



**SCOTIA COMMUNITY SERVICE DISTRICT
NOTICE IS HEREBY GIVEN THAT A REGULAR
MEETING OF
THE *BOARD OF DIRECTORS***

Board Packet for

Thursday, January 15, 2015

6:30 P.M.

**Agenda is Posted 3 Days prior to the
meeting**



**SCOTIA COMMUNITY SERVICE DISTRICT
NOTICE IS HEREBY GIVEN THAT A REGULARLY SCHEDULED MEETING OF THE
BOARD OF DIRECTORS**

**WILL BE HELD AT:
122 MAIN STREET
SCOTIA, CALIFORNIA
THURSDAY, January 15, 2015
6:30 P.M.**

AGENDA

A. CALL TO ORDER

The Presiding officer will call the meeting to order and call the roll of members to determine the presence of a quorum.

ROLL CALL (DIRECTORS IN ATTENDANCE)

PLEDGE OF ALLEGIANCE

ADDITIONS TO THE AGENDA

Items may be added to the agenda in accordance with Section 54954.2(b)(t) of the Government Code (Brown Act). Items will be added to the agenda only on the basis that *there is a need to take immediate action* and that the *need for action came to the attention of the Scotia Community Services District Board of Directors after the agenda was posted*. All documentation supporting this agenda is available for public review in the District office during normal business hours.

B. SETTING OF AGENDA

The Board may adopt/revise the agenda as presented.

C. CONSENT CALENDAR

Consent Calendar items are expected to be routine and non-controversial, to be acted upon by the Board of Directors at one time without discussion. If any Board member, staff member, or interested person requests that an item be removed from the Consent Calendar, it shall be removed so that it may be acted upon separately.

1. APPROVAL/DISAPPROVAL OF MINUTES FROM PREVIOUS MEETING(S)

December 18, 2014

SCSD Regular Board Meeting Minutes

D. PUBLIC COMMENTS & WRITTEN COMMUNICATIONS

Regularly scheduled meetings will provide an opportunity for members of the public to directly address the SCSD Board Members on any action item that has been described in the agenda for the meeting, before or during consideration of that item, or on matters not identified on the agenda within the Board jurisdiction. Comments are not generally taken on non-action items such as reports or information.

CORRESPONDENCE

The Board will review recent District correspondence
Written correspondence is always welcome and should be used for complex issues.

Email Inquire - Mt. Tam Historical Society i.e: Train Locomotive status

E. PUBLIC HEARING

No public hearing issues.

DRAFT
Board Minutes

Draft Minutes of Regular Meeting of December 18, 2014

DRAFT
Minutes of the Regular Meeting of
The Scotia Community Service District
Thursday, December 18, 2014,
at 6:30 PM
122 Main Street, Scotia, CA

Agenda Item A - Call to Order, Roll Call, Additions to the Agenda

The regular meeting of the Board of Directors of the Scotia Community Service District convened at 6:30 pm with the following directors and staff in attendance:

Rick Walsh,	Director - present
John Broadstock,	Director - present
Gayle McKnight,	Director - present
Diane Bristol,	Director - scheduled absent
Susan Pryor,	Director - present

Mark Richardson, Interim General Manager - present

Agenda Item B - Setting of the Agenda

Motion to Approve the Agenda as presented	Director Walsh
Seconded:	Director McKnight
Motion Summary:	Approval of Agenda as presented
Motion Vote:	AYES - RW, JB, GM, SP

Motion passed

Agenda Item C - Approval/Disapproval of minute(s) from previous meeting(s)

Regular Meeting of December 18, 2014

Approval of the Agenda	Director Susan Pryor
Seconded:	Director John Broadstock
Motion Summary:	Approval of Minutes as adjusted
Motion Vote:	AYES - RW, JB, GM, SP

Motion passed

Agenda Item D - Public Comments & Written Communications

General discussion from public regarding open and closed session and purpose of closed sessions.

Frank Bacik, President, Town of Scotia Company, LLC submitted a Draft document for the CCR's for the proposed subdivision of the Scotia Community. The draft document is available for informal public review and Frank wished the Board of directors to review it for comment.

