

HORN BROOK COMMUNITY SERVICES DISTRICT
P.O. BOX 29 HORN BROOK, CA. 96044
REGULAR BOARD OF DIRECTORS MEETING
MINUTES SEPTEMBER 3, 2014

1. Call to order 10:00 a. m.
2. Roll call: Present were, Michele Hanson President, Sharrel Barnes Vice President, and Patricia Brown Secretary.
Absent was, Director Kimberly Olson, and Director Roger Gifford.
3. Approval of minutes: Aug. 5, 2014. Motion to approve made by Sharrel Barnes, and 2nd by Patricia Brown. 3 ayes, no nays. Motion approved.
4. Public Comment: Public wanted to know if we have gotten any of the district stuff back yet and when are we going to. Public questioned the rates for water and water pressure.
5. Resolution No. 14-036: Fund Balance Policy for Financial Statement Reporting. Policy/Procedures, Government Accounting Standards Board, (GSAB # 54). Motion made to approve made by Patricia Brown and 2nd by Sharrel Barnes. 3 ayes, no nays, motion approved.
6. Approval of bills: Motion made by Patricia Brown, 2nd by Sharrel Barnes. 3 ayes, no nays, motion passed.
7. Cross-Complaint Case No. 14-797:
 - a. Indemnity in cross-complaint filed against directors Hanson, Brown, Barnes and HCSD. Motion to approve made by Sharrel Barnes, 2nd by Patricia Brown. 3 ayes, no nays. Motion passed.
 - b. Hiring of Kirsher, Winston & Boston, to defend directors Hanson, Brown, and Barnes, along with the HCSD in cross-complaint No. 14-797. Motion made to approve by Sharrel Barnes, 2nd by Patricia Brown. 3 ayes, no nays, motion passed.
 - c. Revised "Legal Services Agreement", Notice of Waiver of Conflict of Interest and also authorize Board President to execute the same on behalf of the District. Motion to approve made by Patricia Brown, 2nd by Sharrel Barnes. 3 ayes, no nays, motion passed.
 - d. Approve initial payment of \$2,500.00 to Kirsher, Winston & Boston, Law Corp. for representing the defendants in the Cross-complaint. Patricia Brown made motion to approve, 2nd by Sharrel Barnes. 3 ayes, no nays. Motion passed.
 - e. Authorize Board President Hanson to receive confidential communications, execute verifications and other documents as may from time to time be necessary or appropriate in relation to cross-complaint in case No. 14-0797 on behalf of all cross-defendants. Motion to approve made by Patricia Brown, 2nd by Sharrel Barnes. 3 ayes, no nays. Motion

passed.

8. Adoption of Restated Bylaws, Resolution No.14-037. Motion to approve made by Sharrel Barnes, 2nd by Patricia Brown. 3 ayes, no nays. Motion passed.
9. Deposit of district funds into County Treasure: Motion to deposit funds as soon as possible made by Sharrel Barnes, 2nd by Patricia Brown. 3 ayes, no nays. Motion passed.
10. Board Comments and Questions: None
11. Next meeting: Wed. Oct. 1, 2014 at 10:00 a.m.
12. Adjournment: 10:53 a.m.

Certified
Oct. 1, 2014
Michelle Hanson
President

RESOLUTION NO. 14-037

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HORN BROOK COMMUNITY SERVICES DISTRICT ADOPTING RESTATED BYLAWS TO SUPERSEDE AND REPLACE THE PREVIOUS ONES IN THEIR ENTIRETY.

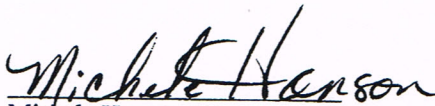
WHEREAS, the Hornbrook Community Services District, by Board Resolution No. 14-030, adopted Bylaws; and,

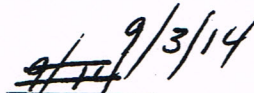
WHEREAS, the board desires to replace and supersede the previously-adopted Bylaws in their entirety,

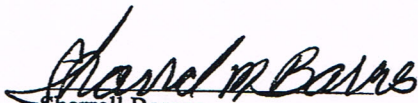
NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

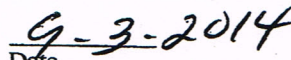
1. The "Restated Bylaws" attached hereto are hereby adopted.
2. The "Restated Bylaws" shall replace and supersede the previously-adopted Bylaws in their entirety, effective immediately.


