

DISCOVERY BAY COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 98-01

**RESOLUTION ESTABLISHING DATE, TIME AND
PLACE OF REGULAR MEETINGS**

WHEREAS, pursuant to Government Code §61221, the Board of Directors of Discovery Bay Community Services District ("District") may provide for the time and place of holding its regular meetings; and

WHEREAS, the Board of Directors of District did so establish the time and place of holding its regular meetings by motion at the first meeting of the District held on December 10, 1997.

NOW, THEREFORE, BE IT RESOLVED THAT:

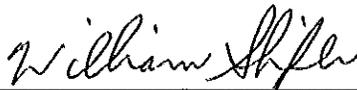
1. The action of the Board of Directors on December 10, 1997 establishing the time and place of regular meetings of the District is affirmed; and
2. The time and place of regular meetings of the District is confirmed as:

The fourth Wednesday of each month, at 7:00 p.m., at Suite G, 1540 Discovery Bay Boulevard, Discovery Bay, California.

PASSED AND ADOPTED by the Board of Directors of the Discovery Bay Community Services District, at a regular meeting thereof, held on JAN. 28, 1998, by the following vote:

AYES:	<u>5</u>
NOES:	<u>0</u>
ABSENT:	<u>0</u>
ABSTENTION:	<u>0</u>

WILLIAM SLIFER



Chair, Board of Directors

ATTEST:

Secretary, Board of Directors

DISCOVERY BAY COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 98-02

**RESOLUTION PROVIDING FOR THE MANNER OF
CALLING SPECIAL MEETINGS**

WHEREAS, pursuant to Government Code §61221, the Board of Directors of Discovery Bay Community Services District ("District") provide for the manner of calling special meetings; and

WHEREAS, the Board of Directors of District did so provide for the manner of calling special meetings by motion at the first meeting of the District held on December 10, 1997.

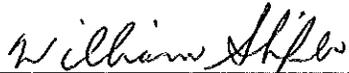
NOW, THEREFORE, BE IT RESOLVED THAT:

1. The action of the Board of Directors on December 10, 1997, providing for the manner of calling special meetings of the District is affirmed; and
2. The manner of calling special meetings of the District is confirmed as the manner specified in Government Code §54956, and said code section is hereby adopted by reference.

PASSED AND ADOPTED by the Board of Directors of the Discovery Bay Community Services District, at a regular meeting thereof, held on JANUARY 28, 1998, by the following vote:

AYES:	<u>5</u>
NOES:	<u>0</u>
ABSENT:	<u>0</u>
ABSTENTION:	<u>0</u>

WILLIAM SLIFER



Chair, Board of Directors

ATTEST:

Secretary, Board of Directors

DISCOVERY BAY COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 98-03

RESOLUTION ADOPTING A CONFLICT OF INTEREST CODE

WHEREAS, the Political Reform Act of 1974, Government Code §81000 et seq., requires state and local government agencies to adopt and promulgate a Conflict of Interest Code;

WHEREAS, the Fair Political Practices Commission has adopted a regulation found at California Code of Regulations, Title 2, Section 18730, which contains the terms of a standard Conflict of Interest Code; and

WHEREAS, after public notice and hearing, the Conflict of Interest Code found in the California Code of Regulations may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act of 1974.

NOW, THEREFORE, BE IT RESOLVED that the terms of California Code of Regulations, Title 2, Section 18730, and any amendments thereto duly adopted by the Fair Political Practices Commission are hereby incorporated into this resolution by reference;

BE IT FURTHER RESOLVED that this resolution and the attached Appendix A designating officials and employees and establishing disclosure categories shall constitute the Conflict of Interest Code of the Discovery Bay Community Services District; and

BE IT FURTHER RESOLVED that designated employees shall file their statements with the Secretary of the Discovery Bay Community Services District, and such statements are available for public inspection and reproduction; and

BE IT FURTHER RESOLVED that statements for all designated employees shall be retained by Discovery Bay Community Services District; and

BE IT FURTHER RESOLVED that persons holding designated positions shall file a Fair Political Practices Commission Form 700, or such other form as may be prescribed.

PASSED AND ADOPTED by the Board of Directors of the Discovery Bay Community Services District, at a regular meeting thereof, held on JANUARY 28, 1998, by the following vote:

AYES:	<u>5</u>
NOES:	<u>0</u>
ABSENT:	<u>0</u>
ABSTENTION:	<u>0</u>

WILLIAM SLIFER
William Slifer
Chair, Board of Directors

ATTEST:
Jorge Koehn
Secretary, Board of Directors

DISCLOSURE CATEGORIES

1. All investments and business positions in business entities, and all sources of income and interests in real property. This category is known as full disclosure.
2. Investments in or income from persons or businesses engaged in the business of providing services or supplies, including, but not limited to, equipment, machinery, or office supplies, to the Discovery Bay Community Services District, or could foreseeably provide services or supplies to the Discovery Bay Community Services District.
3. Interests in real property located in whole or in part within the boundaries of the Discovery Bay Community Services District, or within a two-mile radius of the Discovery Bay Community Services District, including any leasehold, beneficial or ownership interest or option to acquire such interest in real property if the fair market value of the interest is greater than \$1,000.00.
4. Business positions, including, but not limited to, status as a director, officer, sole owner, partner, trustee, employee, or holder of a position of management in any business entity which, in the prior two years has contracted with, or in the future may contract with, the Discovery Bay Community Services District to provide services or supplies to the Discovery Bay Community Services District.

§ 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 87307 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 18100, 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 the Appendix 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 financial 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 financial 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. ¹

Such persons are covered by this code for disqualification purposes only. With respect to all other designated employees, the disclosure categories set forth in the Appendix specify which kinds of financial interests are reportable. Such a designated employee shall disclose in his or her statement of economic interests those financial interests he or she has which are of the kind described in the disclosure categories to which he or she is assigned in the Appendix. It has been determined that the financial interests set forth in a designated employee's disclosure categories are the kinds of financial 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. ²

(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.

(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 property³ is required to be reported,⁴ 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 exceeds one thousand dollars (\$1,000), exceeds ten thousand dollars (\$10,000), or exceeds one hundred thousand dollars (\$100,000).

(B) Personal Income Disclosure. When personal income is required to be reported,⁵ the statement shall contain:

1. The name and address of each source of income aggregating two hundred fifty dollars (\$250) 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), or greater than ten thousand dollars (\$10,000);
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.

(C) Business Entity Income Disclosure. When income of a business entity, including income of a sole proprietorship, is required to be reported,⁶ 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 \$290.

(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 \$290 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.

(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 one thousand dollars (\$1,000) or more;

(B) Any real property in which the designated employee has a direct or indirect interest worth one thousand dollars (\$1,000) 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

two hundred fifty dollars (\$250) 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 \$290 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. Manner of Disqualification.

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 must be accompanied by disclosure of the disqualifying interest. In the case of a voting body, this determination and disclosure shall be made part of the agency's official record; in the case of a designated employee who is the head of an agency, this determination and disclosure shall be made in writing to his or her appointing authority; and in the case of other designated employees, this determination and disclosure shall be made in writing to the designated employee's supervisor.

(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 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 81000-91015. 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.

Note: Authority cited: Section 83112, Government Code. Reference: Sections 87300-87302, 89501, 89502, 89503 and 89504, Government Code.

History

1. New section filed 4-2-80 as an emergency; effective upon filing (Register 80, No. 14). Certificate of Compliance included.
2. Editorial correction (Register 80, No. 29).
3. Amendment of subsection (b) filed 1-9-81; effective thirtieth day thereafter (Register 81, No. 2).
4. Amendment of subsection (b)(7)(B)1. filed 1-26-83; effective thirtieth day thereafter (Register 83, No. 5).
5. Amendment of subsection (b)(7)(A) filed 11-10-83; effective thirtieth day thereafter (Register 83, No. 46).
6. Amendment filed 4-13-87; operative 5-13-87 (Register 87, No. 16).
7. Amendment of subsection (b) filed 10-21-88; operative 11-20-88 (Register 88, No. 46).
8. Amendment of subsections (b)(8)(A) and (b)(8)(B) and numerous editorial changes filed 8-28-90; operative 9-27-90 (Reg. 90, No. 42).
9. Amendment of subsections (b)(3), (b)(8) and renumbering of following subsections and amendment of Note filed 8-7-92; operative 9-7-92 (Register 92, No. 32).
10. Amendment of subsection (b)(5.5) and new subsections (b)(5.5)(A)-(A)(2) filed 2-4-93; operative 2-4-93 (Register 93, No. 6).
11. Change without regulatory effect adopting Conflict of Interest Code for California Mental Health Planning Council filed 11-22-93 pursuant to title 1, section 100, California Code of Regulations (Register

93, No. 48). Approved by Fair Political Practices Commission 9-21-93.

12. Change without regulatory effect redesignating Conflict of Interest Code for California Mental Health; Planning Council as chapter 62, section 55100 filed 1-4-94 pursuant to title 1, section 100, California Code of Regulations (Register 94, No. 1).

13. Editorial correction adding History 11 and 12 and deleting duplicate section number (Register 94, No. 17).

14. Amendment of subsection (b)(8), designation of subsection (b)(8)(A), new subsection (b)(8)(B), and amendment of subsections (b)(8.1)-(b)(8.1)(B), (b)(9)(E) and Note filed 3-14-95; operative 3-14-95 pursuant to Government Code section 11343.4(d) (Register 95, No. 11).

15. Editorial correction inserting inadvertently omitted language in footnote 4 (Register 96, No. 13).

16. Amendment of subsections (b)(8)(A)-(B) and (b)(8.1)(A), repealer of subsection (b)(8.1)(B), and amendment of subsection (b)(12) filed 10-23-96; operative 10-23-96 pursuant to Government Code section 11343.4(d) (Register 96, No. 43).

17. Amendment of subsections (b)(8.1) and (9)(E) filed 4-9-97; operative 4-9-97 pursuant to Government Code section 11343.4(d) (Register 97, No. 15).

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Designated employees who are required to file statements of economic interests under any other agency's conflict of interest code, or under article 2 for a different jurisdiction, may expand their statement of economic interests to cover reportable interests in both jurisdictions, and file copies of this expanded statement with both entities in lieu of filing separate and distinct statements, provided that each copy of such expanded statement filed in place of an original is signed and verified by the designated employee as if it were an original. See Government Code section 81004. 2

See Government Code section 81010 and 2 Cal. Code of Regs. section 18115 for the duties of filing officers and persons in agencies who make and retain copies of statements and forward the originals to the filing officer. 3

For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer. 4

Investments and interests in real property which have a fair market value of less than \$1,000 are not investments and interests in real property within the meaning of the Political Reform Act. However, investments or interests in real property of an individual include those held by the individual's spouse and dependent children as well as a pro rata share of any investment or interest in real property of any business entity or trust in which the individual, spouse and dependent children own, in the aggregate, a direct, indirect or beneficial interest of 10 percent or greater. 5

A designated employee's income includes his or her community property interest in the income of his or her spouse but does not include salary or reimbursement for expenses received from a state, local or federal government agency. 6

Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer and the filer's spouse in the business entity aggregates a 10 percent; or greater interest. In addition, the disclosure of persons who are clients or customers of a business entity is required only if the clients or customers are within one of the disclosure categories of the filer.

APPENDIX A
DESIGNATED POSITIONS

<u>Designated Positions</u>	<u>Disclosure Categories</u>
Directors	All
General Manager	All
Secretary	All
Treasurer	All
Attorney	All
Consultants*	All

* Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest disclosure category in the code, subject to the following limitation: The President of the Board may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such a written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The President's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.

