

EXHIBIT "A"

CENTERVILLE COMMUNITY SERVICES DISTRICT

CONFLICT OF INTEREST CODE

DESIGNATED POSITIONS

The following positions are designated so that persons holding such designating positions shall file conflict of interest statements as provided in the Conflict of Interest Code.

Disclosure Categories	
Member, Board of Directors	A, B, C, D, E
General Manager	A, B, C, D, E

Disclosure categories are described in Exhibit "B" attached hereto.

EXHIBIT "B"

CENTERVILLE COMMUNITY SERVICES DISTRICT

CONFLICT OF INTEREST CODE

DISCLOSURE CATEGORIES

A. Investment and Real Property Disclosure. When an investment or an interest in real property is required to be reported, the statement shall contain the following:

1. A statement of the nature of the investment or interest;
2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;
3. The address or other precise location of the real property;
4. A statement whether the fair market value of the investment or interest in real property equals or exceeds two thousand dollars (\$2,000), exceeds ten thousand dollars (\$10,000), exceeds one hundred thousand dollars (\$100,000), or exceeds one million dollars (\$1,000,000).

B. Personal Income Disclosure. When personal income is required to be reported, the statement shall contain:

1. The name and address of each source of income aggregating five hundred dollars (\$500) or more in value, or fifty dollars (\$50) or more in value if the income was a gift, and a general description of the business activity, if any, of each source;
2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was one thousand dollars (\$1,000) or less, greater than one thousand dollars (\$1,000), greater than ten thousand dollars (\$10,000), or greater than one hundred thousand dollars (\$100,000);
3. A description of the consideration, if any, for which the income was received;
4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift; and the date on which the gift was received;
5. In the case of a loan, the annual interest rate and the security, if any, given for the loan and the term of the loan.

C. Business Entity Income Disclosure. When income of a business entity, including income of a sole proprietorship, is required to be reported, the statement shall contain:

1. The name, address, and a general description of the business activity of the business entity;
2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than ten thousand dollars (\$10,000).

D. Business Position Disclosure. When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

E. Acquisition or Disposal During Reporting Period. In the case of an annual or leaving office statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

RESOLUTION 2010-06
AMENDING AND RESTATING
RESOLUTION 97-1

RESOLUTION OF THE BOARD OF DIRECTORS
OF
CENTERVILLE COMMUNITY SERVICES DISTRICT
ADOPTING A CONFLICT OF INTEREST CODE

WHEREAS, the Political Reform Act, Government Code Section 81000, et seq, requires State and Local Governmental Agencies to promulgate and adopt a Conflict of Interest Code; and

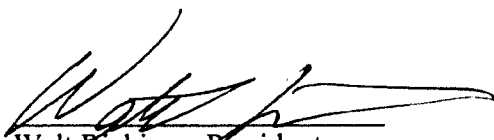
WHEREAS, the Fair Political Practices Commission has adopted by regulation Title 2, Division 6, California Code of Regulations and Section 18730 thereof, which contains the terms of a Conflict of Interest Code which may be adopted by a local agency by incorporation by reference of the terms of the regulation;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Centerville Community Services District hereby adopts and promulgates the Conflict of Interest Code, contained in Title 2, Division 6, California Code of Regulations and Section 18730 thereof, as it may be amended from time to time by the Fair Political Practices Commission; and

BE IT FURTHER RESOLVED that Exhibit "A" designating positions which file Conflict of Interest statements as provided in The Conflict of Interest Code and Exhibit "B" which contains disclosure categories defined by the Conflict of Interest Code are also hereby adopted and together with the standard code constitute the Conflict of Interest Code of Centerville Community Services District; and


BE IT FURTHER RESOLVED, that pursuant to Section 18730(b)(4) of Title 2, Division 6, of the standard code, designated officers and employees shall file Statements of Economic Interest and forward copies to the Shasta County Clerk of the Board.

DULY PASSED AND ADOPTED this 15th day of September, 2010.