Agenda Item E - Public Hearing -

No Public hearing

Agenda Item F - Staff and committee Reports:

F1. Managers report submitted to Board

Interim Managers Report accepted by Board as presented.

Agenda Item G - Continued and New Business

G1 - New Business:

Board Annual Reorganization: Pursuant to District Bylaws, Article 5.4, "The Board shall reorganize at the regular meeting of the Board in December each year". The Board shall appoint a new Board President and Vice President, Board Secretary and Finance Officer. As the Board is in transition and development, the role of Board Secretary and Finance Officer has been assumed by the Interim General Manager, whom is not an employee of the District.

Action by Resolution of the Board:

Motion by Susan Pryor to Appoint Rick Walsh Board President for 2015 and to appoint Gayle McKnight as Vice President for 2015

Motion Seconded by John Broadstock

Vote to approve/disapprove Resolution 2015-1

Motion Vote: AYES - All present
 Nays - None

Motion passed

G2 - Old Business:

No Old business

Closed Session Meeting

ADJOURN TO CLOSED SESSION at 7:00 PM

At any time during the regular session, the Board may adjourn to closed session to consider existing or anticipated litigation liability claims, real property negotiations, license and permit determinations, threats to security, public employee appointments, personnel matters, evaluations and discipline, labor negotiations, or to discuss with legal counsel matters within the attorney-client privilege.

A.1 Call to Order

A.2 Roll Call (Directors in Attendance)

A.3 CONFERENCE WITH LEGAL COUNSEL -

ANTICIPATED LITIGATION - Section 54956.9 (d)(3) Meeting to Decide whether a closed session is authorized. Specific in regards to Convenant and Agreement to Dedicate Property and Convey other Assets to the Scotia Community Service District

A.4 CLOSED SESSION DISCUSSION

ADJOURN TO SPECIAL MEETING- OPEN SESSION

A.5 REPORT OUT OF CLOSED SESSION

The board came out of closed session at 8:20pm. The following statement was made, "The board has determined that no closed session regarding litigation is necessary at this time."

Agenda Item H - Adjournment of Regular Meeting of the Board of Directors at 8:20 PM

Monthly
Interim General Manager's Report

January 15, 2015



Monthly Manager's Report Regular Meeting

Date: January 15, 2015

To: Board of Directors, SCSD

From: Mark Richardson, Interim General Manager

General: This report is a general update for the Board from the IGM. I will touch on routine and specific topics for information purposes. None of the items discussed in this report require board action at this time.

First and foremost: All actions by the SCSD shall be by ordinance (rules and regulations), resolution or motion. No other actions, discussions or decisions by the board have legal status.

IGM Correspondence, outreach and Board Training:

FYI - California Water Boards in partnership with the Rural Community Assistance Corporation (RCAC) are hosting a series of On-line Board Member Workshops and Classroom Workshops on Operations and Regulatory Issues.

Board members John Broadstock, Susan Pryor and Diane Bristol attended the Online Workshop on January 6, 2015 "Board Basics: Basic Operations". The next Board focused Online training is scheduled for February 3 at 10:00 am. As with the January 6 workshop, I'll be scheduling the event at the SCSD office.

FYI - On January 1, 2015 a new set of infrastructure financing tools became available to local governments in California. With the elimination of the Community Redevelopment Law in 2011, an opportunity arose to rethink the old urban renewal model of community development and explore a more broadly based set of infrastructure financing powers that would meet the broad range of community development needs in the 21st century.

On January 13, 2015 a live webinar on the topic of infrastructure financing was held.

"New Infrastructure Financing Tools for California: Local Infrastructure Financing Authority"

In summary, this is a one hour discussion on a new infrastructure financing tool, in part due to the loss of redevelopment agencies in California. While special districts can utilize the new Financing Authority, it is principally set up for Counties and Cities.

I have downloaded a recording of the one (1) hour workshop, and it is also available at You Tube under the Meeting of the Minds page. I can forward the link, if requested.