DISCOVERY BAY COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 98-04

**RESOLUTION ADOPTING CALIFORNIA
ENVIRONMENTAL QUALITY ACT GUIDELINES**

WHEREAS, California Public Resources Code §21082 requires that all public agencies adopt objectives, criteria and procedures for the evaluation of projects and the preparation of Environmental Impact Reports and Negative Declarations; and

WHEREAS, California Code of Regulations, Title 14, Section 15022(d) provides that public agencies may adopt the California Environmental Quality Act ("CEQA") Guidelines through incorporation by reference; and

WHEREAS, after a public notice and hearing, the CEQA guidelines found in the California Code of Regulations may be amended by the Secretary for Resources through the Office of Planning and Research to conform to legislative amendments to CEQA.

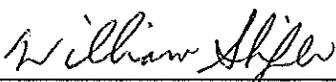
NOW, THEREFORE, BE IT RESOLVED THAT the terms of the California Code of Regulations, Title 14, Section 15000 through 15387, also known as the CEQA Guidelines, and any amendments thereto duly adopted by the Secretary for Resources through the Office of Planning and Research are hereby incorporated into this Resolution by reference;

BE IT FURTHER RESOLVED THAT this Resolution shall constitute the CEQA objectives, criteria and procedures for the evaluation of projects and the preparation of Environmental Impact Reports and Negative Declarations for the Discovery Bay Community Services District.

PASSED AND ADOPTED by the Board of Directors of the Discovery Bay Community Services District, at a regular meeting thereof, held on JANUARY 28, 1998, by the following vote:

AYES:	<u>5</u>
NOES:	<u>0</u>
ABSENT:	<u>0</u>
ABSTENTION:	<u>0</u>

WILLIAM SLIFER



Chair, Board of Directors

ATTEST:

Secretary, Board of Directors

DISCOVERY BAY COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 98-05

RESOLUTION APPROVING CONTRACT WITH NEUMILLER & BEARDSLEE

The District approves the contract with Neumiller & Beardslee to provide legal services to the District.

The Board of Directors of the District will explore funding to pay for legal services under the contract

Passed and Adopted by the Board of Directors of the Discovery Bay Community Services District, at a regular meeting thereof, held on January 28, 1998, by the following vote:

AYES:	5
NOES:	0
ABSENT:	0
ABSTENTION:	0

WILLIAM SLIFER

William Slifer

Chair, Board of Directors

CONTRACT FOR PROFESSIONAL SERVICES

This Contract is made this 28th day of January, 1998, by and between Discovery Bay Community Services District, a community services district organized under the laws of California (hereinafter called "District") and Neumiller & Beardslee, a Professional Corporation (hereinafter called "Attorney").

1. Retention of Attorney. District hereby retains Attorney to perform the duties of Attorney, as General Counsel for District, on the terms and conditions specified herein. Attorney hereby agrees to perform the duties of General Counsel for District, on the terms and conditions specified herein.

2. Duties to be Performed. Attorney shall perform all the normal and usual duties of Attorney and General Counsel for District and shall serve as chief legal advisor to District, except:

a. When, in the opinion of District, it would be more appropriate to hire outside specialist counsel. In such event, Attorney shall assist District in selecting such outside specialist counsel. Such outside specialist counsel may serve in lieu of Attorney on any particular matter, or may assist Attorney. Or:

b. When counsel for the District is otherwise provided, as in the case of counsel provided by insurers in connection with various insurance policies held by District. Or:

c. When a conflict exists such that Attorney is prohibited by law or rules of professional conflict from representing or advising District. In the event of certain conflicts, Paragraph 7 below shall apply.

3. Specific Attendance at Meetings. Attorney shall, in person of John W. Stovall or Nicole A. Tutt (except that Attorney retains the right, in the event of irreconcilable schedule conflicts or absences of both individuals, to substitute another principal or associate of Attorney), attend meetings of the District Board of Directors. District may waive such attendance, in its sole discretion.

4. Term. This Contract shall commence on the date first above written, and shall continue indefinitely, except that District may terminate this Contract, at any time, with or without cause, by written notice to Attorney, and shall have no liability for such termination except for services performed prior to termination. Attorney may terminate this Contract, at any time, by written notice to District at least thirty (30) days prior to termination, and shall have no liability for such termination.

5. Compensation. District shall pay Attorney for services performed, and on the following basis:

a. For actual hours worked, including travel time, District shall pay Attorney \$190.00 per hour for time worked by principals of Attorney, \$150.00 per hour for time worked by associates of Attorney, and \$65.00 per hour for time worked by law clerks or paralegals of Attorney, all in minimum units of one-tenth (1/10) hour.

b. District shall pay Attorney within ninety (90) days of receipt of any statement from Attorney. Attorney shall bill monthly, with an itemized bill, sufficient to show services performed, person performing them, and charges, in a form specified by District.

c. District further agrees to reimburse Attorney for out-of-pocket expenses incurred by Attorney in performing services for District, including, but not limited to, copying costs, long-distance telephone calls, and mileage at \$.35 per mile. For single expenses in excess of \$250.00, District agrees to reimburse the provider thereof directly.

d. Attendance by Attorney at courses, seminars, or conventions, unless specifically requested by District, shall be at Attorney's sole expense.

e. The rates specified in this Paragraph shall remain in effect until December 31, 1999, or termination of Contract, whichever is earlier.

6. Status. Attorney is an independent contractor, and neither Attorney nor any individuals employed by Attorney is or shall be an employee of District. Neither Attorney nor any individual employed by Attorney shall receive or be entitled to receive retirement or pension benefits, Public Employees Retirement System benefits, workers' compensation insurance coverage, health insurance coverage, or any other benefit from District except the compensation specified in Paragraph 5 above. Attorney shall maintain its own workers' compensation and malpractice insurance in accordance with California law.

7. Conflict. In the event any individual employed by Attorney shall represent any person appearing before, or negotiating with, District, Attorney shall be entitled to continue such representation except where Attorney or any employee of Attorney has knowledge of confidential information relating to the matter for which such representation is being made, (obtained in the performance of duties as District Attorney) and except neither Attorney nor any employee of Attorney shall prosecute a claim or lawsuit against, or defend a lawsuit brought by District against

such other person. In the event such representation occurs, and neither of the exceptions in this Paragraph 7 apply, Attorney shall withdraw from representation of District for that matter, and District shall, if it so chooses, engage legal representation of its own choice for that matter. In the event such representation occurs, and either or both of the exceptions in this Paragraph 7 apply, Attorney shall withdraw from representations of both District and such other person.

8. Provision of Material. District shall provide Attorney, at District's sole cost and expense, agendas, notices, reports, and all other materials necessary to enable Attorney to carry out the duties of District Attorney.

9. Notice. Except as otherwise expressly provided by law, any and all notices or other communication required or permitted by this Contract or by law to be served on a delivered or given to a party by another party to this Contract shall be in writing, and shall be deemed duly served, given, or delivered when personally delivered to the party to whom it is directed or, in lieu of such personal service, two (2) days after such written notice is deposited in the United States mail, first class, postage pre-paid, addressed to the party at the address identified for the party in this Contract. Any party may change their address for the purpose of this Paragraph by giving written notice of such change to each other party in the manner provided in this Paragraph.

TO "DISTRICT"

DISCOVERY BAY COMMUNITY SERVICES DISTRICT
1555 RIVERLAKE ROAD
SUITE D-134
DISCOVERY BAY, CA 94514

TO "ATTORNEY"

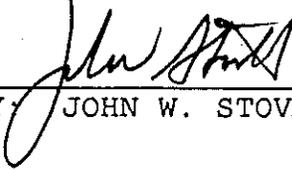
Neumiller & Beardslee
A Professional Corporation
Post Office Box 20
Stockton, CA 95201-3020

10. Excuse of Default. Should the performance of the obligations of any party under this Contract be prevented or delayed by act of God, war, civil insurrection, fire, flood, storm, strikes, lockouts, or by any law, regulation, or order of any federal, state, county, municipal authority, or by any other cause beyond the control of such party, such party's performance under this Contract shall be excused to the extent it is so prevented or delayed.

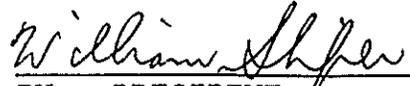
11. No Other Relationship Created. Except as otherwise specifically set forth in this Contract, no partnership, joint venture, employment franchise, agency, corporation, association, or other relationship is intended to have been created between or among the parties as a result of this Contract.

12. Choice of Law. This Contract shall be governed by the procedural and substantive laws of the State of California.

NEUMILLER & BEARDSLEE
A PROFESSIONAL CORPORATION


BY: JOHN W. STOVALL

DISCOVERY BAY COMMUNITY
SERVICES DISTRICT


BY: PRESIDENT
BOARD OF DIRECTORS

DISCOVERY BAY COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 98-06

RESOLUTION TO OPEN A CHECKING ACCOUNT

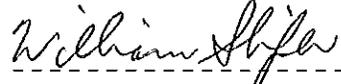
The Board of Directors directs the Treasurer to open a checking account for the District with the Bank of Agriculture and Commerce in Discovery Bay.

The Board of Directors of the District require that valid signatures on checks written shall be two of the three elected officers of the Board of Directors (Chair, Vice-Chair, and Treasurer).

Passed and Adopted by the Board of Directors of the Discovery Bay Community Services District, at a regular meeting thereof, held on January 28, 1998, by the following vote:

AYES: 5
NOES: 0
ABSENT: 0
ABSTENTION: 0

WILLIAM SLIFER



Chair, Board of Directors

DISCOVERY BAY COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 98-07

RESOLUTION TO ADOPT THE BY-LAWS

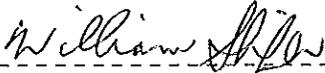
The Board of Directors adopts the By-Laws as revised by Attorney John Stovall with the following corrections:

1. Page 6 Section 4. Change "at least seven (7) days prior" to "at least four (4) days prior".
2. Page 7 Article IX. Change "at least seven (7) days prior" to "at least four (4) days prior".

Passed and Adopted by the Board of Directors of the Discovery Bay Community Services District, at a regular meeting thereof, held on March 25, 1998, by the following vote:

AYES: 5
NOES: 0
ABSENT: 0
ABSTENTION: 0

WILLIAM SLIFER



Chair, Board of Directors

**BYLAWS
OF THE
DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

**BYLAWS
OF THE
DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

ARTICLE I

NAME

This unit of local government shall be known as the Discovery Bay Community Services District, with powers and territorial boundaries as prescribed in Resolution No. 97/295 of the Board of Supervisors of Contra Costa County, State of California, dated June 10, 1997, and as provided by law.

ARTICLE II

PURPOSE

The purposes of the Discovery Bay Community Services District, as approved by the Local Agency Formation Commission and by law, are

- A. To provide for water and sewer services;
- B. To continue the advisory responsibilities of the Discovery Bay Municipal Advisory Council;
- C. To serve the residents of the Discovery Bay Community Services District, in the manner provided by law.

ARTICLE III

BOARD OF DIRECTORS

Section 1. Number.

The governing body of the District shall consist of five (5) elected Directors, each of whom shall serve for a term of four (4) years. Such terms of office to be established on a staggered basis. Initially two (2) Directors will serve a two year term and three (3) members will serve a four year term. Thereafter, all terms shall be four years.

The initial Directors, their terms and term expirations, are:

William Slifer	4 years	Expires December 1, 2001
Mike Dorhn	4 years	Expires December 1, 2001
David Piepho	4 years	Expires December 1, 2001
Virgil Koehne	2 years	Expires December 1, 1999
Chet Loveland	2 years	Expires December 1, 1999

Section 2. Compensation.

