



Lake Shastina Community Services District
RESOLUTION 8-93

A RESOLUTION APPROVING MODIFICATION OF LAKE SHASTINA COMMUNITY SERVICE DISTRICT'S PROMISSORY NOTE TO LAKE SHASTINA MUTUAL WATER COMPANY REGARDING CALCULATION OF QUARTERLY INTEREST RATE

WHEREAS, the Lake Shastina Community Services District and Lake Shastina Mutual Water Company have entered into a mutual agreement for Lake Shastina Community Services District's purchase of a fire apparatus, and

WHEREAS, said agreement includes a promissory note that, inter alia, delineates the interest rate to be paid by Lake Shastina Community Services District to be a variable quarterly rate 1/2 way between the Local Agency Investment Fund's (LAIF) prevailing rate and the Federal Funds rate, but never lower than 0.5% above the Federal Fund rate, and

WHEREAS, the LAIF prevailing rate for past quarter is an average as of the last day of the quarter and the Federal Funds rate for last day of quarter can vary as much as \pm 1 percentage point from previous or following day, and

WHEREAS, the Federal Reserve Board (FRB) Discount rate is a very close average of the Federal Fund rate over any quarter and more closely comparable to the average LAIF interest rate for same period and,

WHEREAS, by Lake Shastina Mutual Water Company Resolution 2-93, adopted April 15, 1993, the Mutual Water Company has agreed, subject to Lake Shastina Community Services District's approval, to so amend LSCSD's Promissory Note to the Lake Shastina Mutual Water Company;

NOW THEREFORE, BE IT RESOLVED that:

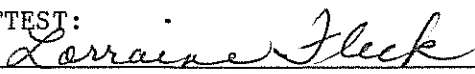
1. The Lake Shastina Community Services District Board of Directors hereby agrees to amend the promissory note dated August 6, 1992 as follows: Delete the words "Federal Funds" in first paragraph and substitute therefor the words "FRB Discount" and
2. Said amendment shall be effective January 1, 1993 and thereafter for remaining term of promissory note.
3. President is hereby authorized to sign said amendment to promissory note on behalf of Board.

I hereby certify that the foregoing 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 21st day of April, 1993, by the following vote:

AYES: and in favor thereof, Directors Britt, Johns, Trager and Wallace
NOES: None
ABSENT: None



DONALD WALLACE, President

ATTEST:


LORRAINE FLECK, District Secretary

VI. NEW BUSINESS

- A. Resolution 8-93 - Modification to MWC/CSD Promissory Note was reviewed and discussed. Following discussion, and corrections to typographical errors, Director Britt moved, and it was duly seconded by Director Trager, to adopt Resolution 8-93, A Resolution Approving Modification of Lake Shastina Community Service District's Promissory Note to Lake Shastina Mutual Water Company Regarding Calculation of Quarterly Interest Rate. Upon the following vote Ayes - Britt, Johns, Trager Wallace, Noes - none, the resolution was adopted unanimously.
- B. Preliminary Review of FY-94 Budget - General Manager Smith presented budgetary overview for general fund and sewer fund. The members agreed the material was too much to digest at this sitting. It was agreed a special meeting to conduct a budget workshop will be held Thursday, May 6, 1993 at 9:30 a.m.
- C. A Request for approval of upgrade of computer system hardware to provide expanded capabilities and replacement of failing 1988 KAYPRO computer was presented by the General Accountant citing an immediate need for additional memory and hard disk space as well as future need to store history files with upgraded utility billing software expected in the near future. Following review and discussion, a motion was made by Director Britt, duly seconded by Director Johns, that CSD authorize expenditure of funds not to exceed a total of \$4000 for all agencies to purchase a 486/66 mhz computer with 8 MB RAM and 600-650 MB hard drive capacity as well as all essential installations to accommodate implementation of Novell software in the future. Upon vote, the motion carried unanimously.

The meeting adjourned to closed session at 4:17 p.m.

VII. CLOSED SESSION -

- A. LITIGATION - CASE NO. 48234

The meeting reconvened to open session at 4:40 p.m.

It was reported that during the closed session a motion was made by Director Johns, seconded by Director Trager, that the board instruct the General Manager to contact special counsel. Upon vote, the motion carried unanimously.

VIII. PUBLIC COMMENT - None offered at this time.

IX.. ADJOURNMENT - The meeting adjourned at 4:45 p.m.

Respectfully submitted,



Lori Fleck
District Secretary