

RESOLUTION 98-20

A RESOLUTION OF THE BOARD OF
DIRECTORS OF THE PLUMAS
EUREKA COMMUNITY SERVICES DISTRICT

WHEREAS, the Plumas Eureka Community Services District (the "District") is a municipal corporation established and operating under the provisions of the Community Services District Law, Section 61000 et seq of the California Government Code (the "Act"); and

WHEREAS, the District is managed and controlled by a Board of Directors (the "Board"); and

WHEREAS, In the course of operation of the Water and Wastewater systems, issues and expenses come up from time to time that are too large to come out of the budget, but do not qualify as Capital Improvements. Therefore, starting with the Fiscal Year 98/99 Budget, a Contingency Account in both Water and Wastewater Divisions will be established; and

WHEREAS, In the course of operation of the Fire Department, Engine and Equipment issues and expenses concerning both replacement and maintenance come up from time to time that are too large to come out of the budget. Therefore a Fire Engine and Equipment Replacement and Maintenance Account ("FEERAM") will be established to support these expenses; and

NOW, THEREFORE, IT IS HEREBY RESOLVED, DETERMINED AND ORDERED BY THE BOARD OF DIRECTORS OF THE PLUMAS EUREKA COMMUNITY SERVICES DISTRICT AS FOLLOWS:

1. Account funding source description.

1A. The Water Contingency Account will be initially funded by the 98/99 Budget surplus. Thereafter, surpluses in succeeding operating budgets will further add to the contingency account on a yearly basis until a ceiling of \$15,000.00, for the Water Division Account is reached. Once the ceiling amount has been met, any overages will be transferred to the Water Reserve Account.

1B. The Wastewater Contingency Account will be initially funded by a transfer of \$5,000.00, from the Sewer Reserve Account. Surpluses in succeeding operating budgets will further add to the contingency account on a yearly basis until a ceiling of \$15,000.00 for the Wastewater Division Account is reached. Once the ceiling amount has been met, any overages will be transferred to the Sewer Reserve Account.

1C. The Fire Engine and Equipment Replacement and Maintenance Account ("FEERAM") will be initiated by a transfer of funds from the Fire Department Treasury Account, and will include the 97/98 Fiscal Year Budget surplus. Surpluses in succeeding operating budgets will further add to the account.

2A. Contingency Account use. Emergencies notwithstanding, the General Manager is authorized to spend the amount allocated by the budget for each line item. The General Manager will be allowed to spend \$100.00 in the Water and Wastewater Contingency Accounts at his discretion to compensate for any unusual operational overrun on any line item in the operating budget.

2B. Any amounts in excess of \$100.00, the General Manager will formally seek approval of the PECSD Board of Directors for any action to be taken.

3. Effective Date of Resolution. This Resolution shall take effect on the date of its passage and approval.

THE CONTINGENCY FUND RESOLUTION EXECUTED ON THIS THE 10th DAY OF June, 1998 by the following vote of the governing body.

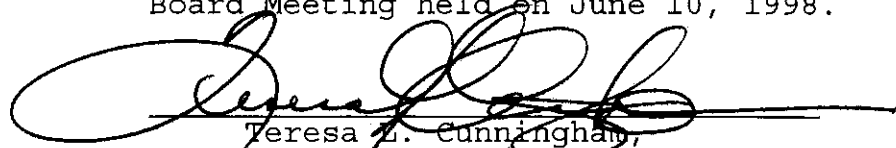
AYES: J. MacGregor, N. Nichols, R. Lang

NOES: None

ABSTAIN: A. Richard

ABSENT: None

I hereby certify that the foregoing is a true and correct copy of the PECSD Contingency Fund Resolution #98-20, adopted by the Board of Directors at the Board Meeting held on June 10, 1998.



Teresa L. Cunningham,
Clerk to the Board of Directors