Walt Richison, President
Centerville Community Services District
Board of Directors

AYES:	Directors Whitehead, Newman, Harvey, Woodstrom and Richison
NOES:	None
ABSTAINING:	None
ABSENT:	None

ATTEST:


TINA TEUSCHER
Secretary to the Board

CONFLICT OF INTEREST CODE FOR THE CENTERVILLE COMMUNITY SERVICES DISTRICT BOARD

The Political Reform Act, Government Code Section 81000, et seq, requires state and local government agencies to promulgate and adopt conflict of interest codes. The Fair Political Practices Commission has adopted by regulation, Title 2, Division 6, California Code of Regulations and Section 18730 thereof, which contains provisions for a conflict of interest code. This standard conflict of interest code may be adopted by the local agency by reference to the terms of the regulation. It can be incorporated by reference to the terms of the regulation. A Conflict of Interest Code may be amended by the Fair Political Practices Commission after public notice and hearings to conform to amendments in the Political Reform Act.

The terms of Title 2, Division 6, California Code of Regulations and Section 18730 thereof and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference, and along with the attached Exhibits A and B in which members and employees are designated and disclosure categories are set forth, constitute the Conflict of Interest Code of the Centerville Community Services District.

Pursuant to Section 18730(b)(4) of the Standard Code, designated officers and employees shall file Statements of Economic Interest with the District Secretary. The agency shall make and retain a copy of the statements of the members of the Board and forward the original of these statements to the Shasta County Clerk of the Board. Statements for all other designated employees will be retained by the District Secretary.

(Regulations of the Fair Political Practices Commission, Title 2, Division 6, California Code of Regulations.)

§ 18730. Provisions of Conflict of Interest Codes.

(a) Incorporation by reference of the terms of this regulation along with the designation of employees and the formulation of disclosure categories in the Appendix referred to below constitute the adoption and promulgation of a conflict of interest code within the meaning of Government Code section 87300 or the amendment of a conflict of interest code within the meaning of Government Code section 87306 if the terms of this regulation are substituted for terms of a conflict of interest code already in effect. A code so amended or adopted and promulgated requires the reporting of reportable items in a manner substantially equivalent to the requirements of article 2 of chapter 7 of the Political Reform Act, Government Code sections 81000, et seq. The requirements of a conflict of interest code are in addition to other requirements of the Political Reform Act, such as the general prohibition against conflicts of interest contained in Government Code section 87100, and to other state or local laws pertaining to conflicts of interest.

(b) The terms of a conflict of interest code amended or adopted and promulgated pursuant to this regulation are as follows:

(1) Section 1. Definitions.

The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (2 Cal. Code of Regs. sections 18110, et seq.), and any amendments to the Act or regulations, are incorporated by reference into this conflict of interest code.

(2) Section 2. Designated Employees.

The persons holding positions listed in **Exhibit "A"** are designated employees. It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect on economic interests.

(3) Section 3. Disclosure Categories.

This code does not establish any disclosure obligation for those designated employees who are also specified in Government Code section 87200 if they are designated in this code in that same capacity or if the geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction in which those persons must report their economic interests pursuant to article 2 of chapter 7 of the Political Reform Act, Government Code sections 87200, et seq.

In addition, this code does not establish any disclosure obligation for any designated

employees who are designated in a conflict of interest code for another agency, if all of the following apply:

(A) The geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction of the other agency;

(B) The disclosure assigned in the code of the other agency is the same as that required under article 2 of chapter 7 of the Political Reform Act, Government Code section 87200; and

(C) The filing officer is the same for both agencies.

Such persons are covered by this code for disqualification purposes only. With respect to all other designated employees, the disclosure categories set forth in **Exhibit "B"** specify which kinds of economic interests are reportable. Such a designated employee shall disclose in his or her statement of economic interests those economic interests he or she has which are of the kind described in the disclosure categories to which he or she is assigned in the Exhibit. It has been determined that the economic interests set forth in a designated employee's disclosure categories are the kinds of economic interests which he or she foreseeably can affect materially through the conduct of his or her office.

