

Lake Shastina Community Services District

RESOLUTION 3-85

A RESOLUTION ADOPTING AN ANNUAL STATEMENT OF INVESTMENT POLICY FOR THE LAKE SHASTINA COMMUNITY SERVICES DISTRICT

WHEREAS, the Board of Directors has heretofore established a Fire Protection Enterprise Fund, Sewer Enterprise Fund, a Police Protection Enterprise Fund, and a General Nonenterprise Fund from which moneys may be expensed for general operating purposes; and

WHEREAS, the Board of Directors has, in addition, established special reserve funds designated as "Capital Improvement Gravity Sewer System," "Capital Improvement Total Sewer System," and "Low Pressure Sewer Extensions" from which moneys may be expensed for specific purposes only; and

WHEREAS, the Board of Directors has heretofore designated the General Fund as the depository of all interest moneys save those specifically earned on the aforementioned special reserve funds; and

WHEREAS, in addition to the moneys in the above established special reserve funds the Lake Shastina Community Services District has on hand in the General Fund and the Depreciation Reserve Fund of each enterprise fund moneys which are surplus to the District's immediate operating needs; and

WHEREAS, it has been determined to be in the public interest to invest such surplus and inactive moneys in a manner which insures a maximum return consistent with safety on such investments while maintaining the integrity of such surplus and inactive funds; and

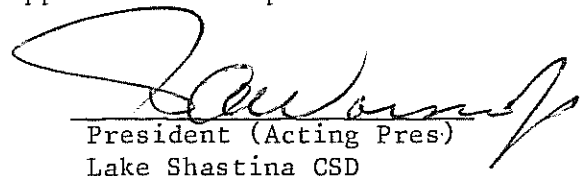
WHEREAS, the Board of Directors has heretofore designated depositories, and may from time to time hereafter designate additional such depositories, to have custody of District funds; and

WHEREAS, The Finance Officer has rendered an annual statement of investment policy to the Board pursuant to Section 53646(a) of the Government Code;

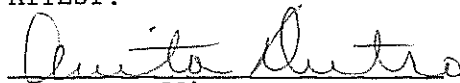
NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Lake Shastina Community Services District as follows:

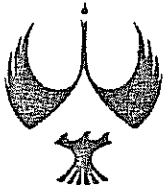
1. The Finance Officer's Annual Statement of Investment Policy dated July 9, 1985, attached hereto as Exhibit A, is hereby approved and adopted.

ADOPTED this 23 day of July, 1985.


President (Acting Pres.)
Lake Shastina CSD

ATTEST:


Finance Officer
Lake Shastina CSD



Lake Shastina Community Services District

23 July 1985

TO: Board of Directors
FROM: Finance Officer
SUBJ: Finance Officer's Annual Statement of Investment Policy

The following is my annual statement of investment policy rendered pursuant to Section 53646(a) of the Government Code:

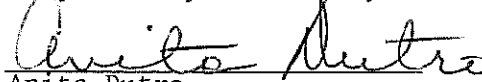
1. Investment of surplus money of the Lake Shastina Community Services District shall be made in securities in which the District is legally empowered to invest such funds in accordance with Section 53601 of the Government Code, taking into consideration the probable income as well as the probable safety of said funds, exercising the judgement and care, under the circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of said funds.
2. As far as possible, all money in excess of that required to cover monthly operational and administrative expenses shall be invested in Commercial Banks, Federally Chartered Savings and Loans with F.D.I.C. or F.S.L.I.C. insurance or the Local Agency Investment Fund in accordance with Section 16249.1 of the Government Code. The determination of which of these alternate investments will be used, will be based upon prevailing interest rates taking into consideration the term of the investment. No investments the term of which exceed five years will be considered.
3. Interest earned and received on investments on "Low Pressure Extension Fund," "Reserve for Sewer System Capital Outlay," and "Reserve for Fire Department Capital Outlay" shall be credited to those funds in the same proportion that such funds bear to the total moneys invested. All other interest, including interest on "Depreciation Reserves" and "Special District Augmentation Funds" shall be credited to the General Fund.
4. Investments of funds under 1,2,3 and 4 above shall be limited as follows:
 - a. District investments in any state or federal savings and loan institution shall be limited to \$100,000 including interest thereon.
 - b. District investments in state or national banks shall be limited to \$100,000 including interest thereon.
 - c. District investments in the State of California Local Agency Investment Fund shall be limited to \$5,000,000 including interest thereon.
5. District staff shall provide the Finance Officer a monthly report showing the type of investment, institution, date of maturity, amount of deposit, current market value for all securities with a maturity of more than 12 months, rate of interest, and such data as may be required by the District. Said report may be incorporated into the District's monthly Finance Report submitted to the Board by the District Finance Officer.

