



Lake Shastina Community Services District

RESOLUTION NO. 2-90

A RESOLUTION OF THE LAKE SHASTINA COMMUNITY SERVICES DISTRICT ESTABLISHING A SALARY DEFERRAL PLAN

WHEREAS, the DISTRICT desires to establish a deferred compensation plan that will be made available to all eligible District employees pursuant to Federal legislation permitting such plans, and

WHEREAS, certain substantial tax benefits could accrue to employees in said deferred compensation plan, and

WHEREAS, such benefits will act as incentives to District employees to voluntarily set aside and invest portions of their current income to meet their future financial requirements and supplement Social Security, and

WHEREAS, the Kemper Financial Services, Inc. has established a deferred compensation program for political subdivisions permitting its member Districts and their employees to enjoy the advantages of this program;

NOW, THEREFORE, BE IT RESOLVED that the District Board of Directors of the Lake Shastina Community Services District does hereby adopt the Kemper Financial Services, Inc Deferred Compensation Program and its attendant investment options and hereby establishes the District's Deferred Compensation Plan for the voluntary participation of all eligible District employees.

FURTHER, BE IT RESOLVED that the District General Manager is hereby authorized to execute, for the District, individual participation agreements with each said employee requesting same, and to act as the "Administrator" of the Plan representing the District, and to execute such agreements and contracts as are necessary to implement the Program.

FURTHER, BE IT RESOLVED that the District is initiating this program at no cost or contribution by the District other than the incidental expenses of collecting and disbursing the employee's deferrals and other minor administrative matters.

FURTHER, BE IT RESOLVED that notwithstanding the above resolve the District reserves the right at any time to make contributions to the Program.

FURTHER, BE IT RESOLVED that the District shall require Kemper Financial Services Inc. to hold harmless and indemnify the District, its officers and employees from every claim which may be made by reason of a challenge to the tax-qualified status of any 403(b)(7) Custodial Accounts maintained by Investors Fiduciary Trust Company as Custodian for the regulated investment company(ies) (the "Fund(s)"), managed by or the shares of which are distributed by Kemper Financial Services, Inc. or by reason of a challenge to the maximum exclusion allowance computed for any participant of the District's Section 403(b) plan.

I hereby certify that the forgoing is a full, true and correct copy of a resolution duly passed and adopted by the Board of Directors of the Lake Shastina Community Services District, Siskiyou County, California, at a meeting thereof duly held on the 9th day of January, 1990, by the following vote:

AYES: and in favor thereof, Directors Wallace, Spahr and Johns

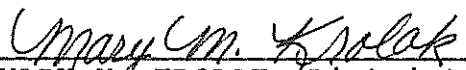
NOES: None

ABSENT: Directors Trager and Applegate



DONALD WALLACE, Vice President

ATTEST:



MARY M. KROLAK, District Secretary

b. Consolidation Status - Consensus of Board is to remove this item from the agenda until POAs request CSD to take further action.

c. Parks & Recreation - General Manager reported that decision has been reached regarding the grant allocations, but notification is being heldup at this time in order to follow proper channels of dissemination.

(1) CSD ltr 12/20/89 and SDIA response dtd 12/21/89 re: Liability Coverage for proposed park development. No response has been received as of this date.

B. Siskiyou County STAGE Services to Lake Shastina - By reference Director Johns ltr dtd 1/8/90 is incorporated herein.

VI. NEW BUSINESS

A. Resolution 1-90 pertaining to a Sexual Harassment Policy - Director Johns moved and duly seconded by Director Spahr to adopt Resolution 1-90 pertaining to policy on Sexual Harassment. Upon vote, motion carried unanimously.

B. Resolution 2-90 pertaining to a Salary Deferral Plan - Director Spahr moved and duly seconded by Director Johns to adopt Resolution 2-90 pertaining to a Salary Deferral Plan. Upon vote, motion carried unanimously.

VII. PUBLIC COMMENT - Board requested General Manager to check number of volunteers being covered under Worker's Comp. NOTE: Answer - 7 volunteer Fire Fighters. The last time volunteers other than firefighters were covered was during the period of time the Fire/Police Station was being built. Any additional volunteer services for CSD should be cleared through General Manager prior to commencement of any work so that Workers Comp (Program CSDA) can be notified and a rate established.

VIII. ADJOURNED There being no further business noted, Director Johns moved and duly seconded by Director Spahr to adjourn at 4:15 p.m. Upon vote, motion carried unanimously.

Respectfully submitted,

Mary M. Krolak
MARY M. KROLAK
District Secretary