(4) Section 4. Statements of Economic Interests: Place of Filing.

The code reviewing body shall instruct all designated employees within its code to file statements of economic interests with the agency or with the code reviewing body, as provided by the code reviewing body in the agency's conflict of interest code.

(5) Section 5. Statements of Economic Interests: Time of Filing.

(A) Initial Statements. All designated employees employed by the agency on the effective date of this code, as originally adopted, promulgated and approved by the code reviewing body, shall file statements within 30 days after the effective date of this code. Thereafter, each person already in a position when it is designated by an amendment to this code shall file an initial statement within 30 days after the effective date of the amendment.

(B) Assuming Office Statements. All persons assuming designated positions after the effective date of this code shall file statements within 30 days after assuming the designated positions, or if subject to State Senate confirmation, 30 days after being nominated or appointed.

(C) Annual Statements. All designated employees shall file statements no later than April 1.

(D) Leaving Office Statements. All persons who leave designated positions shall file statements within 30 days after leaving office.

(5.5) Section 5.5. Statements for Persons Who Resign Prior to Assuming Office.

Any person who resigns within 12 months of initial appointment, or within 30 days of the date of notice provided by the filing officer to file an assuming office statement, is not deemed to have assumed office or left office, provided he or she did not make or participate in the making of, or use his or her position to influence any decision and did not receive or become entitled to receive any form of payment as a result of his or her appointment. Such persons shall not file either an assuming or leaving office statement.

(A) Any person who resigns a position within 30 days of the date of a notice from the filing officer shall do both of the following:

(1) File a written resignation with the appointing power; and

(2) File a written statement with the filing officer declaring under penalty of perjury that during the period between appointment and resignation he or she did not make, participate in the making, or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

(6) Section 6. Contents of and Period Covered by Statements of Economic Interests.

(A) Contents of Initial Statements.

Initial statements shall disclose any reportable investments, interests in real property and business positions held on the effective date of the code and income received during the 12 months prior to the effective date of the code.

(B) Contents of Assuming Office Statements.

Assuming office statements shall disclose any reportable investments, interests in real property and business positions held on the date of assuming office or, if subject to State Senate confirmation or appointment, on the date of nomination, and income received during the 12 months prior to the date of assuming office or the date of being appointed or nominated, respectively.

(C) Contents of Annual Statements. Annual statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the code or the date of assuming office whichever is later, or for a board or commission member subject to Government Code section 87302.6, the day after the closing date of the most recent statement filed by the member pursuant to 2 Cal. Code Regs. section 18754.

(D) Contents of Leaving Office Statements.

Leaving office statements shall disclose reportable investments, interests in real property, income and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

(7) Section 7. Manner of Reporting.

Statements of economic interests shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the agency, and shall contain the following information:

(A) Investment and Real Property Disclosure.

When an investment or an interest in real property is required to be reported, the statement shall contain the following:

1. A statement of the nature of the investment or interest;
2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;
3. The address or other precise location of the real property;
4. A statement whether the fair market value of the investment or interest in real property equals or exceeds two thousand dollars (\$2,000), exceeds ten thousand dollars (\$10,000), exceeds one hundred thousand dollars (\$100,000), or exceeds one million dollars (\$1,000,000).

(B) Personal Income Disclosure. When personal income is required to be reported, the statement shall contain:

1. The name and address of each source of income aggregating five hundred dollars (\$500) or more in value, or fifty dollars (\$50) or more in value if the income was a gift, and a general description of the business activity, if any, of each source;
2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was one thousand dollars (\$1,000) or less, greater than one thousand dollars (\$1,000), greater than ten thousand dollars (\$10,000), or greater than one hundred thousand dollars (\$100,000);
3. A description of the consideration, if any, for which the income was received;
4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift; and the date on which the gift was received;

5. In the case of a loan, the annual interest rate and the security, if any, given for the loan and the term of the loan.

