewed annually during the budget process to ensure conformance with the District’s goals and objectives and compliance with any changes in regulations or standards or business plans or the District’s Solid Waste Facility Permit required landfill closure and post-closure operation plans.

After meeting all normal operating and debt service obligations of the District, the following reserve accounts shall be funded annually in the order of priority as shown below:

1. Operating Reserve

Purpose

The purpose of the District’s Operating Reserve is to ensure that the District will at all times have sufficient funding available to meet annual operating costs. The Operating Reserve serves as a rainy-day fund in the event that revenue or operating expenses are impacted by unexpected occurrences. Operating Reserves will be managed in a manner that allows the District to fund expenses consistent with the annually updated Budget. Adequate reserves, along with other sound financial policies, provide financial flexibility in the event of unanticipated expenditures or revenue fluctuations.

Definitions and Goals

The Operating Reserve is defined as the designated funds set aside by action of the Board of Directors. The Operating Reserve serves a dynamic role and will be reviewed and adjusted in response to internal and external changes.

The District's goal is to replenish funds used within twelve months to restore the Operating Reserve balance to the target minimum amount. To the extent possible, the District will control operating expenditures and direct budget surpluses to replenish the reserve balance.

Target Reserve Balance

The minimum Operating Reserve balance target is 20% of cash operating expenses, equal to approximately 2.5 months of spending. Cash operating expenses are outlined in the annual budget, identified as all operating expenses less routine non-cash expenses. In a typical year, depreciation & amortization and closure/post closure costs are the largest non-cash operating expenses in the budget.

The target balance will be calculated annually as part of the annual budget process. The Board may choose to set a balance amount above or below the calculated target.

Accounting for Reserve

The Operating Reserve will be recorded in the financial records as a Board designated operating reserve. The Reserve will be funded in cash or cash equivalent funds which will be commingled with the general cash and investment accounts of the District. All investment accounts will be managed in accordance with the District's Investment Policy, which is reviewed and approved annually.

Funding of Reserve

The Operating Reserve will be funded with surplus unrestricted cash generated from operations. The Board of Directors may from time to time direct that a specific source of revenue be set aside for the Operating Reserve.

Use of Funds

The use of Operating Reserve funds will be for unanticipated operating costs or revenue shortfalls and for unplanned repairs, improvements and fixed asset acquisitions. Staff will identify the need to access the reserves and will submit written requests to the Board at a public meeting. Requests for reserve funds will include the amount of funds needed, confirmation that the use is consistent with the purpose of the reserve funds as described in this Policy, and the reason for the shortfall. The funds can only be used with specific Board approval.

A schedule of approved reserve funds requests will be maintained by the District Accounting Manager.

2. Capital Equipment Reserve

Purpose

The District's operations are very capital-intensive and can result in significant swings from year to year in the funds required for capital investment. The District has historically funded capital spending using cash generated from operations and, at times, through the use of debt. The purpose of the District's Capital Equipment Reserve is to ensure that cash is available to fund the repair, maintenance, or replacement of the District's mobile equipment most routinely used and replaced capital assets. At this time, the Capital

Equipment Reserve is not designed to set aside funds for all future capital equipment investments. Establishing a Capital Equipment Reserve allows the cost of certain capital mobile equipment expenditures to be spread over time rather than impacting just the budget year in which the assets necessary to operate ~~the District~~ are repaired or replaced.

Definitions and Goals

The Capital Equipment Reserve is defined as designated funds set aside by action of the Board of Directors. The reserve can be reviewed and adjusted in response to internal and external changes upon approval of the Board.

The District's goal is to set aside funds for qualified future capital mobile equipment repairs, maintenance, replacement and enhancement of the District's equipment in alignment with the District's strategic goal of delivering solid waste management services in a financially responsible and sustainable manner.

