

Lake Shastina Community Services District

RESOLUTION 9-88

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 Non enterprise 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 Unrestricted 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 September 13, 1988, attached hereto as Exhibit A, is hereby approved and adopted.

ADOPTED this 13 day of September, 1988.

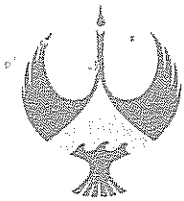


J. RICHARD SPAHR
President

ATTEST:



ROBERT J. APPLIGATE
Finance Officer



Lake Shastina Community Services District

13 September 1988

Exhibit A to Resolution 9-88

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 judgment 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 "Unrestricted Reserves" and "Special District Augmentation Funds" shall be credited to the General Fund.
4. Investments of funds under 1, 2, 3, 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.

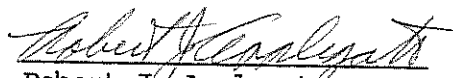
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Finance Officer's Annual Statement of Investment Policy
13 September 1988

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 and attached as Exhibit A to Resolution 9-88.

Respectfully submitted,


Robert J. Applegate
Finance Officer
Lake Shastina CSD

c. Overview Committee re: Lake Shastina Subdivision

Bob Cave, member of the overview committee, was called upon by President Spahr to comment.

He relayed to the Board that the Committee does have some recommendations to be presented to the LSPOA Board at their October meeting. The recommendations may be funneled through LSPOA and CSD concurrently or individually whichever the Committee considers to be appropriate.

Recommendations to be submitted in October will cover:

1. Fishing problem
2. Vehicle Code

d. & e. Policy and Procedures Committee - Scope and the objectives as outlined for review - Director John's read into the minutes a synopsis of Policies & Procedures prepared by Hank Seegelken. By reference, synopsis is incorporated herein with copies to be provided to Directors as soon as they can be made available. Committee did not have time to prepare the Safety scope paper that would identify what they would recommend Districts action be in responding to SDIA within the next 60 days. Director Johns feels when Mr. Seegelken gets back into the area, they will be able to work on the response.

f. Master Planning Committee RE: Vehicle & RV Storage

Mr. Bob Cave read into the minutes his Comprehensive Planning, purpose and process letter dated March 22, 1988, submitted 9/12/88 and by reference is incorporated herein. He emphasized that CSD and all Boards should look at what needs to be done to establish a Tax Base with what ever legal method is needed to do it. General Manager pointed out that it's imperative to take advantage of the volunteers who are willing to address the unanswered questions and issues regarding zoning, sphere of influence and commercial areas.

g. Pacific Power Expanded Work & Impact on CSD -

Letter has been received from Pacific Power and a response is to be prepared. No further comment was made at this time regarding this subject. By reference, PP&L letter dated 9/8/88 is incorporated herein as information.

h. SDIA ltr 8/31/88 reporting status of pending lawsuit

Reed vs. Dutro General Manager read into the minutes SDIA ltr 8/31/88 and by reference is incorporated herein.

B. Approve Resolution 9-88, Adopting an Annual Statement of Investment Policy for the Lake Shastina Community Services District. Note: Government Accounting & Financial Reporting Manual re: Enterprise Funds, provided by Hap Goodrich, CPA. In view of the information provided by District CPA that municipal governments, routinely transfer excess earnings (such as interest income) from enterprise funds to general fund, President Spahr entertained a motion that Board approve Resolution 9-88. So moved by Director Applegate with the proviso that adoption date be September 13, 1988. Seconded by Director Trager. Upon vote, motion carried unanimously.