(C) Business Entity Income Disclosure. When income of a business entity, including income of a sole proprietorship, is required to be reported, the statement shall contain:

1. The name, address, and a general description of the business activity of the business entity;

2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than ten thousand dollars (\$10,000).

(D) Business Position Disclosure. When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

(E) Acquisition or Disposal During Reporting Period. In the case of an annual or leaving office statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

(8) Section 8. Prohibition on Receipt of Honoraria.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept any honorarium from any source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subdivisions (a), (b), and (c) of Government Code Section 89501 shall apply to the prohibitions in this section.

This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Government Code section 89506.

(8.1) Section 8.1. Prohibition on Receipt of Gifts in Excess of \$420.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept gifts with a total value of more than \$420 in a calendar year from any single source, if the member or employee would be required to report the receipt

of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official. Subdivisions (e), (f), and (g) of Government Code section 89503 shall apply to the prohibitions in this section.

(8.2) Section 8.2. Loans to Public Officials.

(A) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the elected officer holds office or over which the elected officer's agency has direction and control.

(B) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the public official holds office or over which the public official's agency has direction and control. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(C) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status.

(D) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(E) This section shall not apply to the following:

1. Loans made to the campaign committee of an elected officer or candidate for elective

office.

2. Loans made by a public official's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such persons, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.

3. Loans from a person which, in the aggregate, do not exceed five hundred dollars (\$500) at any given time.

4. Loans made, or offered in writing, before January 1, 1998.

(8.3) Section 8.3. Loan Terms.

(A) Except as set forth in subdivision (B), no elected officer of a state or local government agency shall, from the date of his or her election to office through the date he or she vacates office, receive a personal loan of five hundred dollars (\$500) or more, except when the loan is in writing and clearly states the terms of the loan, including the parties to the loan agreement, date of the loan, amount of the loan, term of the loan, date or dates when payments shall be due on the loan and the amount of the payments, and the rate of interest paid on the loan.

(B) This section shall not apply to the following types of loans:

1. Loans made to the campaign committee of the elected officer.

2. Loans made to the elected officer by his or her spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.

3. Loans made, or offered in writing, before January 1, 1998.

(C) Nothing in this section shall exempt any person from any other provision of Title 9 of the Government Code.

(8.4) Section 8.4. Personal Loans.

(A) Except as set forth in subdivision (B), a personal loan received by any designated employee shall become a gift to the designated employee for the purposes of this section in the following circumstances:

1. If the loan has a defined date or dates for repayment, when the statute of limitations for filing an action for default has expired.

2. If the loan has no defined date or dates for repayment, when one year has elapsed from the later of the following:

- a. The date the loan was made.
- b. The date the last payment of one hundred dollars (\$100) or more was made on the loan.
- c. The date upon which the debtor has made payments on the loan aggregating to less than two hundred fifty dollars (\$250) during the previous 12 months.

(B) This section shall not apply to the following types of loans:

1. A loan made to the campaign committee of an elected officer or a candidate for elective office.
2. A loan that would otherwise not be a gift as defined in this title.
3. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor has taken reasonable action to collect the balance due.
4. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor, based on reasonable business considerations, has not undertaken collection action. Except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this paragraph has the burden of proving that the decision for not taking collection action was based on reasonable business considerations.
5. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.

(C) Nothing in this section shall exempt any person from any other provisions of Title 9 of the Government Code.

(9) Section 9. Disqualification.

No designated employee shall make, participate in making, or in any way attempt to use his or her official position to influence the making of any governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a member of his or her immediate family or on:

(A) Any business entity in which the designated employee has a direct or indirect investment worth two thousand dollars (\$2,000) or more;

(B) Any real property in which the designated employee has a direct or indirect interest worth two thousand dollars (\$2,000) or more;

(C) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating five hundred dollars (\$500) or more in value provided to, received by or promised to the designated employee within 12 months prior to the time when the decision is made;

(D) Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or

(E) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating \$420 or more provided to, received by, or promised to the designated employee within 12 months prior to the time when the decision is made.

(9.3) Section 9.3. Legally Required Participation.

