



**TOWN OF PALMER LAKE
BOARD OF TRUSTEES – MEMO SUMMARY**

DATE: December 11, 2025	ITEM NO.	SUBJECT: Management of Water funds to generate increased interest income
Presented by: Management Specialist Christi Birkeland		

Background

- The Water Fund monies are held in one checking account and three interest-bearing securities accounts.
- The checking account balance is consistently above what is needed to cover monthly expenses.
- The 2023 water study identified some Reserve target balances.
- In 2026, the Water Fund will be separated into a Water Operating Fund and a Water Capital Fund

Proposal

Some of the monies in the checking account can be moved to the reserve accounts which will generate additional interest income. The water study reserve target balances will be met and committed. In addition, the reserve accounts will be identified as belonging to one fund or the other.

Recommended Action

Staff recommend approval of the Water Fund cash management proposed resolution.