The Board may authorize each Director to receive compensation not exceeding Twenty-Five Dollars (\$25.00) for each meeting of the Board attended by him/her, not exceeding four (4) meetings in any calendar month. The Board may also authorize each Director to receive compensation for performing duties for the District other than attending meetings, subject to the following limitations:

- A. Compensation shall not exceed Twenty-Five Dollars (\$25.00) for each day, and such compensation shall be limited to five (5) days in any calendar month.
- B. Only traveling and such other necessary expenses actually incurred by him/her in performing District Duties shall be reimbursed.

Section 3. Vacancies.

- A. Vacancies on the Board shall be filled in accordance with Government Code § 1780.
- B. Vacancies shall be deemed to exist as provided in Government Code § 1770.

Section 4. Resignation.

A Director may resign at any time by giving written notice to the Board, to the President, or to the Secretary of the Board. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

ARTICLE IV

OFFICERS

Section 1. Elected Officers.

The elected officers shall be chosen by the Board from among the five (5) members of the Board and shall consist of a President (who may be called "Chair"), a Vice-President (who may be called "Vice-Chair"), and a Treasurer.

Section 2. Terms of Elected Officers.

Elected Officers of the Board, as provided in Article IV, Sec. 1, shall be elected by the Board at the January meeting and shall serve for one (1) year, said term to commence upon election. All elected officers shall be eligible to serve successive terms, except that the President shall be eligible to serve not more than two (2) full successive terms as President.

Section 3. Duties of Elected Officers.

A. President.

1. Shall preside at all meetings of the board and such other meetings approved by the Board.
2. Shall serve as official spokesperson for the Board.
3. Shall appoint such committees and other working groups as prescribed by the Board.
4. Shall designate Directors or others to represent the Board at various meetings, hearings, and conferences.
5. Shall co-sign all checks for warrants drawn by the Treasurer and approved by the Board.
6. Shall perform such other duties as necessary to carry out the work of the Board.
7. Shall serve as ex-officio member of all committees.
8. Shall perform such duties as prescribed by law.

B. Vice-President.

1. Shall serve in the absence of the President.

C. Treasurer.

1. Shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of all financial transactions of the District, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, and capital surplus. The books of the account shall at all reasonable times be open to inspection by any Director.
2. Shall prepare, or cause to be prepared, an annual budget, together with reliable estimates of income and a publicly announced semi-annual report of expenditures.
3. Shall deposit all moneys and other valuables in the name of to the credit of the District with such depositories as may be designated by the Board.
4. Shall provide all records and documents necessary for an annual, independent audit of expenditures.
5. Shall disburse the funds of the District as may be ordered by the Board and co-sign all warrants authorized by the Board; render to the Board, whenever they request it, an account of all his/her transactions as Treasurer and of the financial condition of the District; and shall have such other powers and perform such other duties as may be prescribed by the Board or the Bylaws.

ARTICLE V

APPOINTED OFFICERS

Section 1. Appointed Officers:

- A. The appointed officers of the District shall be General Manager, and a Secretary, who may be the same person, but neither of whom shall be a Director. The duties of the appointed officers shall be as specified in law, and as directed by the Board.
- B. The Board may appoint such other officers as it deems necessary.

ARTICLE VI

MEETINGS

Section 1. Regular and Special Meetings.

- A. The Board shall hold a regular meeting during the last week of each

month, at a time and place specified by Resolution of the Board. Such regular meetings shall be for considering reports of the affairs of the District and for transacting such other business as may be properly brought before the meeting. Such meetings may be altered as to date, time and place, as provided for in the Resolution adopted by the Board.

- B. Special meetings may be called in accordance with the California Ralph M. Brown Act.
- C. All meetings shall be conducted in accordance with the Ralph M. Brown Act.

Section 2. Quorum.

The Board shall be empowered to conduct the business of the District whenever there is present at a properly called meeting, a quorum, as defined as comprising a majority of the existing Directors; normally three (3); except as otherwise provided by law.

Section 3. Voting.

- A. Voting shall only be conducted at proper noticed meeting where a quorum has been established and members are physically present.
- B. Voting shall be by voice, show of hands, or roll call vote.
- C. All motions require a second before discussion and voting.

Section 4. Notice of Regular and Special Meetings.

- A. Notices of regular meetings shall be sent in writing to each Director at his/her home address at least four (4) days prior to such meetings. Such notices shall specify the place, the day, and the hour of the meeting and accompanying the notice shall be a copy of the agenda for that meeting.
- B. In the case of special meetings, the notice, written or by telephone, shall specify the specific nature of the business to be transacted.

ARTICLE VII

PAYMENTS, CONTRACTS, AND REPORTS

Section 1. Payments.

All checks, warrants, drafts, or other orders for payment of money, notes, or other evidences of indebtedness issued in the name of, or payable to, the District, shall be signed or endorsed by both the President and Treasurer, or by one of them, and

one other Director.

Section 2. Contracts.

The Board, except as in the Bylaws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of, and on behalf of, the District. Such authority may be general or confined to specific instances. Unless so authorized by the Board, no officer, agent, or employee shall have any power or authority to bind the District by any contract or engagement, to pledge its credit, or to render it liable for any purpose or to any amount.

Section 3. Reports.

The Board shall prepare and cause to be sent an annual quality report to the residents of the District.

ARTICLE VIII

PARLIAMENTARY AUTHORITY

Robert's Rules of Order, current edition is to apply to all questions of procedure and parliamentary law not specified in these Bylaws or otherwise by law.

ARTICLE IX

AMENDMENTS

The Bylaws may be repealed or amended, or new Bylaws may be proposed, by the affirmative vote of the majority of the Board at any regular meeting of the Board, provided notice of such proposal shall have been mailed to each Director at least four (4) days prior to the meeting at which the matter is to be acted upon.

DISCOVERY BAY COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 98-08

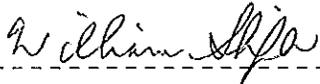
RESOLUTION TO JOIN CONTRA COSTA SPECIAL DISTRICTS ASSOCIATION

The Board of Directors voted to have the District join the Contra Costa Special Districts Association.

Passed and Adopted by the Board of Directors of the Discovery Bay Community Services District, at a regular meeting thereof, held on March 25, 1998, by the following vote:

AYES:	5
NOES:	0
ABSENT:	0
ABSTENTION:	0

WILLIAM SLIFER



Chair, Board of Directors

DISCOVERY BAY COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 98-09

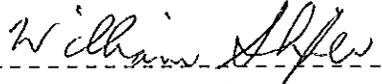
RESOLUTION TO PROVIDE BUSINESS CARDS TO BOARD OF DIRECTORS

The Board of Directors voted to have Director Piepho make Business Cards for Board Members. The District will reimburse Director Piepho for his costs of Supplies.

Passed and Adopted by the Board of Directors of the Discovery Bay Community Services District, at a regular meeting thereof, held on April 22, 1998, by the following vote:

AYES:	5
NOES:	0
ABSENT:	0
ABSTENTION:	0

WILLIAM SLIFER



Chair, Board of Directors

DISCOVERY BAY COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 98-10

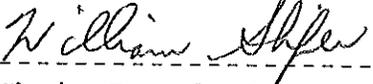
RESOLUTION TO CONCUR WITH DBMAC REGARDING COMMUNITY CENTER FUNDING

The Board of Directors voted to have Director Slifer write a letter to Supervisor Canciamilla stating concurrence with DBMAC that Community Center funding should come from an assessment as well as another assessment for maintenance with the CSD to operate the Center upon it's completion.

Passed and Adopted by the Board of Directors of the Discovery Bay Community Services District, at a regular meeting thereof, held on April 22, 1998, by the following vote:

AYES:	5
NOES:	0
ABSENT:	0
ABSTENTION:	0

WILLIAM SLIFER



Chair, Board of Directors

DISCOVERY BAY COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 98-11

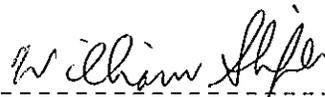
RESOLUTION TO Appoint Jerry Robison Interim General Manager

The Board of Directors voted to have Attorney Stovall write up a Contract between the Services District and Jerry Robison to become an interim General Manager with contract salary to be \$100 per day plus expenses. The contract will have a 30 day termination by either party without cause.

Passed and Adopted by the Board of Directors of the Discovery Bay Community Services District, at a regular meeting thereof, held on May 27, 1998, by the following vote:

AYES:	5
NOES:	0
ABSENT:	0
ABSTENTION:	0

WILLIAM SLIFER



Chair, Board of Directors

Copy for: Bill Sliter

AGREEMENT FOR SERVICES

**ARTICLE 1
INTRODUCTION**

Section 1.01. Parties and Date. This Agreement is made this 28th day of May, 1998, by and between the Discovery Bay Community Services District, organized under the laws of the State of California, ("District"), having its principal place of business at P.O. Box 134, Discovery Bay, CA 94514 and Jerry Robison ("Contractor") doing business as an independent contractor, whose address is 955 Willow Lake Road, Discovery Bay, CA 94514-9403.

Section 1.02. Recitals.

- A. District is a community services district, organized under the laws of the State of California.
- B. District wishes to engage the services of Contractor as described herein, and Contractor wishes to provide such services.
- C. In consideration of the mutual promises, conditions, and covenants contained in this Agreement, the parties agree as set forth in this Agreement.

Section 1.03. Term.

- A. This Agreement is effective May 28, 1998, and will continue in effect indefinitely unless terminated in accordance with the provisions of Article 6 of this Agreement.
- B. It is understood and agreed by District and Contractor that this Contract is for interim services. While the term of this Contract is indeterminate, District intends to have a full-time, General Manager at some point after July 1, 1998.

Section 1.04. Independent Contractor Status. It is the express intention of the parties that Contractor is an independent contractor and not an employee, agent, joint venturer, or partner of District. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between District and Contractor or any employee or agent of Contractor. Both parties acknowledge that Contractor is not an employee for State or Federal tax purposes or any other purpose under Federal or State law. Contractor shall retain the right to perform services for others during the term of this Agreement.

**ARTICLE 2
SERVICES TO BE PERFORMED**

Section 2.01. General Services. Contractor agrees to perform the following services:

A. Serve as General Manager for the District for the purpose of administering District's ordinances, rules, policies and regulations, and for aiding District in transitioning to full responsibilities as a District, in accordance with its formation documents. The functions of Contractor shall include the following:

1. At times mutually convenient to District and Contractor, Contractor shall perform, in the person of Jerry Robison or, in the event of scheduling conflicts, by another employee of Contractor who is competent to perform the duties of General Manager, including, but not limited to, those duties specified in the California Government Code, and act as liaison with the public and other governmental agencies on behalf of District. Contractor shall prepare plans and schedules to prepare District to assume full responsibilities for its duties, as specified in the formation documents approved by the Contra Costa Local Agency Formation Commission and the voters of District, by July 1, 1998. Contractor shall use his own independent judgment and direction in providing such services, but in compliance with District's policies, ordinances and rules and regulations and California laws.

2. Prepare agenda and staff reports for matters scheduled before the District's Board of Directors.

3. Make staff presentations at the meetings as requested.

4. Administer, and coordinate with District employees and other governmental agencies, the administration of District, and the District's assumption of control over, and operation of, sewer and water facilities.

5. Perform such other duties as may be directed by the Board of Directors of District.

Section 2.02. Control of Work: Contractor will determine the method, details, and means of performing the above-described services, provided that performance shall be in compliance with District's policies, ordinances and rules and regulations where such are applicable. District shall have no right to, and shall not, control the manner or determine the method of accomplishing Contractor's services, except to ensure compliance with District's policies, ordinances, rules and regulations.