No designated employee shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the decision to be made. The fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.

(9.5) Section 9.5. Disqualification of State Officers and Employees.

In addition to the general disqualification provisions of section 9, no state administrative official shall make, participate in making, or use his or her official position to influence any governmental decision directly relating to any contract where the state administrative official knows or has reason to know that any party to the contract is a person with whom the state administrative official, or any member of his or her immediate family has, within 12 months prior to the time when the official action is to be taken:

(A) Engaged in a business transaction or transactions on terms not available to members of the public, regarding any investment or interest in real property; or

(B) Engaged in a business transaction or transactions on terms not available to members of the public regarding the rendering of goods or services totaling in value one thousand dollars (\$1,000) or more.

(10) Section 10. Disclosure of Disqualifying Interest.

When a designated employee determines that he or she should not make a governmental decision because he or she has a disqualifying interest in it, the determination not to act may be accompanied by disclosure of the disqualifying interest.

(11) Section 11. Assistance of the Commission and Counsel.

Any designated employee who is unsure of his or her duties under this code may request assistance from the Fair Political Practices Commission pursuant to Government Code section 83114 and 2 Cal. Code Regs. sections 18329 and 18329.5 or from the attorney for his or her agency, provided that nothing in this section requires the attorney for the agency to issue any formal or informal opinion.

(12) Section 12. Violations.

This code has the force and effect of law. Designated employees violating any provision of this code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act, Government Code sections 81000-91014. In addition, a decision in relation to which a violation of the disqualification provisions of this code or of Government Code section 87100 or 87450 has occurred may be set aside as void pursuant to Government Code section 91003.

EXHIBIT "A"

CENTERVILLE COMMUNITY SERVICES DISTRICT

CONFLICT OF INTEREST CODE

DESIGNATED POSITIONS

The following positions are designated so that persons holding such designating positions shall file conflict of interest statements as provided in the Conflict of Interest Code.

	Disclosure Category
Member, Board of Directors	1
General Manager	1
Consultants	

Disclosure categories are described in Exhibit "B" attached hereto.

EXHIBIT "B"

CENTERVILLE COMMUNITY SERVICES DISTRICT

CONFLICT OF INTEREST CODE

DISCLOSURE CATEGORIES

A. Investment and Real Property Disclosure. When an investment or an interest in real property is required to be reported, the statement shall contain the following:

1. A statement of the nature of the investment or interest;
2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;
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1. The name and address of each source of income aggregating five hundred dollars (\$500) or more in value, or fifty dollars (\$50) or more in value if the income was a gift, and a general description of the business activity, if any, of each source;
2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was one thousand dollars (\$1,000) or less, greater than one thousand dollars (\$1,000), greater than ten thousand dollars (\$10,000), or greater than one hundred thousand dollars (\$100,000);
3. A description of the consideration, if any, for which the income was received;
4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift; and the date on which the gift was received;
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C. Business Entity Income Disclosure. When income of a business entity, including income

of a sole proprietorship, is required to be reported, the statement shall contain:

1. The name, address, and a general description of the business activity of the business entity;
2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than ten thousand dollars (\$10,000).

D. **Business Position Disclosure.** When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

E. **Acquisition or Disposal During Reporting Period.** In the case of an annual or leaving office statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

November 16, 2011

CENTERVILLE COMMUNITY SERVICES DISTRICT
REGULAR BOARD OF DIRECTORS MEETING

Directors Present: President Woodstrom, Vice President Newman, Director Harvey, Director Whitehead and Director Richison
Absent: None
Others Present: Patricia Heinsohn, Jane Elmore, Elizabeth Woodward, Dan Bummel, Erin Ryan Jack Reese, Paul Reuter, Chris Muehlbacher and Tina Teuscher

PRELIMINARY BUSINESS:

- I Call to Order: President Woodstrom called the meeting to order at 7:01 pm.
- II Public Comment Period – Open Time: President Woodstrom opened the public comment period. Mrs. Patricia Heinsohn, 15270 Mountain Shadows Drive, stated that in reading last month's newsletter regarding the Resolution for low income housing, she had concerns. She believes the Resolution states that if the District is low on water, the priority of the water distribution would go to low income households.