Target Reserve Balance

The target balance of the Capital Equipment Reserve will be calculated based on the following methodology:

1. Assets subject to Capital Equipment Reserve contribution: This reserve is designed to provide funding for the heavy mobile equipment used extensively in District operations. This includes dozers, compactors large trucks and other rolling stock identified as Mobile Equipment in the annual Capital Equipment Spending Plan that is included in the budget. Reserves will be established for all such equipment costing \$100,000 or more.
2. Initial Capital Equipment Reserve balance calculation: Develop a schedule of qualifying Mobile Equipment, including estimated replacement cost and years remaining to replacement. Initial reserve balance will be calculated as the total replacement cost times the percentage of life consumed. Example: a 5-year old dozer with a 10 year life and \$400,000 replacement cost would result in a calculated initial reserve balance of \$200,000.
3. Annual update of target balance: Each year the reserve balance is increased by the sum of all annual contributions to the reserve and decreased by the use of reserve funds. Annual contributions are calculated by dividing the total replacement cost of an asset by its estimated useful life. Example: a dozer with a 10-year life and \$400,000 replacement cost would result in a \$40,000 annual contribution to the Capital Equipment Reserve. The balance would be reduced by the amounts spent on scheduled mobile equipment replacements in the year.

The target balance will be calculated annually as part of the annual budget process and maintained in a Capital Equipment Reserve balance schedule. The Board may choose to set a balance amount above or below the calculated target.

Accounting for Reserves

The Capital Equipment Reserve will be recorded in the financial records as a Board designated operating and capital improvement reserve. The Capital Equipment Reserve will be funded in cash or cash equivalent funds which will be commingled with the general cash and investment accounts of the District. All investment accounts will be in accordance with the District's Investment Policy, which is reviewed and approved annually.

Funding of Reserves

The Capital Equipment Reserve will be funded with surplus unrestricted cash generated from operations. The Board of Directors may from time to time direct that a specific source of revenue be set aside for the Capital Equipment Reserve.

Use of Funds

The use of the Capital Equipment Reserve will be for the maintenance, repair or replacement of qualified capital mobile equipment assets unless otherwise specifically directed in writing by Board approval. Staff will identify the need to access the reserves and will submit written requests to the Board at a public meeting. The funds can only be used with specific Board approval. Reserve fund requests will include the amount of funds needed, confirmation that the use is consistent with the purpose of the reserve funds as described in this Policy, and a description of the capital asset. Use of Capital Equipment Reserve funds for another specific purpose may also be requested and approved by the Board during the budget process, at the discretion of the Board.

A schedule of approved reserve funds requests will be maintained by the District Accounting Manager.

3. Capital Infrastructure Reserve

Purpose

The District's disposal and recycling operations are very capital-intensive and can result in significant swings from year to year in the funds required for capital investment. The District has historically funded capital spending using cash generated from operations and, at times, through the use of debt. The purpose of the District's Capital Infrastructure Reserve is to ensure that cash is available to fund new or replacement infrastructure and reduce the magnitude of debt associated with major infrastructure funding. At this time, the Capital Infrastructure Reserve is not designed to set aside funds for all future capital investments. Establishing a Capital Infrastructure Reserve allows the cost of certain capital expenditures to be spread over time rather than impacting just the budget year in which the infrastructure assets necessary to operate the District are constructed or replaced.

Definitions and Goals

The Capital Infrastructure Reserve is defined as designated funds set aside by action of the Board of Directors for capital infrastructure improvements. The reserve can be reviewed and adjusted in response to internal and external changes upon approval of the Board.

The District's goal is to set aside funds for qualified future capital infrastructure repairs, maintenance, replacement and enhancement of the District's infrastructure in alignment with the District's strategic goal of delivering solid waste management services in a financially responsible and sustainable manner.

Target Reserve Balance

The target balance of the Capital Infrastructure Reserve will be calculated based on the following methodology:

1. Assets subject to Capital Infrastructure Reserve contribution: This reserve is designed to provide funding for capital infrastructure required in District operations. This includes buildings, roads, landfill base liner systems, environmental control systems, waste processing facilities, fixed equipment, and other major infrastructure identified in the annual Capital Infrastructure Spending

| Plan that is included in the budget. Reserves will be established for all such infrastructure projects costing \$1,000,000 or more.