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Finance Officer's Annual Statement of Investment Policy
9 July 1985

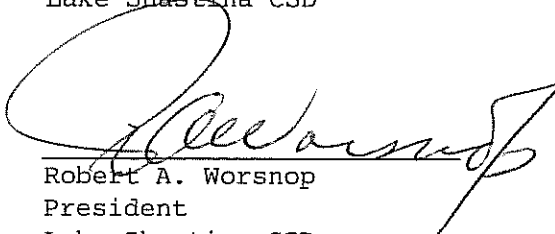
6. Accounts shall be established and maintained in District accounting records to record the surplus and inactive funds invested at all times in accordance with State Controller's Chart of Accounts as authorized by Section 53891 of the Government Code.
7. Reserve fund account balances shall be maintained separately and shall reflect at all times the balance in each reserve fund in a manner consistent with generally accepted accounting practices.
8. Depositories having custody of District funds shall be directed to forward copies of all correspondence concerning the Lake Shastina CSD funds to the Finance Officer of the District addressed to District Office.
9. Verification that moneys have been on deposit at all times and collateralized in amounts equal to or in excess of funds designated by the Board of Directors as reserve funds shall be made in the annual audit of records.
10. The Board should from time to time determine which reserve funds are surplus and which are inactive, taking appropriate action where deemed necessary.

It is recommended that this Annual Statement of Investment Policy be adopted as Board policy. Enclosed is a resolution to accomplish this.

Respectfully submitted,


Anita Dutro

Finance Officer
Lake Shastina CSD


Robert A. Worsnop
President
Lake Shastina CSD

C. DELINQUENT DISTRICT ACCOUNTS FOR TAX ROLLS. President Worsnop opened the public hearing at 8:17 P.M. and asked General Manager Smith to summarize the delinquent accounts list. Mr. Smith reported that about 375 names will be turned into the County on or about August 10, 1985. Mr. Smith announced that this is the second public hearing to allow those property owners whose accounts are presently delinquent an opportunity to submit their reasons why the District's contemplated action to place said delinquent account on the tax rolls is inequitable. There was no public input. The public hearing was closed at 8:20 P.M. (M Spahr, S Trager) to direct staff to submit list to County for tax rolls.

Aye: Unanimous.

VI. WRITTEN COMMUNICATIONS

A. LETTERS ADDRESSING TEPFER PROJECT AND CSD'S SPHERE OF INFLUENCE. The letters were given to the Secretary and by reference to become incorporated herein.

VIII. UNFINISHED BUSINESS

A. PUD/TEPFER PROJECT. There was a general discussion of the negative input from many concerned property owners. There was no input from the developer. The Board asked Mr. Smith to communicate with Mr. Tepfer re negative public input.

B. UPDATING CONFLICT OF INTEREST FILINGS. There are no additions to the list under Exhibits A and B. The Board asked Mr. Smith to correspond this to the County Clerk.

C. CSD INVESTMENT POLICY. The letter from District Finance Officer, Director Dutro, by reference to be incorporated herein, was submitted to the Board for approval under Resolution 3-85 adopting an annual statement of investment policy for the District. President Worsnop read the letter with the following proposed changes: Paragraph 2: "administrative expenses shall be invested in Commercial Banks, Federally Chartered Savings and Loans with F.D.I.C. or F.S.L.I.C. insurance or the Local Agency Investment Fund in accordance with Section 16249.1 of the Government Code. The determination of which of these alternate investments will be used, will be based upon prevailing interest rates taking into consideration the term of the investment. No investments the term of which exceed five years will be considered." Paragraph 3: delete.

(M Barbier, S. Dutro) to accept the CSD Investment Policy as amended.

Aye: Unanimous.

(M Trager, S Spahr) to adopt Resolution 3-85.

Aye: Unanimous.

D. MODIFICATION OF REVERSION CLAUSE ON DEED TO SOUTH SEWER PONDS. There has been no response received from Mr. Porter's attorney. Mr. Smith will try to contact by telephone on Wednesday, 24 July 1985.

IX. NEW BUSINESS

A. CSD REPRESENTATIVE FOR POA ANNUAL MEETINGS ON 10 AUGUST 1985.

8:00 A.M. Spearpoint POA - Dick Spahr
12:00 P.M. Rancho Hills POA - Ted Trager
2:00 P.M. Lake Shastina POA - Robert Worsnop



Lake Shastina Community Services District

CERTIFICATE OF POSTING

RESOLUTION NO. 3-85

Karen L. Code , under penalty of perjury, certifies as follows:

That she is, and during all times herein mentioned was, the duly appointed and qualified Secretary of the Lake Shastina Community Services District, Siskiyou County, California;

That on the 23rd day of July, 1986, she caused to be posted a full, true and correct copy of Resolution No. 3-85, A Resolution

ADOPTING AN ANNUAL STATEMENT OF INVESTMENT POLICY FOR THE LAKE SHASTINA COMMUNITY SERVICES DISTRICT.

in the official office of the District, 15440 "C" Juniper Peak Road, Weed, California located in the Lake Shastina Mutual Water Company construction yard.

Executed this 23rd day of July, 1985.

Karen L. Code

District Secretary