President Woodstrom informed her that the Resolution was for new construction only; it does not pertain to current customers.

Mrs. Heinsohn stated that just because there are no proposed developments now, there may be in the future. She believes that everyone should have an equal right to the District's water, and that there should not be a priority of service to anyone. President Woodstrom explained that the Resolution does not have anything to do with ongoing use; it is only for new construction. Once a customer is hooked up to the system, everyone will receive the same rights to the water. This Resolution is only for new developments. Mrs. Heinsohn went on record stating that she was opposed to the Resolution.

Mr. Reese mentioned that although it may be feasible, it is not economical for anyone to try and construct low income housing in the District. He explained that large lots are expensive, and it would require the developer to rezone the area. When developing low income housing, they generally look at smaller lots that are inexpensive.

Mrs. Elizabeth Woodward stated that she is aware of the fight over California's water, so this Resolution was a concern. She has been keeping a close eye on any and all issues related to California's water, and will continue to do so. President Woodstrom stated that the District is also concerned about California's water, and has taken great steps to insure that the District will always have an adequate water supply. He mentioned that the District currently owns 900 acre-feet of water and is diligently seeking new avenues to purchase additional water rights.

Patricia Heinsohn stated that Fish and Game is proposing to take out four dams in Siskiyou County. She asked what would happen if they decided to take out the Trinity Dam. The Board informed her that Trinity Lake supplies water not only to Whiskeytown Lake but also to farmers all along I-5. It is also used as a power source. They assured her that it was very unlikely that the State of California would abandon the Trinity Dam.

- III Fire Company Report: Fire Chief Newman stated that since October 17th the fire crew responded to eight medical aids, one structure fire, one smoke check and five public assists. He mentioned that last night they participated in Documentation Training held by Shasta County. They currently have a roster of 20 volunteers.

Mr. Dan Brummer asked how much the training cost for one volunteer. Fire Chief Newman stated that it does not cost the volunteer anything. The County pays for all of the training and it costs them around \$2,500 per volunteer.

- IV Approval of the Minutes: Director Whitehead moved to approve the minutes for the Regular Board Meeting on October 19, 2011. Director Newman seconded. The vote was unanimous. Motion carried.

- V Authorize Payment of Bills for Current Expenses: Director Richison moved to pay the bills. Director Harvey seconded. Mr. Muehlbacher stated that the payments to ACWA and CSDA were our 2012 annual membership dues. The payment to Berkadia is an interest payment on the GMHA loan. The Hach payment is for the chlorine analyzer at the Muletown Pump Station. The payment to Hathaway and Ksenzulak is the first installment on this year's audit; and the payment to Northstate Truck and Equipment is for the inspection of our dump truck. The vote was unanimous. Motion carried.

- VI Status of the Budget Report: Mr. Muehlbacher stated that O&M revenues are approximately \$337,980 versus expenses of \$274,803. The Capital revenues are at \$10,209 with expenses at \$36,518. He explained that in January, the tax dollars will balance this out. The Reserve Fund Status Sheet has a net increase of approximately \$500 due to interest.

NEW BUSINESS:

- I Discussion and Adoption of Resolution 2011-10 Adopting a Delinquency Management Policy for Special Assessment Districts: Mr. Muehlbacher stated that a portion of our distribution system was established via the use of bonds. As the administrator of these bonds, NBS is requesting that we adopt this Resolution to enable them to pursue unpaid taxes. He mentioned that the District is covered under the secured Teeter; however, there is no guarantee that the County will continue to have the funds available to do this.

President Woodstrom stated that this would enable the District to collect monies if the County does not collect. Director Whitehead stated that the County has always paid delinquent tax payments and then went after the homeowner themselves.