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2. Initial Capital Infrastructure Reserve balance calculation: Develop a schedule of qualifying capital infrastructure from the fiscal year budget plan. Initial reserve balance will be calculated as the total capital infrastructure budget amount multiplied by ten percent (10%). Example: a fiscal year budgeted capital infrastructure amount of \$4,750,000 would result in a calculated initial reserve balance of \$475,000.
3. Annual update of target balance: Each year the reserve balance is increased by the sum of all annual contributions to the reserve and decreased by the use of any reserve funds. Annual contributions are calculated as the total capital infrastructure budget amount for that fiscal year multiplied by ten percent (10%). Example: a \$5,400,000 capital infrastructure budget cost would result in a \$540,000 annual contribution to the Capital Infrastructure Reserve. The balance would be reduced by any Board approved amounts withdrawn from the reserve account in the year.

The target balance will be calculated annually as part of the annual budget process and maintained in a Capital Infrastructure Reserve balance schedule. The Board may choose to set a balance amount above or below the calculated target, or by changing the ten percent contribution rate factor used herein.

Accounting for Reserves

The Capital Infrastructure Reserve will be recorded in the financial records as a Board designated capital infrastructure improvement reserve. The Capital Infrastructure Reserve will be funded in cash or cash equivalent funds which will be commingled with the general cash and investment accounts of the District. All investment accounts will be in accordance with the District's Investment Policy, which is reviewed and approved annually.

Funding of Reserves

The Capital Infrastructure Reserve will be funded with surplus unrestricted cash generated from operations. The Board of Directors may from time to time direct that a specific source of revenue be set aside for the Capital Infrastructure Reserve.

Use of Funds

The use of the Capital Infrastructure Reserve will be for the capital maintenance, repair or replacement of qualified capital infrastructure assets. Staff will identify the need to access the reserves and will submit written requests to the Board at a public meeting. The funds can only be used with specific Board approval. Reserve fund requests will include the amount of funds needed, confirmation that the use is consistent with the purpose of the reserve funds as described in this Policy, and a description of the capital asset. Use of Capital Infrastructure Reserve funds for another specific purpose may also be requested and approved by the Board during the budget process, at the discretion of the Board.

A schedule of approved reserve funds requests ~~wi~~shall be maintained by the District Accounting Manager.

4. Landfill Closure Reserve

Background

The District owns and operates the Monterey Peninsula Landfill (MPL) in northwestern, unincorporated Monterey County just west of the City of Salinas and north of the City of Marina. The MPL opened almost 60 years ago in late 1965. Until the 1990's when significant recycling infrastructure was delivered, landfill

waste disposal was the main service performed by the District onsite (separate from the solid waste management services provided in the Member Agencies' interests through administration of the Monterey Regional Waste Management Authority and the District). Since 1965, reserve funds for landfill closure have not been collected by the District. Rather the District has maintained i) a permit required minimum financial assurance instrument (approximate value as of July 2024 of <\$2 million dollars) and ii) a 'pledge of revenues' as demonstration of financial adequacy. Two of the primary governing regulations for California landfills are 40 CFR Part 258 in the federal register and CCR Title 27 in the state register. These requirements are captured in the landfill's Solid Waste Facility Permit (SWFP) issued by CalRecycle and the Waste Discharge Requirements (WDR) issued by the Central Coast Regional Water Quality Control Board. The landfill is permitted as a 315-acre non-hazardous solid waste Class III Landfill. Landfill Closure is a capital-intensive endeavor that generally occurs at planned locations and at planned times (e.g., dates) based on the development sequence of the landfill. A main part of Landfill Closure is the construction of the Final Cap Liner System which can be a significant capital investment. During the operating period of the landfill, final cap construction may occur at intervals measured in decades or not at all for smaller landfills. Towards the end of the landfill's 'life' the final cap construction events may occur more frequently and can result in significant swings from year to year in the funds required for cap construction. The regulatory process of "Partial Closure" is used to construct the final cap liner at all times prior to the actual final closure (e.g., last cap construction event). The District has historically funded capital spending using cash generated from operations and, at times, through the use of debt.