Section 2.03. Employment of Assistants: Contractor may, at Contractor's own expense, employ such assistants as Contractor deems necessary to perform the services required of Contractor by this Agreement. District may not control, direct, or supervise Contractor's assistants or employees in the performance of those services, except to ensure compliance with District's policies, ordinances, rules and regulations. Contractor assumes full and sole responsibility for the payment of all compensation and expenses of these assistants and for all State and Federal income tax, unemployment insurance, Social Security, disability insurance, and other applicable withholdings.

Section 2.04. Time and Place of Performance: Contractor shall perform the services required by this Agreement at any place or location and at such times as Contractor shall

determine, except as otherwise specifically provided herein.

Section 2.05. Time Spent on Duties. Contractor shall, during the term of this Agreement, devote such time and energy to the performance of this Contract as may be necessary for the adequate performance of the services provided for in this Contract. It is understood that Contractor is an independent contractor who will set his own hours and days of work, and provide Contractor's own equipment, except as specified herein. Contractor shall try to schedule vacations and other non-District commitments at times which will have the least amount of impact on District's operations and prior arrangements shall be made by Contractor for performance of Contractor's responsibilities during Contractor's absence. Long periods of vacations or disabilities for which no provisions for performance of responsibilities is made may result in a declaration of Default of Contractor terms as specified herein.

Section 2.06. Vehicle Insurance. Contractor shall provide District with a copy of an automobile insurance policy with limits of liability, property damages, and medical coverage as required by State law, naming District as an additional insured.

Section 2.07. Liability Insurance. Contractor shall provide District with a copy of a policy of liability insurance, naming District as an additional insured, to cover any negligent acts or omissions committed by Contractor or Contractor's employees or agents during this performance of this Agreement, in the minimum amount of One Hundred Thousand Dollars (\$100,000.00). District shall reimburse Contractor for the cost of such insurance or an expense.

as
JR

**ARTICLE 3
COMPENSATION**

Section 3.01. Compensation. In consideration for the services to be performed, District agrees to pay Contractor Two Thousand and No/100 Dollars (\$2,000.00) per month, payable on the last day of each month for services performed in that month.

Section 3.02. Reimbursement of Expense. Contractor shall be responsible for all costs and expenses incident to the performance of services for District, including but not limited to all costs of equipment provided by Contractor, all fees, fines, licenses, bonds, or taxes required of or imposed against Contractor, and all other of Contractor's costs of doing business, except that District shall provide Contractor with agendas, copies of ordinances, and other District-owned particulars required for Contractor to perform services, and except that District shall reimburse Contractor for copying costs, long-distance telephone calls, mileage at \$.35 per mile, and direct out-of-pocket expenses insured on behalf of District, such as, but not limited to, filing fees.

married
JR

**ARTICLE 4
OBLIGATIONS OF CONTRACTOR**

Section 4.01. Supply All Equipment. Contractor will supply all tools and instrumentalities required to perform the services under this Agreement, except as specified

herein. Contractor is not required to purchase or rent any tools, equipment or services from District.

Section 4.02. Worker's Compensation Insurance. Contractor agrees to provide worker's compensation insurance for Contractor's employees and agents and agrees to hold harmless and indemnify District for any and all claims and liability arising out of any injury, disability, or death of Contractor or any of Contractor's employees or agents.

Section 4.03. Hold Harmless. District shall indemnify and hold Contractor harmless against any and all liability imposed or claimed, including attorney's fees and other legal expenses, arising directly or indirectly from any act or failure to act by Contractor or Contractor's assistants, employees or agents, including any and all claims relating to, or arising out of, the injury or death of any person or damage of any property, in the performance of this Contract, except as such liability shall arise from conduct of Contractor or Contractor's assistants, employees, or agents which is wilful, wanton or is taken with a conscious disregard or indifference to the property or the safety or welfare of others.

Section 4.04. No Assignment. Neither this Agreement nor any duties or obligations under this Agreement may be assigned by Contractor without the prior written consent of District.

Section 4.05. No Payment of Taxes. As Contractor is not District's employee, Contractor is responsible for paying all required State and Federal taxes. In particular,

- A. District will not withhold FICA (Social Security) from Contractor's payments.
- B. District will not make State or Federal unemployment insurance contributions on Contractor's behalf.
- C. District will not withhold State or Federal income tax payments to Contractor.
- D. District will not make disability insurance contributions on behalf of Contractor.
- E. District will not obtain workers' compensation insurance on behalf of Contractor.

Section 4.06. Other Business Interests: Contractor may have other business interests. Contractor shall not use District as a forum to further those business interests without the consent of District.

ARTICLE 5 OBLIGATIONS OF DISTRICT

Section 5.01. Comply with Requests. District agrees to consider all reasonable

requests of Contractor and provide access to all documents reasonably necessary to the performance of Contractor's duties under this Agreement.

Section 5.02. No Assignment by District. Neither this Agreement nor any duties or obligations under this Agreement may be assigned by District without the prior written consent of Contractor.

ARTICLE 6 TERMINATION OF AGREEMENT

Section 6.01. Automatic Termination. This Agreement shall terminate automatically on the occurrence of any of the following events: (i) bankruptcy or insolvency of District; (ii) sale of the business of either party; or (iii) cessation of business of Contractor.

Section 6.02. Default. Should either party default in the performance of this Agreement or materially breach any of its provisions, and continue in such default or breach for ten (10) days after notice of such default or breach, then the other party, at its option, may terminate this Agreement by giving written notice in accordance with Section 7.03 to the defaulting or breaching party without liability to the defaulting or breaching party for payments made or services performed after the date of notice of breach of default.

Section 6.03. Termination. Either party may terminate this Agreement without liability and with or without cause upon the giving of thirty (30) days' written notice.

ARTICLE 7 GENERAL PROVISIONS

Section 7.01. Severability. Should any provision of this Agreement be held by a court of competent jurisdiction to be void, illegal, or unenforceable, all remaining provisions hereof shall remain in full force and effect to the extent that they have not been specifically ruled unenforceable by such court, and the unenforceability of any provision of this Agreement in one or more jurisdictions shall not render such provisions unenforceable in any other jurisdiction.

Section 7.02. Authority to Execute. Each party warrants and represents to the other that it has the legal authority and capacity to enter into this Agreement, and that all necessary resolutions or other actions have been taken so as to enable them to enter into this Agreement.

Section 7.03. Notices. All notices required by this Agreement shall be sufficient if given in writing and if sent by registered or certified, return receipt requested, mail to District's President of the Board of Directors, business or residence or to the Contractor's current mailing address.

Section 7.04. Governing Law. This Agreement is executed and intended to be performed in the State of California, and the laws of said state shall govern its interpretation and effect. Upon termination thereof, any litigation arising from this

Agreement shall likewise be governed by the laws of the State of California.

Section 7.05. Attorney's Fees. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs, and necessary disbursements, in addition to any other relief to which the prevailing party may be entitled.

Section 7.6. Arbitration. All controversies and disputes arising out of this Agreement, or concerning a breach thereof, shall be settled by arbitration on written demand of either party setting forth the matter in controversy, in the following manner: The parties shall agree on a single arbitrator; or in default of agreement on such single arbitrator, the initiating party shall appoint an arbitrator and the other party shall, within five (5) days thereafter, appoint an arbitrator by written notice sent to the first party, and the two arbitrators so designated shall, within five (5) days thereafter, appoint a third arbitrator by written instrument. If the selection of any arbitrator shall not be made as herein provided, then such arbitrator or arbitrators shall be appointed by the American Arbitration. The arbitrator(s) shall fix and assess the fees, costs, and expenses of arbitration. The decision of the single arbitrator or a majority of the arbitrators shall be final and binding upon the parties and judgment upon any award rendered may be entered in any court having jurisdiction in the premises.

Section 7.07. Entire Agreement. This Agreement represents the complete understanding between the parties and no modification of the terms contained herein shall be effective unless in writing and signed by the parties.

ARTICLE 8 TRADE SECRETS

Section 8.01. Ownership of Records. It is understood by Contractor that all files, records, documents, or other items relating to the business of District, whether they are prepared by Contractor or come into Contractor's possession in any other way, are and shall remain the exclusive property of District. These items may not be used in any way by Contractor except as required in the course of Contractor's performance of services under this Agreement unless Contractor receives the prior written consent of District. All such items shall be immediately returned by District by Contractor upon any termination of this Agreement.

Section 8.02. Delivery of Property. Upon termination of this Agreement or whenever requested by District, Contractor shall immediately deliver to District all property in Contractor's possession or under Contractor's control which belongs to District.

[Signatures Following]

"DISTRICT"

"CONTRACTOR"

**Discovery Bay Community
Services District, organized under
the laws of the State of California**

By: _____
WILLIAM G. SLIFER

JERRY ROBISON

DISCOVERY BAY COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 98-12

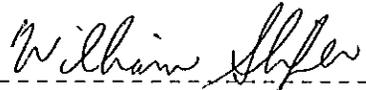
RESOLUTION TO purchase a tape recorder

The Board of Directors voted to have Director Piepho investigate and purchase a heavy duty tape recorder for recording minutes of meetings with a cost not exceed \$500.

Passed and Adopted by the Board of Directors of the Discovery Bay Community Services District, at a regular meeting thereof, held on May 27, 1998, by the following vote:

AYES:	5
NOES:	0
ABSENT:	0
ABSTENTION:	0

WILLIAM SLIFER



Chair, Board of Directors

DISCOVERY BAY COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 98-13

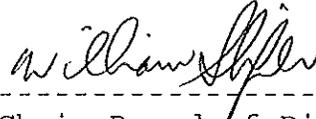
RESOLUTION TO petition LAFCO for Recreation Latent Power

The Board of Directors voted to petition LAFCO to exercise the latent power for recreation in July.

Passed and Adopted by the Board of Directors of the Discovery Bay Community Services District, at a regular meeting thereof, held on May 27, 1998, by the following vote:

AYES:	5
NOES:	0
ABSENT:	0
ABSTENTION:	0

WILLIAM SLIFER



Chair, Board of Directors

DISCOVERY BAY COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 98-14

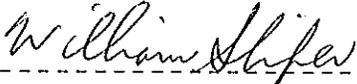
RESOLUTION TO write letter on wastewater plant expansion

The Board of Directors voted to write a letter to Supervisor Canciamilla and the Board of Supervisors requesting that they deny the negative declaration of the initial study of the wastewater plant expansion and request an Environmental Impact Study on the issue.

Passed and Adopted by the Board of Directors of the Discovery Bay Community Services District, at a regular meeting thereof, held on May 27, 1998, by the following vote:

AYES: 5
NOES: 0
ABSENT: 0
ABSTENTION: 0

WILLIAM SLIFER



Chair, Board of Directors

DISCOVERY BAY COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 98-15

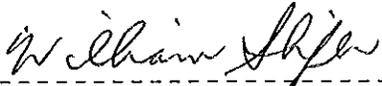
RESOLUTION TO have Jerry Robison negotiate for the CSD with the Hofmann Company for Discovery Bay West issues.

The Board of Directors voted have Interim General Manager, Jerry Robison negotiate with the Hofmann Company in regards to a Service Agreement for Discovery Bay West which would include expansion of the Wastewater Plant along with study of emissions from the existing Plant.