Ratified by resolution passed Sept. 3, 2014, with 3 Ayes, and 0 Nays

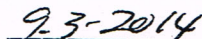

Michele Hanson
HCSD Board President


9/3/14
Date


Sharrell Barnes
HCSD Board Vice President


9-3-2014
Date


Patricia Brown
HCSD Board Secretary


9-3-2014
Date

HORNBROOK COMMUNITY SERVICES DISTRICT
RESTATED BY-LAWS ADOPTED September 3, 2014

GENERAL PROVISIONS:

The Hornbrook Community Services District ("district") was formed on March 20, 1978, for the primary purpose of providing a safe and sustainable domestic water supply.

I. BOARD OF DIRECTORS:

A: The Board of Directors ("Board") consists of five (5) members, each of whom must reside in and be a voter of the District.

B: The term of office for each Director is four (4) years or until his/her successor qualifies and takes office. Continuity of Directors shall be assured by staggering the election of Directors such that the term of office will expire at the same time for no more than three (3) Directors. A Director shall take office at noon on the first Friday in December following their election.

II. CONFLICT OF INTREST:

No Director or official of the District shall make, participate in making or in any way attempt to use his/her official position to influence a decision in which he/she knows or has reason to know he/she has a financial interest in accordance with the Conflict of Interest provisions of CA Government Code Section 1090, Section 87100 and Section 87103. Employees shall not be related in any manner to a Director, nor cohabitate with, nor be employed nor be a dependent of a Director.

III. COPIES OF PUBLIC RECORDS:

All copies of public records will be charged a fee of .15 cents per page and will be paid in advance of obtaining any copied records along with applicable postage.

IV. POWERS OF THE BOARD:

A: The Board may exercise all powers conferred upon it by the provisions of the Community Services District Law (Gov. Code sec. 61000 et. seq.) or other provisions of law.

B: Any Board member may ask to put an item on the agenda for its meeting. The Board reserves the right to remove an item from its meeting agenda.

C: The Board shall designate a District Systems Operator/General Manager. An individual member of the Board may not serve as the District Systems Operator/General Manager, but in

the absence of the District General Manager, or if the position of district General Manager is vacant, the Board as a body may act as the District Systems Operator/General Manager.

D: The Board shall designate a District Secretary, who may, but shall not be required to be, a member of the Board of Directors. In the absence of the District Secretary, or if the office of District Secretary is vacant, the President may act as District Secretary, or appoint any other person to the position of Acting District Secretary until the Board makes a regular appointment.

E: The Board shall designate a District Treasurer, who may, but shall not be required to, a member of the Board of Directors. In the absence of the District Treasurer, or if the office of District Treasurer is vacant, the President may act as District Treasurer, or appoint any other person to the position of Acting District Treasurer until the Board makes a regular appointment.

F: The Board may adopt such rules and regulations not inconsistent with law as may be necessary for the exercise of the powers conferred and the performance of duties imposed upon the Board.

G: The Board of Directors shall hold an annual meeting at the first regular meeting in December to reorganize the positions of the President, Vice President, and Secretary of the Board.

V. OFFICERS OF THE DISTRICT AND BOARD:

A: The Board shall elect a President and Vice President at its first regular meeting in December, or as soon as possible. No nominations or selections shall be accomplished until after any newly elected Directors have qualified and taken office.

B: PRESIDENT:

The President shall be the principal executive officer of the Board and the official spokesperson of the Board, unless otherwise determined by the Board. The President shall preside at all meetings of the Board; may execute all instruments on behalf of the District, unless otherwise determined by the Board; and shall perform all duties as may be provided by law and prescribed by the Board.

C: BOARD VICE-PRESIDENT:

The Vice-President shall assume the duties of the president in the President's absence and such other duties as may be prescribed by the Board or by the President.

D: DISTRICT SECRETARY:

The Secretary shall perform such duties as may from time to time be prescribed by the Board and shall at all times be subject to the direction of the Board.

E: OTHER OFFICERS:

The Board of Directors may create such other offices, and make appointments to the same, as it deems Appropriate.

F: APPOINTMENT OF DISTRICT AND BOARD OFFICERS.