Purpose

The purpose of the District's Landfill Closure Reserve is to ensure that cash is available to fund closure activities for the landfill be it the Partial Closure or Final Closure events. At this time (2024) of initiating a reserve fund for landfill closure construction, the Landfill Closure Reserve is not necessarily designed to set aside sufficient funds for all future closure capital funding needs. Rather, the initial intent is to start setting aside some funds and begin reducing the future unfunded liability of landfill closure. Establishing a Landfill Closure Reserve allows the cost of certain, planned capital closure expenditures to be spread over time rather than impacting just the budget year in which the planned closure construction occurs.

Definitions and Goals

The Landfill Closure Reserve is defined as designated funds set aside by action of the Board of Directors. The reserve policy can be reviewed and revised, from time-to-time, in response to internal and external changes upon the request or approval of the Board. At some point in time, in possibly 25 to 30 years or so, there may be a need to co-manage the closure reserve fund balance and the regulatory required restricted financial assurance account (the restricted financial assurance account may have an annually increasing balance requirement relative to the 'percent full' the landfill is at that time). As of June 2024, the closure financial assurance account has a balance of almost \$3,000,000 and has had annual deposits in the range of \$150,000 to \$200,000. The closure financial assurance reserve account is a restricted account and can be funded from the closure reserve fund at that time at the discretion of the staff and approval of the Board. Presently, ReGen satisfies this part of the financial assurance regulatory requirement primarily through annual deposits to the closure financial assurance account and a submittal of such documentation to CalRecycle to document compliance with this regulatory financial compliance requirement.

The District's goal is to set aside funds for qualified future landfill closure capital costs in alignment with the District's strategic goal of delivering solid waste management services in a financially responsible and sustainable manner.

Target Reserve Balance

At this time, there is not a ‘target balance’ definition for this initial creation of the Landfill Closure Reserve. The primary reasons for this are a) the organization is responsible to address this known liability and begin setting aside funds for both interim Partial Closure events that occur during the operating period of the landfill and for the Final Closure event at the end of the landfill life and b) there is greater definition needed for the Landfill Development Plan in general (updated Landfill Master Plan) and the subsequent revision of the Preliminary Closure and Post-Closure Maintenance Plan before the sequencing of Partial Closure events are known and the definition of scope for the purpose of estimating costs has been advanced.

Therefore, a two phased approach to funding Landfill Closure Reserves is defined for this initial version of the policy. The first phase, Phase A, shall be ten (10) years in duration, have a suggested minimum annual contribution amount of \$550,000, and shall have a ‘flexible’ annual funding amount process to provide the staff and Board the discretion to approve a lesser or greater amount following consideration of various aspects of ReGen’s financial and business conditions that may be present at that time. The second phase, Phase B, shall begin in Year 11 and extend for a defined period of time (recommended by staff and approved by the Board) that is no less than 50 years in duration and no longer than 75 years in duration. The 75 year duration corresponds to an existing Board policy that there be 75 years of landfill disposal capacity reserved for ReGen’s Member Agencies (interpreted to be associated with the Member Agency Franchise Waste Collection Contract).

The reserve balance will result from the cumulative amounts of any annual contributions made to this designated reserve fund and any interest income earned over time on the balances in the reserve fund. The annual funding of this reserve shall be recommended by staff, approved by the Board and is suggested to be no less than \$550,000 per year. In the future, following adoption of a new Landfill Master Plan with a partial closure and final closure plan schedule, and definition of anticipated expenditures for the new plans, a defined accrual funding schedule methodology shall be define to determine the annual reserve funding amount (Phase B). The defined annual reserve funding amount shall be reduced by the annual regulatory required deposit into the Closure Financial Assurance account. In summary, the notable features of this policy are as follows:

- Flexible annual contributions Years 0 to 10 proposed by staff & approved by the Board - (Phase A)
- Suggested minimum annual contribution amounts - (Closure \$550,000 – Phase A)
- Funding annually within 60 days of the end of the Fiscal Year - (Phases A and B)
- Defined annual contributions Years 11 to (“n” + 10) contingent on length of adopted accrual period - (Phase B)
- Defined annual contributions shall account for (e.g., be reduced by) any regulatory required annual funding amount to the Closure Financial Assurance account – (Phase B)

Accounting for Reserves

The Landfill Closure Reserve will be recorded in the financial records as a Board designated operating and capital improvement reserve. The Landfill Closure Reserve will be funded in cash or cash equivalent funds which will be commingled with the general cash and investment accounts of the District within sixty (60) days following the end of the fiscal year on June 30th. All investment accounts will be maintained and managed in accordance with the District’s Investment Policy, which is reviewed and approved annually.