Passed and Adopted by the Board of Directors of the Discovery Bay Community Services District, at a regular meeting thereof, held on June 10,1998, by the following vote:

AYES: 3
NOES: 0
ABSENT: 1
ABSTENTION: 0

WILLIAM SLIFER



Chair, Board of Directors

DISCOVERY BAY COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 98-16

RESOLUTION AUTHORIZING OBTAINING INSURANCE

WHEREAS, the Board of Directors of Discovery Bay Community Services District (hereinafter "District") have reviewed proposals for the provision of insurance policies from several different brokers; and

WHEREAS, it is necessary to obtain insurance for the District; and

WHEREAS, the General Manager has recommended, and the District Counsel has reviewed and concurs, that the package presented by Leap/Carpenter/Kemps Insurance Agency provides the best coverage for the premiums quoted; and

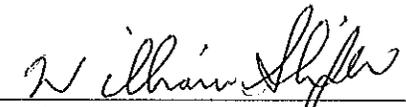
WHEREAS, the District desires to purchase Workers' Compensation Insurance as provided by law;

NOW, THEREFORE, BE IT RESOLVED THAT the General Manager is authorized to obtain insurance as outlined in the proposal presented by Leap/Carpenter/Kemps Insurance Agency, dated June 8, 1998, and is authorized to obtain Workers' Compensation Insurance as provided by law; and is authorized to pay premiums therefore, not in excess of \$6,000.00, to take effect July 1, 1998.

PASSED AND ADOPTED by the Board of Directors of the Discovery Bay Community Services District, at a regular meeting thereof, held on June 24, 1998, by the following vote:

AYES: 4
NOES: 0
ABSENT: 0
ABSTENTION: 0

WILLIAM SLIFER



Chair, Board of Directors

ATTEST:



Secretary Board of Directors

DISCOVERY BAY COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 98-17

RESOLUTION REPEALING RESOLUTION NO. 98-01 AND
ESTABLISHING THE DATE, TIME AND PLACE OF REGULAR MEETINGS

WHEREAS, pursuant to Government Code §61221, the Board of Directors of Discovery Bay Community Services District ("District") may provide for the date, time and place of holding its regular meetings; and

WHEREAS, the Board of Directors did so establish the date, time and place of regular meetings with Resolution 98-01 on December 10, 1997; and

WHEREAS, the Bylaws of the District provide that the date, time and place of those meetings may be altered by Resolution of the Board of Directors of the District; and

WHEREAS, the Board of Directors of District do now desire to alter the date, time and place of holding its regular meetings by motion a regular meeting of the District held on June 24, 1998.

NOW, THEREFORE, BE IT RESOLVED THAT:

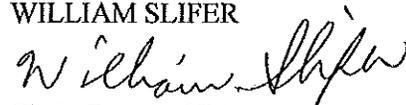
1. Resolution 98-01 is repealed; and
2. The date, time and place of regular meetings of the District is established as:

The third Wednesday of each month, at 7:00 p.m., at Suite G, 1540 Discovery Bay Boulevard, Discovery Bay, California.

PASSED AND ADOPTED by the Board of Directors of the Discovery Bay Community Services District, at a regular meeting thereof, held on June 24, 1998, by the following vote:

AYES: 4
NOES: 0
ABSENT: 0
ABSTENTION: 0

WILLIAM SLIFER


Chair, Board of Directors

ATTEST:


Secretary, Board of Directors

DISCOVERY BAY COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 98- 18

**RESOLUTION
APPOINTING INTERIM GENERAL MANAGER AS SECRETARY**

WHEREAS, pursuant to California Government Code § 61240, the Board of Directors of Discovery Bay Community Services District (hereinafter "District") is, as soon as practicable after its first meeting, to appoint a secretary; and

WHEREAS, the secretary may also be the General Manager.

NOW, THEREFORE, BE IT RESOLVED THAT the Interim General Manager, Jerry Robison, is appointed as secretary of the District pursuant to California Government Code §§ 61240 and following. No additional compensation shall be paid to the Interim General manager for performance of services as secretary.

PASSED AND ADOPTED by the Board of Directors of the Discovery Bay Community Services District, at a regular meeting thereof, held on June 24, 1998, by the following vote:

AYES:	<u>4</u>
NOES:	<u>0</u>
ABSENT:	<u>0</u>
ABSTENTION:	<u>0</u>

WILLIAM SLIFER



Chair, Board of Directors

ATTEST:



Secretary, Board of Directors

DISCOVERY BAY COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 98-19

RESOLUTION RATIFYING PREVIOUS ACTIONS

WHEREAS, pursuant to the formation documents pertaining to the formation of Discovery Bay Community Services District ("DBCSD"), the DBCSD becomes effective on July 1, 1998, but commenced meetings and actions as a transition entity prior to July 1, 1998; and

WHEREAS, such meetings and actions must be ratified and reaffirmed as of the effective date of the formation of DBCSD;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

That previous resolutions adopted by the transition Board of Directors, from and including 98-02 to 98-18 are hereby ratified, reaffirmed, and adopted as resolutions of the Board; and

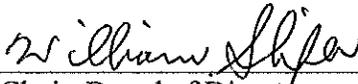
That all contracts previously authorized and approved by the transition Board of Directors are hereby ratified, reaffirmed, and approved as contracts with the Board and DBCSD; and

That all previous actions of the transition Board, except the appointment of Robert Doran to the Board, are ratified, reaffirmed, and adopted as actions of the Board and DBCSD.

PASSED AND ADOPTED by the Board of Directors of the Discovery Bay Community Services District, at a special meeting thereof, held on July 1, 1998, by the following vote:

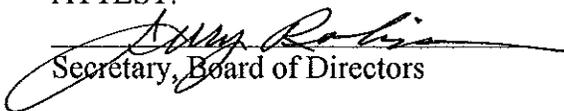
AYES:	<u>4</u>
NOES:	<u>0</u>
ABSENT:	<u>0</u>
ABSTENTION:	<u>0</u>

WILLIAM SLIFER



Chair, Board of Directors

ATTEST:


Secretary, Board of Directors

DISCOVERY BAY COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 98-20

RESOLUTION ESTABLISHING AN INVESTMENT POLICY

WHEREAS, pursuant to Government Code §§ 53600 and following, the Board of Directors of Discovery Bay Community Services District (hereinafter "District") may adopt an investment policy, and may provide for investment in the Local Agency Investment Fund (LAIF).

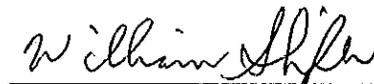
NOW, THEREFORE, BE IT RESOLVED THAT:

1. The attached Investment Policy is adopted as the Investment Policy of the District.

PASSED AND ADOPTED by the Board of Directors of the Discovery Bay Community Services District, at a special meeting thereof, held on July 1, 1998, by the following vote:

AYES:	<u>4</u>
NOES:	<u>0</u>
ABSENT:	<u>0</u>
ABSTENTION:	<u>0</u>

WILLIAM SLIFER



Chair, Board of Directors

ATTEST:



Secretary, Board of Directors

**DISCOVERY BAY COMMUNITY SERVICES DISTRICT
INVESTMENT POLICY**

1.0 SCOPE

This investment policy applies to all financial assets of Discovery Bay Community Services District. These funds are accounted for in the annual District audit and include: All funds.

2.0 PRUDENCE

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent investor" standard (California Government Code §53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

3.0 OBJECTIVES:

As specified in California Government Code §53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

- A. Safety: Safety of principal is the foremost objective of the investment program. Investments of Discovery Bay Community Services District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio
- B. Liquidity: The investment portfolio will remain sufficiently liquid to enable Discovery Bay Community Services District to meet all operating requirements which might be reasonably anticipated.
- C. Return on Investments: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow

characteristics of the portfolio.

4.0 DELEGATION OF AUTHORITY

Authority to manage the investment program is derived from California Government Code Sections 53600, et seq. Management responsibility for the investment program is hereby delegated to the Board of Directors, who shall establish written procedures for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, PSA repurchase agreements, wire transfer agreements, collateral/depository agreements and banking services contracts, as appropriate. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Board of Directors. The Board of Directors shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. Under the provisions of California Government Code §53600.3, the Board of Trustee is a trustee and a fiduciary subject to the prudent investor standard.

5.0 ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

6.0 AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The Board of Directors will maintain a list of financial institutions, selected on the basis of credit worthiness, financial strength, experience, and minimal capitalization, authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment and financial advisory services in the State of California. No public deposit shall be made except in a qualified public depository as established by state laws.

For brokers/dealers of government securities and other investments, Discovery Bay Community Services District Board of Directors shall select only broker/dealers who are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organizations.

Before engaging in investment transactions with a broker/dealer, the Board of Directors shall have received from said firm a signed Certification Form. This form shall attest that the individual responsible for Discovery Bay Community Services District's account with that firm has reviewed Discovery Bay Community Services District's Investment Policy and that the firm understands the policy and intends to present investment

recommendations and transactions to Discovery Bay Community Services District that are appropriate under the terms and conditions of the Investment Policy.

7.0 AUTHORIZED AND SUITABLE INVESTMENTS:

Discovery Bay Community Services District is empowered by California Government Code Sections §53601 et seq. and §53635 et seq. to invest in the following:

- A. Bonds issued by Discovery Bay Community Services District.
- B. United States Treasury Bills, Notes & Bonds.
- C. Registered state warrants or treasury notes or bonds issued by the State of California.
- D. Bonds, notes, warrants or other evidence of debt issued by a local agency within the State of California, including pooled investment accounts sponsored by the State of California, County Treasurers, other local agencies or Joint Powers Agencies.
- E. Obligations issued by Agencies or Instrumentality of the United States Government.
- F. Bankers Acceptances with a term not to exceed 270 days. Not more than 40% of surplus funds can be invested in Bankers Acceptances and no more than 30% of surplus funds can be invested in the bankers acceptances of any single commercial bank.
- G. Prime Commercial Paper of U.S. Corporations with assets greater than \$500 million with a term not to exceed 180 days and the highest ranking issued by Moody's Investors Service or Standard & Poor's Corp. Commercial paper cannot exceed 15% of total surplus funds, provided, that if the average maturity of all Commercial paper does not exceed 31 days, up to 30% of surplus funds can be invested in Commercial paper.
- H. Negotiable Certificates of Deposit issued by federally or state chartered banks or associations. Not more than 30% of surplus funds can be invested in certificates of deposit.
- I. Repurchase/Reverse Repurchase Agreements of any securities authorized by this Section. Securities purchased under these agreements shall be no less than 102% of market value. (See special limits in California Government Code §53601.i)
- J. Medium term notes (not to exceed 5 Years) of U.S. corporations rated "A" or

better by Moody's or S&P. Not more than 30% of surplus funds can be invested in medium term notes.

- K. Shares of beneficial interest issued by diversified management companies (Money Market Mutual Funds) investing in the securities and obligations authorized by this Section. Such Funds must carry the highest rating of at least two of the three largest national rating agencies. Not more than 15% of surplus funds can be invested in Money Market Mutual Funds.
- L. Funds held under the terms of a Trust Indenture or other contract or agreement may be Invested according to the Provisions of those indentures or agreements.
- M. Collateralized bank deposits with a perfected security interest in accordance with the Uniform Commercial Code (UCC) or applicable federal security regulations.
- N. Any mortgage pass-through security, collateralized mortgage obligation, mortgaged backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate or consumer receivable backed bond of a maximum maturity of five years. Securities in this category must be rated AA or better by a nationally recognized rating service. Not more than 30% of surplus funds may be invested in this category of securities.
- O. Any other investment security authorized under the provisions of California Government Code §5922 and §53601.