Mr. Reese stated that this enables the District to keep a closer eye on delinquent accounts. It places no burden on the District only on the bond administrator. Director Whitehead stated that he would prefer for the County to continue to cover the delinquencies with the teeter.

Mr. Reese explained that the bond has a foreclosure clause; this is simply the bond administrator putting the mechanism in place to collect these fees.

Director Whitehead asked if the County has the ability to not participate in the teeter program. Mr. Muehlbacher and Reese will look into this. This item was deferred until next month

- II Adoption of Conflict of Interest Code Amendment to Exhibit A for Resolution 2010-06: Mr. Muehlbacher stated that this is a house keeping item. The disclosure category was in need of

amending. He explained that "Exhibit A" was amended to reference the Board of Directors and the General Manager; and the Disclosure category was amended to include Exhibits A through E.

Director Richison moved to adopt the Conflict of Interest Code Amendment. Director Harvey seconded. Motion carried. President Woodstrom called for a roll call vote: Director Whitehead – yes; Director Richison – yes; Director Harvey – yes; Vice President Newman – yes; President Woodstrom – yes. Motion carried.

III Shasta LAFCO – Special District Member Nomination: Mr. Muehlbacher stated that LAFCO is seeking nominations for LAFCO Commissioners, and that nominations have to be in by December 1, 2011. None of the Board Members were interested.

IV Discussion and Authorization to Allow District Manager to Close the Office on December 23, 2011: Mr. Muehlbacher stated that this request has been made in the past; and as of yet, none of the employees have used their floating holiday. He requested that the office be closed in observance of Christmas Eve.

Director Richison moved to close the District Office on Friday, December 23rd, and allow District employees to use their floating holiday. Vice President Newman seconded. The vote was unanimous. Motion carried.

OLD BUSINESS:

I Foxwood Unit 3 Conditions and Development Agreement: Mr. Muehlbacher stated that a copy of the most recent draft of the Development Agreement was placed in the Board packets. He stated that per the direction of the Board, they included the Engineering Fees as Exhibit G, but did not include half of the appraisal fee in the exhibit. However, the appraisal fee will be included in the final draft.

Director Whitehead asked if Mr. Edgren had seen the draft. Mr. Reese stated no; however he is eager to receive a copy.

Mr. Reese stated that there is still a blank on page 10 for the time of commencement and performance of work. He explained that the Board has always tried to have a drop date, so the agreement doesn't go on forever. He asked the Board for direction. The Board agreed that the time frame should be two years or expiration of the map, whichever comes first.

Director Harvey stated that there were a couple of typos on Page 4, regarding the name of Cal Fire. He also asked that the wording be changed regarding the permitting. He believes that it should state that the Developer is responsible to obtain the Construction General permit through the Regional Water Quality Control Board.

GENERAL BUSINESS:

I Correspondence: Mr. Muehlbacher stated that included in the Board packet was a request to conduct a brief survey from CSDA. He mentioned that if they wanted to participate they could either mail in the survey or take it online.

Mr. Muehlbacher stated that the Hurner Parcel Map 11-02 was approved by the Shasta County Planning Commission. This is a 25.38 acre project resulting in three new parcels. As part of the project they will be constructing approximately 350 feet of 8" main line tie in from Sol Semente Trail.

II President's Report: None

III Manager's Report: Mr. Muehlbacher stated that last month he attended a meeting with the Bureau of Reclamation for an update on the Central Valley project cost allocation study. He mentioned that this was going to be a long process. They are currently working on one component of the project, which looks at the facilities and overall costs for water supply, flood control, power, water quality, etc. This study will be used for cost allocations for the future. The study should be completed by 2016.

Mr. Muehlbacher stated that he had a new signature card for the safety deposit box and asked that all Board members sign it. Once updated, the new card will permit access for the Board members as well as the District Manager.

Mr. Muehlbacher stated that he received a copy of the Bureau of Land Management's right-of-way for the Zone B tank site. He mentioned that the letter has many typos, so he needs to call and verify the costs associated with the right-of-way. Once verified he will sign the documents and send off the payment. He asked the Board if they wanted to pay for all thirty years, or ten at a time. The Board agreed that paying for the entire 30 years would be best; but they left it to the Manager's discretion.