All District and Board Officers shall be appointed by the Board of Directors and serve at the pleasure of the Board of Directors, notwithstanding the stated term of any appointment or agreement to the contrary.

VI: DISTRICT EMPLOYEES:

A: SYSTEMS OPERATOR/GENERAL MANAGER:

The Systems Operator/General Manager shall serve at the pleasure of the Board of Directors notwithstanding the stated terms of any appointment or agreement. In all matters, he or she shall be subject to the direction of the Board of Directors.

B: They will supervise the District's facilities and services, and supervise the District's finances as established by the Board.

B: The Systems Operator/General Manager is directly responsible to the Board of directors for the implementation of the policies and procedures established by the Board. The Board may appoint the General Manager if separate from the Systems Operator.

C: The Systems Operator/General Manager shall oversee the District's facilities and services.

E: OTHER EMPLOYEES.

The Board of Directors may from time to time establish additional positions of employment by the District, and the duties of same. All District employees shall serve at the pleasure of the Board, notwithstanding any other agreement to the contrary, be subject to its direction, and be subject to the direction of the Board.

VII: BOARD MEETINGS:

A: The Board shall hold regular meetings according to a schedule it shall from time to time prescribe. It shall hold a regular meeting at least once every three months.

B: A special meeting may be called by the President or by a majority of the Directors, at Least twenty-four (24) hours prior to the time and date of the special meeting.

C: Notice of board meetings, and the **agenda** for same, may be given to any Directors by sending the same by email, or by mailing, postage prepaid by USPS mail addressed to the Director's place of business or residence. A Director shall be deemed to have been give notice and agenda if the same is given in such manner, regardless of whether the Director actually receives it. Every Director with email service shall provide the other Board members and the District Secretary with the email address.

VIII: PROCEDURE FOR SIGNING AND DRAWING CHECKS:

A: All claims against the District shall be audited, allowed and paid by the Board of Directors by warrants (checks), drawn on the district account(s).

B: All claims and demands to be disbursed including but not limited to payroll checks will have no less than two (2) authorized signatures before any disbursement of district funds are made and must be approved by the Board of Directors.

C: Exception to Board approval: month to month claims and demands that conform to the district's budget for continuing operation; need not be approved by the Board.

IX: GENERAL REGULATIONS FOR WATER SERVICE

A: Accounts for water service shall be classified "governmental", "commercial", and "residential". Residential customers of the HCSD shall be charged a base rate of \$39.00 per month for 12,000 gallons, Commercial base rates will be charged \$165.00 per month and Governmental will be charged a base rate of \$225.00 per month. Over 12,000 gallons shall be billed at a rate of \$1.75 per 1000 gallons used. Customers must complete an application and deposit of \$100.00 plus turn on fee of \$40.00 before service can be used.

B: Customers must complete an application and deposit of \$100.00 plus turn on fee of \$40.00 before service can be used.

C: The Board of Directors may adopt rules and regulations regarding the use of water and the charges therefore.

X: INDEMNIFICATION OF EMPLOYEES:

Upon request, the District shall indemnify and defend all District Employees, for the purposes of this section, "District Employee" also include directors, officers, and persons who serve in such capacities as independent contractors, against claims made by third parties.

No District Employee, director, or officer shall be defended or indemnified for claims made against such person by the District itself.

The District's Board of Directors may refuse to provide legal defense and/or indemnification or may place reasonable conditions on the same, under such circumstances as are allowed by law.

Members of the District's Board of Directors shall not be disqualified from voting upon matters

relating to their own defense and/or these Bylaws, but no Director may vote on such matters in relation to litigation which that Director, an employee, family member, business associate, or dependent of that Director is prosecuting against a District Employee.

EFFECTIVE DATE:

A: These Restated By-Laws were adopted, as amended, by the Board and became effective on September 3, 2014.

B: These By-Laws replace, supersede, and revoke all prior versions and amended thereto.

CERTIFICATE OF ADOPTION

I, the undersigned, certify that the, above By-Laws are the By-Laws of the Hornbrook Community Services District as adopted at a meeting of the Board of Directors held on September 3, 2014.

Executed on _____, 2014 at Hornbrook, California

President, Michele Hanson
HCSD Board of Director's

Vice President, Sharrel Barnes
HCSD Board of Director's

Secretary, Patricia Brown
HCSD Board of Director's