California Government Code §53601 and §53635 contain a detailed summary of the limitations and special conditions that apply to each of the above-listed investment securities. A summary of California Government Code §53601 and §53635 is attached hereto and is included by reference in this investment policy.

Prohibited Investments. Under the provisions of California Government Code §53601.6 and §53631.5, Discovery Bay Community Services District shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, interest-only strips derived from mortgage pools or any investment that may result in a zero-interest accrual if held to maturity.

8.0 COLLATERALIZATION:

All certificates of deposits must be collateralized by U.S. Treasury Obligations. Collateral must be held by a third party trustee and valued on a monthly basis. The percentage of collateralization on repurchase and reverse repurchase agreements will adhere to the amount required under California Government Code §53601(i)(2) and §53635(i)(2).

9.0 SAFEKEEPING AND CUSTODY:

All security transactions entered into by Discovery Bay Community Services District shall be conducted on delivery-versus-payment (DVP) basis. All securities purchased or acquired shall be delivered to Discovery Bay Community Services District by book entry, physical delivery or by third party custodial agreement as required by California Government Code §53601 and §53635.

10.0 DIVERSIFICATION:

Discovery Bay Community Services District will diversify its investments by security type and institution. It is the policy of Discovery Bay Community Services District to diversify its investment portfolio. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. Diversification strategies shall be determined and revised periodically. In establishing specific diversification strategies, the following general policies and constraints shall apply:

- A. Portfolio maturities shall be matched versus liabilities to avoid undue concentration in a specific maturity sector.
- B. Maturities selected shall provide for stability of income and liquidity.
- C. Disbursement and payroll dates shall be covered through maturities investments, marketable U.S. Treasury bills or other cash equivalent instruments such as money market mutual funds.

11.0 REPORTING

In accordance with California Government Code §53646(b)(1), Board of Directors shall submit to each member of the Board of Directors a quarterly investment report. The report shall include a complete description of the portfolio, the type of investments, the issuers, maturity dates, par values and the current market values of each component of the portfolio, including funds managed for Discovery Bay Community Services District by third party contracted managers. The report will also include the source of the portfolio valuation. As specified in California Government Code §53646(e), if all funds are placed in LAIF, FDIC-insured accounts and/or in a county investment pool, the foregoing report elements may be replaced by copies of the latest statements from such institutions. The report must also include a certification that (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy and, (2) Discovery Bay Community Services District will meet its expenditure obligations for the next six months as required by California Government Code §53646 (b)(2) and (3) respectively. The Board of Directors shall maintain a complete and timely record of all investment transactions.

12.0 ALTERNATE POLICY

In lieu of investing excess funds as provided herein, in accordance with Government Code § 53684, the Board of Directors may, by resolution, deposit excess funds with the Treasurer of Contra Costa County, for investment in the Local Agency Investment Fund ("LAIF"), provided that approximately one month's revenues of the District shall be kept in the County Treasury for payment of appropriate costs of the District, and the excess thereof shall be invested in the LAIF.

13.0 INVESTMENT POLICY REVIEW AND MODIFICATIONS

The Policy shall be reviewed on an annual basis, and modifications must be approved by the Board of Directors.

DISCOVERY BAY COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 98-21

**RESOLUTION APPOINTING THE TREASURER OF
CONTRA COSTA COUNTY AS DEPOSITARY OF
DISTRICT FUNDS**

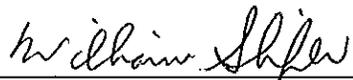
WHEREAS, pursuant to California Government Code §§ 61730 and following, the Board of Directors of Discovery Bay Community Services District (hereinafter "District") may designate the County Treasurer of the County in which District is located as the depositary and custodian of District funds;

NOW, THEREFORE, BE IT RESOLVED THAT the Treasurer of Contra Costa County as the depositary, and to have custody, of the District funds, and to receive and disclose such funds as provided in California Government Code §§ 61730 and following.

PASSED AND ADOPTED by the Board of Directors of the Discovery Bay Community Services District, at a special meeting thereof, held on July 1, 1998, by the following vote:

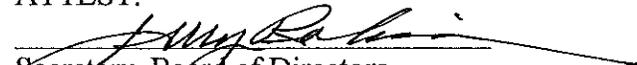
AYES:	<u>4</u>
NOES:	<u>0</u>
ABSENT:	<u>0</u>
ABSTENTION:	<u>0</u>

WILLIAM SLIFER



Chair, Board of Directors

ATTEST:



Secretary, Board of Directors

DISCOVERY BAY COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 98-22

**RESOLUTION APPOINTING BANK OF AGRICULTURE AND COMMERCE
AS ALTERNATIVE DEPOSITARY FOR CERTAIN
DISTRICT FUNDS, AND APPOINTING FINANCE OFFICER**

WHEREAS, pursuant to California Government Code §§ 61737.01 and following, the Board of Directors of Discovery Bay Community Services District (hereinafter "District") may appoint a bank or savings and loan association as depositary for a portion of the District's funds; and

WHEREAS, while the County of Contra Costa serves as the depositary for the bulk of the District's funds, it is necessary to have a revolving fund of a limited amount to more efficiently carry out the District's purposes;

NOW, THEREFORE, BE IT RESOLVED THAT

1. The Bank of Agriculture and Commerce, Discovery Bay Branch, 1520 Discovery Bay Boulevard, Discovery Bay, CA 94514, is hereby appointed as an alternative depositary for District funds, which funds shall not exceed \$10,000.00; and

2. The position of Finance Officer of the District is created, and is combined with the office of Secretary of the District, in accordance with California Government Code § 61737.04; and

3. The Finance Officer shall carry out the requirements of California Government Code § 61731.01 through § 61737.09; and

4. Individual payments from such account shall not exceed \$1,000.00 per payment; and

5. Signatures requirement for checks issued from this account shall be in accordance with Article VII of the District's Bylaws.

PASSED AND ADOPTED by the Board of Directors of the Discovery Bay Community Services District, at a special meeting thereof, held on July 1, 1998, by the following vote:

AYES: 4
NOES: 0
ABSENT: 0
ABSTENTION: 0

WILLIAM SLIFER

William Shyer
Chair, Board of Directors

ATTEST:

Jerry Rubin
Secretary, Board of Directors

DISCOVERY BAY COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 98-23

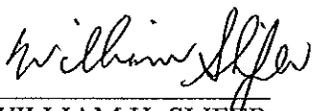
**RESOLUTION AUTHORIZING INVESTMENT OF
DISCOVERY BAY COMMUNITY SERVICES DISTRICT
MONIES IN LOCAL AGENCY INVESTMENT FUND**

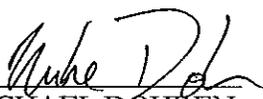
WHEREAS, pursuant to Chapter 730 of the statutes of 1976 Section 16429.1 was added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

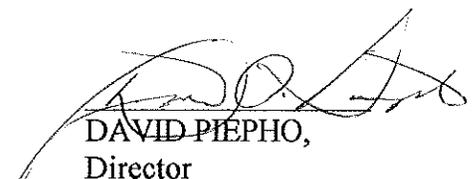
WHEREAS, the Board of Directors of Discovery Bay Community Services District does hereby find that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein as in the best interests of the Discovery Bay Community Services District.

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors of the Discovery Bay Community Services District does hereby authorize the deposit and withdrawal of Discovery Bay Community Services District monies in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein.

BE IT FURTHER RESOLVED, that the following Discovery Bay Community Services District officers, or their successors in office shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Funds. Authorization shall be by either (a) President and Treasurer, or (b) either of them and one other Director.


WILLIAM H. SLIFER,
President


MICHAEL DOHREN,
Treasurer


DAVID PIEPHO,
Director


CHET LOVELAND,
Director


GARY JONES,
Director

PASSED AND ADOPTED, by the Board of Directors of the Discovery Bay Community Services District, County of Contra Costa, State of California, on July 1, 1998.

AYES: 4
NOES: 0
ABSENT: 0
ABSTENTION: 0

WILLIAM SLIFER

William Slifer
Chair, Board of Directors

ATTEST:

[Signature]
Secretary, Board of Directors

DISCOVERY BAY COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 98- 24

RESOLUTION OF APPLICATION TO THE LOCAL AREA FORMATION COMMISSION TO
EXPAND THE POWERS AND PURPOSES OF
THE DISCOVERY BAY COMMUNITY SERVICES DISTRICT
TO ACTIVATE ITS LATENT POWER OF RECREATION,
ADOPTION OF SERVICE PLAN AND
ADOPTION OF A NOTICE OF CEQA EXEMPTION

WHEREAS, the Discovery Bay Community Services District (DBCSD) was formed for the limited purposes of providing water and sewer services, but has latent powers; and

WHEREAS, the DBCSD now desires to activate certain of those latent powers, to include the ability to acquire, fund and operate a Community Center; and

WHEREAS, the ability to acquire, fund and operate a Community Center is available to the DBCSD through its latent power of recreation under California Government Code §61600 (e); and

WHEREAS, the DBCSD's latent powers can be activated through a vote of the electorate, pursuant to Government Code §61601 and approval of the Local Area Formation Commission, pursuant to Government Code §56451; and

WHEREAS, the project has been reviewed pursuant to the provisions of the California Environmental Quality Act, and this Board finds that this action qualifies as a Categorical Exemption pursuant to Public Resources Code §15320, as it is a change in organization of a local agency; and

WHEREAS, the DBCSD adopts the following service plan pursuant to Government Code §56653 with regard to this proposed expansion of services:

1. The DBCSD seeks authority to acquire, fund and operate a Community Center.
2. The level of services required will be low to moderate and the range of the services will extend only to the Discovery Bay District.
3. The services regarding acquisition and funding of the Community Center will begin immediately upon approval by LAFCO and the electorate.
4. These services would be financed partially through donations by the Discovery Bay Citizens, fundraising events, or assessments, and partially through the developer, The Hofmann Company.

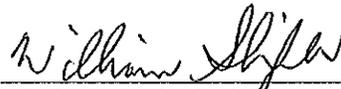
NOW, THEREFORE, BE IT RESOLVED that:

1. The DBCSD authorizes an application to LAFCO requesting authorization to expand the purpose of the DBCSD to include its latent power of recreation; and
2. The DBCSD adopts the above-stated service plan; and
3. The DBCSD adopts a Notice of CEQA Exemption.

PASSED AND ADOPTED this Fifteenth day of July, 1998 by the following vote:

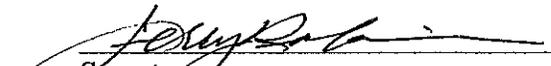
AYES: 5
NOES: 0
ABSTENTIONS: 0
ABSENT: 0

WILLIAM SLIFER



Chair, Board of Directors

ATTEST:



Secretary

Notice of Exemption

To: County Clerk
County of Contra Costa
425 Main Street
Martinez, CA 94553

From: **Discovery Bay Community
Services District**
1555 Riverlake Rd. #D-134
Discovery Bay, CA 94514

Project Title: Expansion of Purposes of Discovery Bay Community Services District (DBCSD) to include its latent power of recreation.

Project Location: Discovery Bay, California - Contra Costa County

Description of Nature, Purpose and Beneficiaries of Project: The expansion of services is proposed to provide the DBCSD with the authority to acquire, fund and operate a Community Center.

Name of Public Agency Approving Project: Discovery Bay Community Services District

Name of Person or Agency Carrying Out Project: Discovery Bay Community Services District

Exempt Status: Categorical (Sec. 15320)

Reasons why project is exempt: This is a change in organization of a local agency.

