

**Kirkwood Meadows Public Utilities District
BOARD OF DIRECTORS**

**FINANCE COMMITTEE
CHARTER**

PURPOSE: The Finance Committee is established as a Standing Committee of the Board of Directors whose primary duties are to oversee the financial operations, planning and policies of the District. The Committee reviews for recommendation to the Board the yearly operating, capital expenditure and reserve budgets prepared by management. The Committee shall review and recommend financial policies and procedures consistent with current “best practices” for districts of similar size and complexity.

MEMBERSHIP: The Finance Committee shall consist of up to seven voting members consisting of two Directors, one of whom shall be the Treasurer of the Board, and from one to five Community members. The General Manager shall be a non-voting member of the Committee.

The Committee may include non-voting ex-officio members such as financial consultants and advisors as may be recommended by the Committee and authorized by the Board.

The Committee may establish such subcommittees as it believes are necessary to fulfill its purpose.

MEMBERSHIP TERM: The term for the Board members shall be two years. The term for each of the Community members shall be for two years, and the Board may re-appoint Community members at the end of their terms based on interest and participation, and whether other qualified candidates have declared an interest to serve.

COMMITTEE CHAIR: The Board Treasurer shall serve as Committee Chair. The Chair, or his/her designee, shall lead the Committee meetings and shall be the authorized liaison for requests and communications between the Committee and the Board and management.

MEETINGS: Meetings of the Finance Committee are subject to the *Brown Act* meeting and notice requirements. Subject to compliance with noticing requirements, the Committee shall meet as often as the Chair of the Committee deems necessary or desirable, but in no case shall it meet less frequent than quarterly.

COMMITTEE RESPONSIBILITIES: The Committee shall keep itself fully informed concerning the budgetary and fiscal affairs of the District. The

Committee shall review all aspects of the financial policies, planning, and operations of the District and make recommendations to the Board and the General Manager. The Committee shall provide recommendations to the Board regarding management's proposed operating, capital and reserve budgets for the ensuing fiscal year(s) to ascertain that they are fiscally sound and supportive of the approved strategic plan(s) and priorities of the District. The Committee's primary responsibilities are as follows:

- Regularly review financial policies and procedures for effectiveness and make recommendations for change consistent with current "best practices" for districts of similar size and complexity;
- Review budgets prepared by staff and assist in the presentation of budgets to the Board. Budget reviews shall specifically include an analysis of general fund balances to assure that the District has sufficient funds to meet obligations and address unforeseen needs for funds;
- Regularly monitor the District's overall financial operations and review performance against budget plan;
- Oversee annual and long-range operating and capital budgets;
- Ascertain that a viable long-range financial plan is in place;
- Oversee that timely and accurate financial information is presented to the Board;
- Communicate with and educate the Board on the District's financial condition;
- Review plans for debt financing and make recommendations on such to the Board for its approval;
- Work with General Manager and his/her designee to ensure internal reporting practices meet the Committee's needs and expectations, including providing advice on related information systems;
- Recommend to the Board selection of an auditor for annual audit of the District's finances, including interview of auditors and review of bids;
- Receive the auditor's report, meet with the auditor, and respond to the auditor's recommendations;
- Conduct an annual self-evaluation of the performance of the Finance Committee and the effectiveness and compliance with this Charter.