FYI - Financial Management: I have met with both the local Scotia branch and Fortuna branch of the US Bank- to initiate a bank account for the SCSD. US Bank has a government account section, and the bank will prepare documentation to open an account when the Board has assigned the signatory roles. The role of this bank account is for short term cash flow management. We will need to establish a cap/ceiling on the depository of funds at the US Bank. Typically this cap will be set based on short term cash flow requirements for services debt, local bills, ect.

Pursuant to our approved District By-Laws, Article 6 section 6.1 Deposit of District Money and section 6. 4 Checks, Drafts, Etc, The SCSD shall open an account and have authorized the signatory to be the Board President and/or General Manager and one additional Board Member. *At this time, because the Interim General Manager is employed by the TOS, the signatory for the General Manager will be postponed until such time as the SCSD hires a permanent General Manager.*

The US Bank will require the two signatory Board members to be present at the bank when the account is opened. We can schedule this sometime in January 2015 if the Board approves the proposed resolution(s) submitted at this meeting.

I have also been in consultation with the Humboldt County Treasures Department. The SCSD will be establishing a Scotia CSD Trust Account with the County treasury office. This is pursuant to California Government code, section 61050, section (b), by default the District is to name the County of Humboldt Treasurer, unless the board of directors designates an alternative depository pursuant to section 61053.

Typically, a special district will utilize both the County Treasurer office and also designate a local financial officer for short term cash flow requirements. In consult with the County Treasury, they will request that the Board authorize, via a resolution that allows the Humboldt County Treasure to establish the account on behave of the SCSD.

A draft set of policy and procedures is under development for our entire financial management system. I'll be consulting with our CPA on finalizing a draft of the Financial Policy and Procedures as we approach our first year budget. Anticipation for draft review by March/April 2015.

FYI - Board Elections: In review of the status of the Board members, the two appointed Board members, Susan Pryor and Diane Bristol, terms shall expire in 2015. In consultation with the County Elections office, the District will be sent a notice in the spring regarding the election and notice to the community regarding the two open

positions. Potential candidates will be requested to file for office sometime in July/August of 2015. Depending on the number of candidates, (more than two), then an election will be scheduled. If only two candidates file for office, then the election does not have to be held.

FYI - County Legal Counsel: Humboldt County Legal Counsel can offer legal advise to the SCSD for a fee for service. The District may seek advise from time to time that may be outside of our services with Nancy Diamond and this is an option.

FYI - Draft Regulations: Draft regulations (ordinance's) for the formation and the empowerment of the District are nearly ready for legal review. I'll be submitting the regulations in phases to legal counsel for review beginning in late January.

The first set of regulations for the Board and legal counsel include the following sections:

- Title and Table of Contents
- Article 1-Definitions, Regulation 1
- Article II - Water Service - Regulation 2-16
- Article III - Sewer Service - Regulation 17-31

While the first set of regulations go through legal and board review, an additional set of regulations are being drafted for the following services:

- Article IV - Parks and Recreation , Regulation's 40-49
- Article V - Street Lighting Services, Regulations 50-56
- Article VI - General Provisions , Regulations 60-67
- Article VII - Open Spade Maintenance, Regulations 70-73
- Article VIII - Fire Services - TBD, looking at Cameron Park CSD as an example.

Water/Sewer Facilities and Administration Status:

As a requirement for a change in ownership for the drinking water services and facilities, both Federal EPA and the State Water Boards (former Dept of Public Health) require that a "Technical, Managerial and Financial" (TMF) study be completed addressing the following specific elements:

Technical -

- Consolidation Feasibility
- System Description
- Certified Operators
- Operations Plans
- Source Capacity
- Training

Managerial -

- Ownership
- Water Rights
- Organization
- Emergency Response Plan
- Policies

Financial -

- Budget Projection/Capital Improvement Plans
- Budget Controls

I've begun the process of gathering existing data and information to address each of these elements. Prior to the State Water Board granting a change of ownership, this TMF report will be required and must be approved by the state. Each element has specific requirements and timing for implementation. The state may grant additional time to comply with some of the elements, while other elements will need to be verified prior to the change in ownership.