Lead Agency Contact Person: Jerry Robison, General Manager (925) 634-8433

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project?
Yes _____ No _____


William Slifer

Chair, Board of Directors July 15, 1998

CALIFORNIA DEPARTMENT OF FISH AND GAME
CERTIFICATE OF FEE EXEMPTION

De Minimis Impact Finding

Project Title/Location (include county):

Discovery Bay, Contra Costa County

Project Description:

Expansion of purposes of Discovery Bay Community Services District (DBCSD) to include its latent power of recreation.

Findings of Exemption (attach as necessary):

This is a categorical exemption to CEQA as it is a change in organization of a local agency. (Public Resources Code §15320)

Certification

I hereby certify that the lead agency has made the above finding and that the project will not individually or cumulatively have an adverse effect on wildlife resources, as defined in Section 711.4 of the Fish and Game Code.



William Slifer

Title: Chair, Board of Directors
Lead Agency: Discovery Bay Community Services District
Date: July 15, 1998

DISCOVERY BAY COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 98-25

RESOLUTION TO PLACE A MEASURE ON THE NOVEMBER 1998
BALLOT TO EXPAND THE POWERS AND PURPOSES OF
THE DISCOVERY BAY COMMUNITY SERVICES DISTRICT
TO ACTIVATE ITS LATENT POWER OF RECREATION

WHEREAS, the Discovery Bay Community Services District (DBCSD) was formed for the limited purposes of providing water and sewer services, but has latent powers; and

WHEREAS, the DBCSD now desires to activate certain of those latent powers to include the ability to acquire, fund and operate a Community Center; and

WHEREAS, the ability to acquire, fund and operate a Community Center is available to the DBCSD through its latent power of recreation under California Government Code §61600 (e); and

WHEREAS, the DBCSD's latent powers can be activated through a vote of the electorate, pursuant to Government Code §61601 and approval of the Local Area Formation Commission, pursuant to Government Code §56451;

NOW, THEREFORE, BE IT RESOLVED:

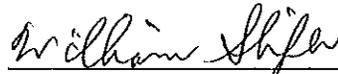
1. That the DBCSD authorizes staff to proceed with the steps necessary to place a measure on the November 3, 1998 ballot for authorization to expand the purpose of the DBCSD to include its latent power of recreation.
2. That the ballot language shall be as follows:

"Shall the Discovery Bay Community Services District adopt the additional purpose of providing for public recreation, including, but not limited to, aquatic parks and recreational harbors, equestrian trails, playgrounds, golf courses, swimming pools, or recreational buildings?" Yes No

PASSED AND ADOPTED this Fifteenth day of July, 1998 by the following vote:

AYES: 4
NOES: 1
ABSTENTIONS: 0
ABSENT: 0

WILLIAM SLIFER


Chair, Board of Directors

ATTEST:


Secretary

DISCOVERY BAY COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 98- 26

RESOLUTION REQUESTING CONSOLIDATION
OF DISTRICT BALLOT MEASURE WITH THE
NOVEMBER 3, 1998 STATEWIDE GENERAL ELECTION

WHEREAS, the Discovery Bay Community Services District (DBCSD) wishes to place a single ballot measure on the November 3, 1998 Statewide General Election; and

WHEREAS, the DBCSD respectfully requests consolidation of this ballot measure with the Statewide General Election pursuant to California Election Code §10403;

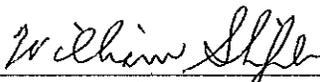
NOW, THEREFORE, BE IT RESOLVED:

1. That the DBCSD requests such consolidation and authorizes the filing of a request for consolidation with the Contra Costa County Board of Supervisors; and
2. That the DBCSD authorizes staff to proceed with the steps necessary to affect consolidation of the District's ballot measure with the November 3, 1998 Statewide General Election.

PASSED AND ADOPTED this Fifteenth day of July, 1998 by the following vote:

AYES: 4
NOES: 1
ABSTENTIONS: 0
ABSENT: 0

WILLIAM SLIFER



Chair, Board of Directors

ATTEST:


Secretary

DISCOVERY BAY COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 98-27

**RESOLUTION AUTHORIZING THE GENERAL MANAGER TO OBTAIN DISTRICT
TELEPHONE SYSTEM AND OFFICE EQUIPMENT**

WHEREAS, the Discovery Bay Community Services District is in need of a telephone system and other office equipment for use by the District; and

WHEREAS, the General Manager seeks the authority to purchase a telephone system and other necessary office equipment, including, but not limited to, a computer and copy machine;

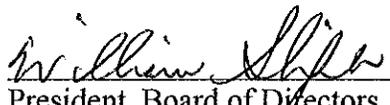
NOW THEREFORE, BE IT RESOLVED that:

1. The Discovery Bay Community Services District authorizes its General Manager to obtain a telephone system and other necessary office equipment for use by the District; and
2. The purchase of this equipment shall be at a cost not to exceed Seven Thousand Dollars (\$7,000).

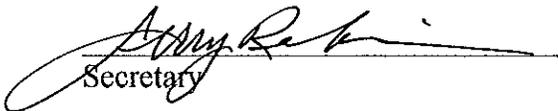
PASSED AND ADOPTED this Twenty-Second day of July, 1998 by the following vote:

AYES: 5
NOES: 0
ABSTENTIONS: 0
ABSENT: 0

WILLIAM SLIFER


President, Board of Directors

ATTEST:


Secretary

Discovery Bay Community Services District

RESOLUTION NO. 28

RESOLUTION REVIEWING THE CONFLICT OF INTEREST CODE

WHEREAS, on July 1, 1998, the Discovery Bay Community Services District adopted a Conflict of Interest Code pursuant to the Political Reform Act of 1974, Government Code §81000, et seq.; and

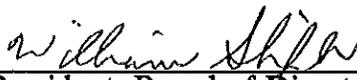
WHEREAS, pursuant to Government Code §87306.5, each local government agency must review its Conflict of Interest Code on a biennial basis and either amend the code if necessary, or report to its respective code reviewing body that the code is not in need of amendment;

NOW, THEREFORE, BE IT RESOLVED that the Conflict of Interest Code for the Discovery Bay Community Services District has been reviewed and is not in need of amendment.

PASSED AND ADOPTED by the Board of Directors of the Discovery Bay Community Services District, at a regular meeting thereof, held on July 22, 1998, by the following vote:

AYES:	<u>5</u>
NOES:	<u>0</u>
ABSENT:	<u>0</u>
ABSTENTION:	<u>0</u>

WILLIAM SLIFER



President, Board of Directors

ATTEST:



Secretary, Board of Directors

DISCOVERY BAY COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 98-29

**RESOLUTION APPROVING THE PRIMARY ARGUMENT IN FAVOR OF THE
BALLOT MEASURE APPROVING THE EXPANSION OF THE POWERS AND
PURPOSES OF THE DISCOVERY BAY COMMUNITY SERVICES DISTRICT TO
ACTIVATE ITS LATENT POWER OF RECREATION**

WHEREAS, on July 15, 1998, the Discovery Bay Community Services District passed Resolution 98-25 authorizing the District to place a Measure on the Ballot for the Statewide General Election on November 3, 1998 and approving Ballot language requesting for expansion of the powers and purposes of the District to activate its latent power of recreation; and

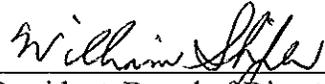
WHEREAS, a Primary Argument in Favor of the Measure has been prepared by District Counsel describing the purpose for requesting activation of this latent power, which is attached hereto as Exhibit A;

NOW THEREFORE, BE IT RESOLVED that the District adopts the Primary Argument in Favor of the Measure and authorizes Staff to work with the Contra Costa County Elections Department to complete the process for placing the Measure on the Ballot for the Statewide General Election, and further authorizing the President of the District to execute the Argument, and all other necessary documentation.

PASSED AND ADOPTED this Twenty-Second day of July, 1998 by the following vote:

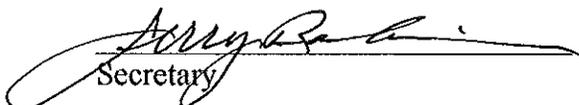
AYES: 5
NOES: 0
ABSTENTIONS: 0
ABSENT: 0

WILLIAM SLIFER



President, Board of Directors

ATTEST:



Secretary

PRIMARY ARGUMENT IN FAVOR OF MEASURE

Community services districts are permitted to exercise many different powers. The Discovery Bay Community Services District (DBCSD), however, was originally formed for the limited purposes of providing the Discovery Bay Community with sewer and water services. The DBCSD now seeks an expansion of those purposes to provide the citizens of Discovery Bay with the opportunity to acquire a Community Center.

The Hofmann Company (the primary developer in the Discovery Bay area) is required to build a Community Center, contingent upon certain contributions from the Discovery Bay Community. However, there is no public agency with the authority to act on behalf of the "Community" with regard to this project.

To begin negotiations on this project, the Community needs a public agency with the authority to negotiate with the Hofmann Company, collect and hold monies in trust and then manage the Community Center once it is built. The most obvious choice for this public agency is the DBCSD.

In order for the DBCSD to do this, however, the voters must authorize the DBCSD to exercise its latent power of recreation. Under the law granting this power to community services districts, the District is authorized to provide many recreational services, including, but not limited to, recreational buildings.

At this time, the DBCSD does not have any plans for any projects other than the Community Center. A "yes" vote on this Measure would enable the DBCSD to begin negotiating with the Hofmann Company to build the Community Center, and also enable the DBCSD to begin taking voluntary contributions toward the Center. A "yes" vote on this Measure will not result in a mandatory contribution to the Center or any tax increase.

Please vote "yes" on this Measure to enable the DBCSD to help build a Community Center for you!

DISCOVERY BAY COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 98-30

**RESOLUTION AUTHORIZING DESIGNATED DISTRICT OFFICIALS
TO ACCEPT AND CONSENT TO DEEDS OR GRANTS TO THE DISTRICT**

WHEREAS, Section 27281 of the California Government Code authorizes a government agency by a general resolution to authorize to an officer or agent of the government agency to accept and consent to all deeds or grants conveying any interest or easement upon real estate to a political corporation or governmental agency for public purposes and to record the same on behalf on the grantee;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Discovery Bay Community Services District as follows:

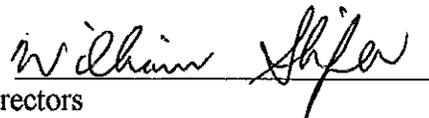
Section 1. The President of the Board of Directors of the Discovery Bay Community Services District, the Secretary of the Discovery Bay Community Services District and the General Manager of the Discovery Bay Community Services District are each authorized to accept and consent to all deeds or grants conveying any interest in or easement upon real estate to the Discovery Bay Community Services District for public purposes and each is empowered to affix a Certificate of Acceptance to such deeds or grants as shall be accepted on behalf of the Discovery Bay Community Services District and to record the same with the County Recorder of the County of location of the property.

Section 2. The Secretary of the Discovery Bay Community Services District shall record a certified copy of this Resolution with the County Recorder of each County in which property may be accepted.

PASSED AND ADOPTED by the Board of Directors of the Discovery Bay Community Services District, at a regular meeting thereof, held on August 19, 1998, by the following vote:

AYES: 4
NOES: 0
ABSENT: 1
ABSTENTION: _____

WILLIAM SLIFER



President, Board of Directors

ATTEST: 

Secretary, Board of Directors

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the deed or grant dated _____, from _____, to the Discovery Bay Community Services District, as authorized under Section 27281 of the California Government Code, is hereby accepted by the undersigned officer or agent on behalf of the Discovery Bay Community Services District pursuant to authority conferred by Resolution of the Board of Directors of the Discovery Bay Community Services District adopted on August 19, 1998, and the Grantee consents to recordation thereof by its duly authorized officer.