Mr. Muehlbacher stated that he and Mr. Reuter had been working on the pressure issue in the Boston area. Mr. Reuter stated that in placing pressure monitoring stations in the area, and reviewing all data that was available, they did not find anything that was out of the norm. In reviewing the California Water Work Standards, they only suggest a minimum pressure, and do not define a maximum pressure. He further stated that uniform plumbing code does require water services to install pressure reducing valves for pressures greater than 80 psi.

Mr. Reuter stated that in looking at what it would take to reduce the pressures in that area, the cost would not be feasible. They would need to install a pressure reducing station; but it would be an operational challenge due to the intertie with the City of Redding. In review of the zone, he does not recommend that the District do anything at this time. The system has been designed for this pressure and it is up to the homeowner to place and maintain the regulators serving their property.

He mentioned that they also looked at the repairs being made in the street. He explained that those repairs were necessary because of the chemical reaction of the ferrous pyrite minerals contained in the backfill materials and the copper pipe services. This back fill material has proven to be highly corrosive. Based on their study, the pressure did not have anything to do with the service lateral repairs in that area.

Mr. Reuter stated that staff has been working with Pace on the Zone A and A1 Pump Station soft start issues. He stated that they brought in variable frequency drives and determined that they are working much better. The existing starters are approximately 18 years old and are beginning to fail. He believes the District should replace the soft starts with variable frequency drives. He mentioned that this ties into other potential improvements to the Pump Station. He explained that the District is looking at some possible coating and retrofit work at the Zone

A and A1 tanks. He mentioned that the Zone A tank is 30 years old and has a hydro-pneumatic tank inside the building for pressure. This was installed in the early 80's to maintain pressure to that area prior to having a reservoir. When Ranchland Acres was developed and the reservoir was built on the hill, the need for the hydro-pneumatic tank was no longer needed; however, it was decided to keep it in service to protect the system against water hammer surges.

Over the years it has posed a problem for staff to maintain the level of air space in the hydro-pneumatic tank, and with the recent death of a City of Redding employee resulting from a failure of a hydro-pneumatic tank under pressure, it would be the recommendation of Pace to remove it. He stated that when it was drained it was pretty rusty which questions the interior condition.

He explained that one option would be to incorporate a control system that utilizes the pumps to maintain zone pressure, in the event the Zone A and A1 tanks are taken offline.

Director Whitehead stated that at the Finance Committee meeting they looked at the costs associated with the variable frequency drives for both the A and A1 pump stations. He asked Mr. Reuter what else needed to be replaced once the new drives were installed. Mr. Reuter stated that the control logic would need to be programmed.

The Board agreed to remove the hydro-pneumatic tank. President Woodstrom asked Mr. Reuter to put together a plan for these improvements for the Board to look at next month.

- IV Committee Reports: President Woodstrom stated that the Finance Committee met to discuss the O&M budget, the soft start issues and GIS mapping. With the Board's support they recommend that Mr. Muehlbacher move forward with these purchases. He also mentioned that it is their recommendation to use Capacity Reserves and the \$15,000 in Pump Station Repair and Replace reserves to cover the costs. Their intent is to pay back the Capacity Reserves over time. Director Whitehead stated that they also asked Mr. Muehlbacher to look into the pump station surcharge. He believes some of the surcharge dollars collected should be placed in reserves for future repairs. The engineering expenses for the GIS Mapping will be placed in next year's budget.

- V Announcements: Mr. Muehlbacher asked if the Board would like to move December's meeting from December 22th to the 14th. Director Richison moved to move the meeting to December 14th. Director Harvey seconded. The vote was unanimous. Motion carried.

CLOSED SESSION:

- I Discussion of Agreement for Water Acquisition: The Board went into closed session at 8:53 pm and came out at 9:51 pm. No reportable action was taken.
- VI Adjournment: The meeting adjourned at 9:52 pm.