

**RESOLUTION NO. 08-12**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE PHELAN PINON HILLS COMMUNITY SERVICES DISTRICT  
ESTABLISHING AN ALTERNATE DEPOSITORY  
OF DISTRICT FUNDS IN PLACE OF COUNTY TREASURY**

WHEREAS, the Board of Directors of the Phelan Pinon Hills Community Services District finds as follows:

A. The Phelan Pinon Hills Community Services District (“the District”) is a community services district organized and operating pursuant to California Government Code Section 61000 et seq.

B. Pursuant to Government Code Sections 61050(b) and 61052(a), the San Bernardino County Treasurer is required to serve as the Treasurer of the District and be the depository and maintain custody of all of the District’s money, unless the District establishes an alternative depository pursuant to Government Code Section 61053.

C. In order for the District to establish an alternative depository pursuant to Government Code Section 61053, the District’s Board of Directors (“the Board”) must appoint a District Treasurer to serve in the place of the County Treasurer in accordance with Government Code Sections 61050(b) and 61053(b).

D. Pursuant to Government Code Section 61050(c), the Board may appoint the same person to serve as the General Manager and as the Treasurer of the District.

E. On August 6, 2008, the Board duly appointed Donald J. Bartz to serve as the District’s General Manager. On August 13, 2008, the Board duly appointed Mr. Bartz to also serve as the District’s Treasurer in the place of the County Treasurer.

F. The Board wishes to adopt this Resolution pursuant to Government Code Section 61053(c) to establish an alternative depository of District funds in place of the County Treasury.

THEREFORE, THE BOARD OF DIRECTORS of the Phelan Pinon Hills Community Services District does hereby resolve as follows:

1. Pursuant to Government Code Section 61053(c)(1), the Board hereby formally states its intention to withdraw the District's money from the County Treasury.

2. Pursuant to Government Code Sections 61050(f), 61053(c)(2), and 61066, the Board hereby requires the District Treasurer, and all other District employees who are responsible for handling the District's finances, to be bonded. The amount of said bonds is hereby fixed at the sum of \$400,000.00. This amount may be adjusted annually by the Board to reflect approximately ten percent (5%) of the District's net cash assets. The District shall pay the costs of the bonds.

3. Pursuant to Government Code Section 61053(c)(3), the Board hereby adopts the system of accounting and auditing attached hereto and incorporated herein by this reference. The system of accounting and auditing hereby adopted shall completely and at all times show the District's financial condition and adhere to generally accepted accounting principles.

4. Pursuant to Government Code Section 61053(c)(4), the Board hereby adopts the following procedure for drawing and signing checks:

(a) All District checks shall bear the following two signatures: (1) One of the signatures shall be that of the District's Treasurer; and (2) One of the signatures shall be that of the President or Vice President of the Board.

(b) The District's procedure for drawing and signing checks shall at all times adhere to generally accepted accounting principles. Additionally, bond principal and salaries shall be paid when due.

5. Pursuant to Government Code Section 61053(c)(5), the Board hereby designates Desert Community Bank as the depository of the District's money pursuant to Resolution No. 08-06 adopted by the Board on June 18, 2008.

6. Pursuant to Government Code Section 61053(e), in implementing this Resolution, the District shall comply with all applicable provisions of Government Code Section 53600, et seq., and Government Code Section 53630, et seq.

7. Pursuant to Government Code Section 61053(f), the District Treasurer shall make quarterly or more frequent reports to the Board, as the Board shall determine, regarding the receipts and disbursements and balance in the accounts controlled by the District Treasurer. The District Treasurer shall sign the reports and file them with the District's General Manager.

8. The provisions of this Resolution shall take effect immediately upon adoption.

Adopted this 13<sup>th</sup> day of August, 2008.

AYES: Johnson, Adams, Anderson, Morrissette

NOES:

ABSTAIN:

ABSENT: Roberts

  
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Vice President, Board of Directors

ATTEST:

  
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Secretary, Board of Directors