Funding of Reserves

The Landfill Closure Reserve will be funded with surplus unrestricted cash generated from operations. The Board of Directors may from time to time direct that a specific source of revenue be set aside for the Landfill Closure Reserve.

Use of Funds

The use of the Landfill Closure Reserve will be for regulatory approved Partial Closure or Final Closure plan activities (CalRecycle and CC-RWQCB) unless otherwise specifically directed in writing by Board approval to another specified business need. Staff will identify the time/schedule of qualifying closure events to access the closure reserve and will submit written requests to the Board at their public meeting. The funds can only be used with specific Board approval. Reserve fund requests will include the amount of funds needed, confirmation that the use is consistent with the purpose of the reserve funds as described in this Policy, and a description of the Partial Closure or Final Closure scope of work and associated capital cost estimate or the awarded construction contract bid schedule. Use of Landfill Closure Reserve funds for another specific purpose may also be requested and approved by the Board during the budget process, at the discretion of the Board and provided that those funds are removed from the Landfill Closure Reserve account and the Board acknowledges that the closure fund balance has been reduced by use of funds for a non-closure capital purpose for the organization.

A schedule of approved reserve funds requests will be maintained by the District Accounting Manager.

5. Landfill Post-Closure Reserve

Purpose

The purpose of the District's Landfill Post-Closure Reserve is to ensure that cash is available to fund post-closure activities for the landfill. Post-Closure care activities occur after disposal operations have ceased (disposal revenues no longer exist) and after Final Closure has been completed and regulatorily approved. Post-closure care activities generally consist of monitoring and maintaining the waste containment systems, environmental control systems, and monitoring stormwater and groundwater to ensure that waste remains in the containment of the waste management unit and is not released to the surrounding environment. At this time (2024) of initiating a reserve fund for landfill post-closure activities, the Landfill Post-Closure Reserve is not necessarily designed to set aside sufficient funds for all future post-closure activities. Rather, the initial intent is to start setting aside some funds and begin reducing the future unfunded liability of landfill closure. Establishing a Landfill Post-Closure Reserve allows for accumulating the funds required over a period of many decades such that the funds necessary for the 30 year post-closure period have been accumulated before the start of the post-closure period. This is generally a 'pay as you go' process that collects a small portion from every disposal customer to share the funding of post-closure activities.

Definitions and Goals

The Landfill Post-Closure Reserve is defined as designated funds set aside by action of the Board of Directors. The reserve can be reviewed and adjusted in response to internal and external changes upon approval of the Board. At some point in time, in possibly 25 to 30 years or so, there may be a need to co-manage the post-closure reserve fund balance and a regulatory required restricted financial assurance account (the restricted financial assurance account may have an annually increasing balance requirement relative to the 'percent full' the landfill is at that time). The restricted financial assurance reserve account can be funded from the post-closure reserve fund at that time at the discretion of the staff and approval of the Board. Presently, ReGen satisfies this part of the financial assurance regulatory requirement primarily through a 'pledge of revenues' attestation accepted by CalRecycle.

The District's goal is to set aside funds for qualified future landfill post-closure capital costs in alignment with the District's strategic goal of delivering solid waste management services in a financially responsible and sustainable manner.

