



LAKE SHASTINA COMMUNITY SERVICES DISTRICT

Resolution 7-08

A Resolution of the Board of Directors of the Lake Shastina Community Services District.

WHEREAS, the Board has reviewed copies of a proposed Master Cash Manager Agreement (the "Agreement") to be entered into by and between Lake Shastina Community Services District (the "Company") and Scott Valley Bank (the "Bank"); and

WHEREAS, the Board has determined that it would be in the best interests of the Company to participate in the Scott Valley Bank Cash Manager Services program, such participation to be on the terms and conditions set forth in the Agreement.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. It is in the best interest of the Company to participate in the Scott Valley Bank Cash Manager Services program, such participation to be on the terms and conditions set forth in the Scott Valley Bank Master Cash Manager Agreement and the addenda thereto; and
2. The Board authorizes and directs the persons shown below (hereinafter, "Authorized Officers"), acting individually or together, for and on behalf of the Company to negotiate, execute and deliver the Agreement with such terms, covenants, and conditions as such Authorized Officer may approve, such approval to be conclusively evidenced by the execution and delivery of the Agreements; and
3. The Board has considered the security procedures set forth in the Agreement, and finds that such security procedures are commercially reasonable for verifying that a payment order or other communication purporting to have been issued by the Company as originator is in fact a payment order or communication of the Company. In reaching this determination, the Board has considered the size, type and frequency of payment orders and communications that the Company anticipates issuing to the Bank.
4. The Board authorizes and directs any Authorized Officer, acting (x) together () separately, to designate one or more persons (which may or may not be or include an Authorized Officer) as the System Administrator for the utilization of the Scott Valley Bank Cash Manager Services program, such authority to include the ability of the System Administrator to specify those employees of Company who will be able to initiate payment orders and other communications pursuant to the Scott Valley Bank Cash Manager Services program and the Agreement, and to add and remove such persons from time to time as may be deemed appropriate to the Systems Administrator.
5. The Board recognizes that the Scott Valley Bank Cash Manager Services program allows the Company, through employees specified by the System Administrator, to transfer Company funds, and to change the designations from time to time of the employees who will be able to transfer funds. The Board further recognizes that the Bank will not be responsible for verifying

whether a payment order or other communication is originated by an authorized individual other than through the verification process contained in the security procedures of the Scott Valley Bank Cash Manager Services program. Thus, when the System Administrator designates, adds or deletes an individual on the system, the Bank will treat that person as "authorized" if the security procedures are followed, without verifying that individual with the Company or otherwise investigating whether the individual is exercising authority granted by the Company or consistent with any internal limitations on activity established by Company for that individual.

6. As used in these Resolutions, the term "Authorized Officer" shall mean:

Title	Name
a. Office Manager	Brenda Bain
b. AP / Payroll Clerk	Lisa Silva

CERTIFICATE OF SECRETARY

The undersigned Secretary of Lake Shastina Community Services District, a California corporation (the "Company"), hereby certifies as follows:

a. Attached hereto is a true, complete and correct copy of certain resolutions of the Board of Directors of the Company, duly adopted by the Board at the meeting duly called and held, at which a quorum was present and acting throughout; and

b. Such resolutions have not been amended, modified or rescinded and remain in full force and effect on the date hereof.

IN WITNESS HEREOF, the undersigned has hereunto signed his name and caused this Certificate to be delivered on the date shown:

Dated: 12/17/08

By: Beverly Roths

Name: Beverly Roths
LSCSD Secretary

- 2. **Acknowledgement of Volunteers** – Received and Filed: Item removed from consent agenda. Staff confirmed that the volunteer list reports data for a full fiscal year (July to June).

B. Treasurer's Report -----OM Bains

- 1. **Ratification of Disbursements for Period November 1 to November 30, 2008** – Received and Filed

Motion by Dir. Roths second by Dir. Wetter to approve ratification of disbursements for period November 1 to November 30, 2008.

Ayes: Directors Cupp, Pavlic, Roths and Wetter

Noes: None

Absent: Director Dean

- 2. **YTD Budget Comparison (Accrual) 2008/2009** – Received and Filed
 - a. **Administration Building Capital Purchases:** Board and staff discussed report.
- 3. **LAIF – Quarterly Report (March, June, September, December)** – Received and Filed: Item removed from consent agenda. OM Bains answered questions regarding investment policy for LAIF.
- 4. *Income Report – 2008/2009* – Received and Filed
- 5. *Accounts Receivables Aging – 2008/2009* – Received and Filed

* consent
* consent

C. Fire Department-----FC Montreuil

- 1. *Written Report* – Received and Filed
- 2. *Activity Log*

* consent
* consent

D. Police Department-----PC Alves

- 1. *Written Report* – Received and Filed
- 2. *Activity Log*
- 3. **Police Department Fee Increase – Measure R** – Received and Filed: Board and staff discussed the possibility of putting Measure R back on the next election ballot or possibly changing the measure based on public safety to include both Fire and Police. Staff to research if Prop. 218 limits when a Police or Fire special tax increase can be placed on a ballot.

* consent
* consent

E. Sewer Department ----- GM Lea

- 1. *Written Report* – Received and Filed
- 2. **Status: Wastewater Ponds / Wastewater Permit** – Received and Filed: Board, staff and Chuck Schlumpberger discussed the status of the permit request for the RWQCB and options for funding the improvement. Mr. Schlumpberger reported that the County would begin meeting in January regarding a County septage facility at the Lake Shastina sewer pond site.
 - a. **Discussion / Possible Action: easements for electrical and access**

* consent

Motion by Dir. Wetter second by Dir. Roths to authorize the General Manager, or any Board member, to sign for easements (documents to be notarized).

Ayes: Directors Cupp, Pavlic, Roths and Wetter

Noes: None

Absent: Director Dean

F. Water Department----- GM Lea

- 1. *Written Report*

* consent

Item 9. OLD BUSINESS-----Pres. Cupp

- * consent **A. Approval of Resolution 7-08 re: Scott Valley Bank Cash Manager Services Program** – Received and Filed

Motion by Dir. Wetter second by Dir. Roths to approve Resolution 7-08 re: Scott Valley Bank Cash Manager Services Program.

Ayes: Directors Cupp, Pavlic, Roths and Wetter

Noes: None

Absent: Director Dean

Item 10. NEW BUSINESS-----Pres. Cupp

- A. Discussion / Possible Action: recruitment of General Manager** – Received and Filed: Board and General Manager Search Committee discussed issues that needed to be resolved prior to advertising for the General Manager position. Board agreed to hold a special meeting on Monday, December 22, 2008, at 1:00 p.m. to review Committee recommendations. Lee England volunteered to join the Committee to represent the LSPOA Board.