Dated: _____

DISCOVERY BAY COMMUNITY SERVICES DISTRICT

BY: _____
VIRGIL KOEHNE
General Manager

DISCOVERY BAY COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 98-31

RESOLUTION ADOPTING A PURCHASING SYSTEM FOR THE DISTRICT

WHEREAS, Section 54201 and following of the California Government Code requires every local agency to adopt policies and procedures, including bidding regulations, governing purchases of supplies and equipment by the local agency; and

WHEREAS, the policies and procedures shall be adopted by means of a written rule or regulation, copies of which shall be available for public distribution.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Discovery Bay Community Services District adopts the Purchasing System attached hereto as Exhibit A; and

WHEREAS, these purchasing procedures are expressly made inapplicable to bids for and award of public projects as defined by the Public Contracts Code and where the expenditures required for the public project exceeds the limit set by the Public Contracts Code. The provisions contained in the Public Contracts Code establish contract procedures the District shall follow regarding such public projects.

PASSED AND ADOPTED by the Board of Directors of the Discovery Bay Community Services District, at a regular meeting thereof, held on August 19, 1998, by the following vote:

AYES: 4
NOES: 0
ABSENT: 1
ABSTENTION: _____

WILLIAM SLIFER

William Slifer

President, Board of Directors

ATTEST:

Virgil Koebue

Secretary, Board of Directors

SUMMARY

Purchasing System

This Purchasing System would allow the General Manager authority to purchase a contract for supplies or equipment under the following guidelines:

- (1) If under \$100.00, in an emergency, or certain other circumstances, without competitive bidding;**
- (2) If between \$100.00 and \$5,000.00 under an informal bidding procedure;**
- (3) If between \$5,000.00 and \$30,000.00 under an informal bidding procedure but only with consent of the Board of Directors;**
- (4) If more than \$30,000.00 only by formal bidding procedure and consent of the Board of Directors.**

Specifications for formal bidders list, requirements for performance bonds, and procedural requirements are set forth in the Purchasing System.

PURCHASING SYSTEM

Sections:

- 1.01 Adoption of Purchasing System.**
- 1.02 Purchasing Officer.**
- 1.03 General Procedure.**
- 1.04 No Bidding Required.**
- 1.05 Informal Bidding Procedure.**
- 1.06 Informal Bidding Procedure For Purchasing Between Five Thousand Dollars and Thirty Thousand Dollars.**
- 1.07 Formal Bidding Procedure.**
- 1.08 Inspection--Testing.**
- 1.09 Encumbrance of Funds.**

1.01 Adoption of Purchasing System. In order to establish efficient procedures for the purchase of supplies and equipment, to secure for the District supplies and equipment at the lowest possible cost commensurate with quality needed, to exercise positive financial control over purchases, to clearly define authority for the purchasing function and to assure the quality of purchases, a purchasing system is adopted.

1.02 Purchasing Officer. The General Manager shall be the Purchasing Officer, and shall have authority to:

A. Purchase or contract for supplies and equipment required by the District in accordance with the provisions of this chapter, such administrative regulations as the purchasing officer may adopt, and such other rules and regulations as may be prescribed by the Board of Directors;

B. Negotiate and recommend execution of contracts for the purchase of supplies and equipment;

C. Act to procure for the District the needed quality in supplies and equipment at least expense to the District;

D. Discourage uniform bidding and endeavor to obtain as full and open competition as possible on all purchases;

E. Prepare and recommend to the Board of Directors rules governing the purchase of supplies and equipment for the District;

F. Prepare and recommend to the Board of Directors revisions and amendments to the purchasing rules;

G. Keep informed of current developments in the field of purchasing, prices, market conditions and new products;

H. Prescribe and maintain such forms as are reasonably necessary to the operation of this System and other rules and regulations;

I. Supervise the inspection of all supplies and equipment purchased to ensure conformance with specifications;

J. Recommend the transfer of surplus or unused supplies and equipment between departments as needed and the sale of all supplies and equipment which cannot be used by any agency or which have been unsuitable for District use;

K. Maintain a bidders list, vendors catalog file and records needed for the efficient operation of the purchasing department.

1.03 General Procedure. The purchase of, or contracting for, supplies and equipment shall be done in accordance with the procedures established in Section 1.04 for purchases for which neither informal nor formal bids are required, or the informal bidding procedures established in Section 1.05 for purchases or contracts of less than five thousand dollars, or the informal bidding procedures of Section 1.06 for purchases or contracts of between five thousand dollars and thirty thousand dollars, or the formal bidding procedures established in Section 1.07 for Purchases or Contracts of Greater Than Thirty Thousand Dollars.

1.04 No Bidding Required. Purchases of supplies and equipment shall normally be by bid procedures pursuant to this System, as applicable, provided, however, that bidding may be dispensed with in the following circumstances:

A. When an emergency requires that an order be placed with the nearest available source of supply immediately;

B. When the commodity can be purchased only from vendor or supplier, or, in the case of vehicles, machinery or other equipment, where the commodity can be reasonably repaired or otherwise serviced by only one vendor or supplier; or

C. Where the estimated purchase price is less than one hundred dollars; or

D. Where the purchase or acquisition is made in accordance with law by or through the county, state or federal government.

1.05 Informal Bidding Procedure. Where the estimated value of the purchase of supplies or equipment is less than five thousand dollars, the purchasing officer may make the purchase in the open market under the following procedure without observing the formal procedure set forth in Section 1.07 (this procedure may be referred to as the "open market" procedure), and need not return to the District for Board of Directors authorization to make the purchase.

A. Minimum Number of Bids. Open market purchases shall, wherever possible, be based on at least three bids and shall be awarded to the lowest responsible bidder.

B. Notice Inviting Bids. The purchasing officer shall solicit bids by written requests to prospective vendors or by telephone and by public notice posted on a public bulletin board at the District Office.

C. Written Bids. Sealed, written bids shall be submitted to the purchasing officer, who shall keep a record of all open market orders and bids for a period of one year after the submission of bids or the placing of an order. This record, while so kept, shall be open to public inspection.

1.06 Informal Bidding Procedure For Purchasing Between Five Thousand and Thirty Thousand Dollars. Where the estimated value of the purchase of supplies or equipment is greater than five thousand dollars, but less than thirty thousand dollars, the purchasing officer may utilize the open market procedure specified in Section 1.05, to obtain bids, provided, however, that he shall first obtain the consent of the Board of Directors before awarding any contract or purchase.

1.07 Formal Bidding Procedure. Except as otherwise provided herein, purchases and contracts for supplies and equipment of estimated value greater than thirty thousand dollars shall be by written contract with the lowest responsible bidder pursuant to the procedure prescribed herein.

A. Notice Inviting Bids. Notice inviting bids shall include a general description of the articles to be purchased, shall state where bid blanks and specifications may be secured, and the time and place for opening bids.

1. Published Notice. Notice inviting bids shall be published at least ten days before the date of opening of the bids. Notice shall be published at least once in a newspaper of general circulation, printed and published in the District or, if there is none, it shall be posted in at least three public places in the District that have been designated as places for posting public notices or ordinances.

2. Bidders List. The purchasing officer shall also solicit sealed bids from all responsible prospective suppliers whose names are on the bidders list or who have requested their names be added thereto.

3. Bulletin Board. The purchasing officer shall also advertise pending purchases by a notice posted on a public bulletin board at the District Office.

B. Bidders' Security. When deemed necessary by the purchasing officer, bidders' security may be prescribed in the public notices inviting bids. Bidders shall be entitled to return of bid security, provided that a successful bidder shall forfeit his bid security upon refusal or failure to execute the contract with ten days after the notice of award of contract has been mailed, unless the District is responsible for the delay. The Board of Directors may, on refusal or failure of the successful bidder to execute the contract, award it to the next lowest responsible bidder. If the Board of Directors awards the contract to the next lowest responsible bidder, the amount of the lowest bidder's security shall be applied by the District to the difference between the low bid and the second lowest bid, and the surplus, if any, shall be returned to the lowest bidder.

C. Bid Opening Procedure. Sealed bids shall be submitted to the purchasing officer and shall be identified as bids on the envelope. Bids shall be opened in public at the time and place stated in the public notices. A tabulation of all bids received shall be open for public inspection during regular business hours for a period of not less than thirty calendar days after the bid opening.

D. Rejection of Bids. In its discretion, the Board of Directors may reject any and all bids presented and re-advertise for bids.

E. Award of Contracts. Contracts shall be awarded by the Board of Directors to the lowest responsible bidder, except as otherwise provided herein.

F. Tie Bids. If two or more bids received are for the same total amount or unit price, quality and service being equal, and if the public interest will not permit the delay of re-advertising for bids, the Board of Directors may accept the one it chooses or accept the lowest bid made by negotiation with the bidders at the time of the bid opening.

G. Performance Bonds. The Board of Directors shall have the authority to require a performance bond before entering a contract in such amount as it shall find reasonably necessary to protect the best interest of the District. If the Board of Directors requires a performance bond, the form and amount of the bond shall be described in the notice inviting bids.

1.08 Inspection--Testing. The purchasing officer shall inspect supplies and equipment delivered to determine their conformance with the specifications set forth in the order or contract. The purchasing officer shall have authority to require chemical and physical tests of samples submitted with bids and samples of deliveries which are necessary to determine their quality and conformance with specifications.

1.09 Encumbrance of Funds. Except in cases of emergency, the purchasing officer shall not issue any purchase order of supplies or equipment unless there exists an unencumbered appropriation in the fund account against which said purchase is to be charged.

DISCOVERY BAY COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 98- 32

**RESOLUTION REPEALING RESOLUTION NO. 98-22 AND
APPOINTING BANK OF AGRICULTURE AND COMMERCE
AS ALTERNATIVE DEPOSITARY FOR CERTAIN
DISTRICT FUNDS, AND APPOINTING FINANCE OFFICER**

WHEREAS, pursuant to California Government Code §§ 61737.01 and following, the District may appoint a bank or savings and loan association as depositary for a portion of the District's funds; and

WHEREAS, while the County of Contra Costa serves as the depositary for the bulk of the District's funds, it is necessary to have a revolving fund of a limited amount to more efficiently carry out the District's purposes;

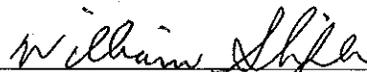
NOW, THEREFORE, BE IT RESOLVED THAT

1. Resolution No. 98-22 is hereby repealed; and
2. The Bank of Agriculture and Commerce, Discovery Bay Branch, 1520 Discovery Bay Boulevard, Discovery Bay, CA 94514, is hereby appointed as an alternative depositary for District funds, which funds shall not exceed \$20,000.00; and
3. The position of Finance Officer of the District is created, and is combined with the office of Secretary of the District, in accordance with California Government Code § 61737.04; and
4. The Finance Officer shall carry out the requirements of California Government Code § 61731.01 through § 61737.09; and
5. Individual payments from such account shall not exceed \$5,000.00 per payment; and
6. Signatures requirement for checks issued from this account shall be in accordance with Article VII of the District's Bylaws.

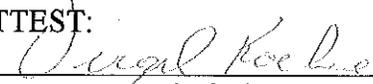
PASSED AND ADOPTED by the Board of Directors of the Discovery Bay Community Services District, at a special meeting thereof, held on October 21, 1998, by the following vote:

AYES: 5
NOES: 0
ABSENT: _____
ABSTENTION: _____

WILLIAM SLIFER


Chair, Board of Directors

ATTEST:


Secretary, Board of Directors