Target Reserve Balance

At this time, there is not a 'target balance' definition for this initial creation of the Landfill Post-Closure Reserve. The primary reasons for this are a) the organization is responsible to address this known liability and begin setting aside funds for the Post-Closure care of the landfill after disposal operations have ceased and the Final Closure of the landfill has been regulatorily approved. The annual funding of this reserve shall be approved by the Board and is suggested to be no less than \$200,000 per year. In the future, Phase B, following adoption of a new Landfill Master Plan with a post-closure plan schedule and definition of anticipated expenditures for the new plan, a defined accrual funding schedule can be considered as the methodology to define the annual reserve funding amount. The balance will be reported to the Board annually as part of the annual budget process and maintained in a Landfill Post-Closure Reserve balance schedule. The Board may choose to set a balance amount above or below the staff recommended funding amount for any given fiscal year.

Therefore, a two phased approach to funding Landfill Post-Closure Reserves is defined for this initial version of the policy. The first phase, Phase A, shall be ten (10) years in duration, have a suggested minimum annual contribution amount of \$200,000, and shall have a 'flexible' annual funding amount process to provide the staff and Board the discretion to approve a lesser or greater amount following consideration of various aspects of ReGen's financial and business conditions that may be present at that time. The second phase, Phase B, shall begin in Year 11 and extend for a defined period of time (recommended by staff and approved by the Board) that is no less than 50 years in duration and no longer than 75 years in duration. The 75 year duration corresponds to an existing Board policy that there be 75 years of landfill disposal capacity reserved for ReGen's Member Agencies (interpreted to be associated with the Member Agency Franchise Waste Collection Contract).

The reserve balance will result from the cumulative amounts of any annual contributions made to this designated reserve fund and any interest income earned over time on the balances in the reserve fund. The annual funding of this reserve shall be recommended by staff, approved by the Board and is suggested to be no less than \$200,000 per year. In the future, for Phase B of this policy, a defined accrual funding schedule methodology shall be define to determine the annual reserve funding amount (Phase B). The defined annual reserve funding amount shall be reduced by the annual regulatory required deposit into the Post-Closure Financial Assurance account, if any. In summary, the notable features of this policy are as follows:

- Flexible annual contributions Years 0 to 10 proposed by staff & approved by the Board - (Phase A)
- Suggested minimum annual contribution amounts - (Post-Closure \$200,000 - Phase A)
- Funding annually within 60 days of the end of the Fiscal Year - (Phases A and B)
- Defined annual contributions Years 11 to ("n" + 10) contingent on length of adopted accrual period - (Phase B)
- Defined annual contributions shall account for (e.g., be reduced by) any regulatory required annual funding amount to the Post-Closure Financial Assurance account - (Phase B)

Accounting for Reserves

The Landfill Post-Closure Reserve will be recorded in the financial records as a Board designated operating and capital improvement reserve. The Landfill Post-Closure Reserve will be funded in cash or cash equivalent funds which will be commingled with the general cash and investment accounts of the District within sixty (60) days following the end of the fiscal year on June 30th. All investment accounts will be

maintained and managed in accordance with the District's Investment Policy, which is reviewed and approved annually.

Funding of Reserves

The Landfill Post-Closure Reserve will be funded with surplus unrestricted cash generated from operations. The Board of Directors may from time to time direct that a specific source of revenue be set aside for the Landfill Closure Reserve.

Use of Funds

The use of the Landfill Post-Closure Reserve will be for regulatory approved Post-Closure Plan activities (CalRecycle and CC-RWQCB) unless otherwise specifically directed in writing by Board approval. Staff will identify the need to access the reserves and will submit written requests to the Board at a public meeting. The funds can only be used with specific Board approval. Reserve fund requests will include the amount of funds needed, confirmation that the use is consistent with the purpose of the reserve funds as described in this Policy, and a description of the Post-Closure scope of work and associated capital cost estimate or the awarded service contract or construction contract bid schedule. Use of Landfill Post-Closure Reserve funds for another specific purpose may also be requested and approved by the Board during the budget process, at the discretion of the Board and provided that those funds are removed from the Landfill Post-Closure Reserve account and the Board acknowledges that the post-closure fund has been reduced by use of funds for a non-post-closure capital purpose for the organization.

A schedule of approved reserve funds requests will be maintained by the District Accounting Manager.