Water Distribution: System is undergoing improvements in Phase 1 of the TOS project. TOS and our SCSD will report on the progress from time to time. TOS is planning to complete Phase I in the spring/summer of 2015.

Wastewater System: Facilities are working within permit conditions.

Utility Staffing: While the SCSC has not adopted an employment and staffing program at this time, I am exploring options, for both budget purposes and management and compliance with state regulations. The level of staffing is going to be dependent on a variety of issues that are yet to be resolved. First and foremost is the amount of time and staff that are needed for full compliance and operations. Historically, with PALCO, a three person team (plumbers/utility) would be dedicated to the water and sewer services. Over the past two years, this has evolved to just two dedicated utility crew and the hire of a plumber for non-utility tasks.

In review of different staffing options and start-up options for the SCSD, I have begun to research consulting and operations firms that work with water and sewer systems. There are options for a review of our facilities, and a plan can be developed for operations and management. One of the firms capable of this function, as a professional services company, is Aquality Water Management. I'll be exploring this company and others to help us address the transitional issues we will be addressing in our first year of operations.

Storm Water Management: The Storm water system is being upgraded. Phase 1 of TOS development is nearing completion. The improved drainage system should greatly improve drainage from HY 101, the School, and Church, Mill and Eddy Streets, along with improvements on B street. One of several storm water outfalls has been repaired by TOS, under direction of the County Public Works. A second storm water outlet system has eroded and will require repairs. This is directly behind Mill A, along the train right-of-way.

Fire Department Status: Fire Chief issues quarterly reports. In coordination with legal counsel, I have begun to review options and sample Regulations/Ordinance for the empowerment of our fire department. Cameron Park CSD has an example that we have begun to explore as a model for the SCSD.

Parks & Recreation : This section will deal with the various properties identified as part of our Parks & Recreation Department. This includes the following facilities and properties:

Winema Theater -

Scotia Museum - Closed for Winter. Open on request.

Scotia Museum Park - Train locomotive and artifacts from logging.

Community Forest - 22+ acres of riparian habitat from Fireman's Park to the Scotia/Rio Dell bridge along the Eel River.

Soccer Field -

Carpenter Field - baseball

Fireman's Park - Barbecue and picnic grounds

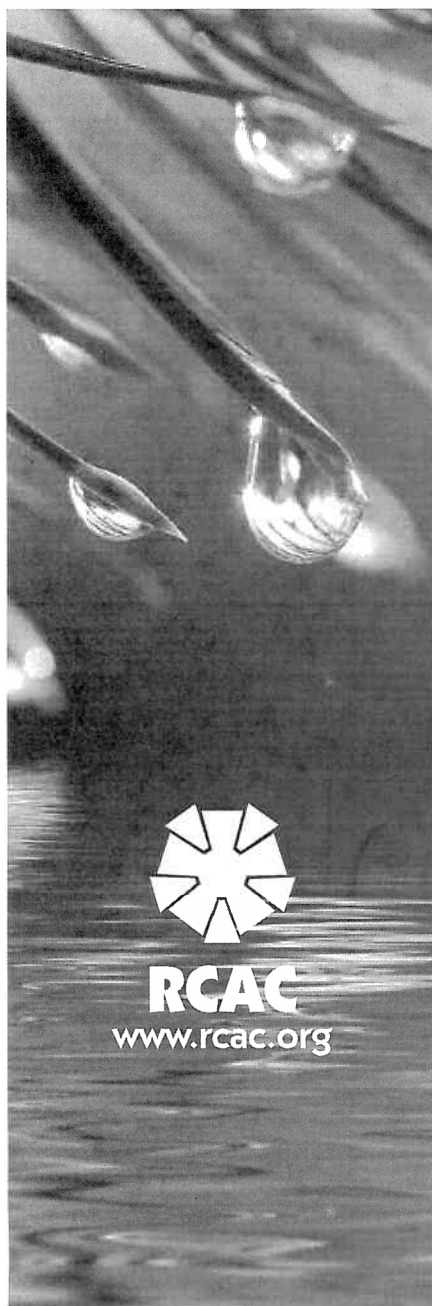
Drinking Water Workshops: January-June 2015

CLASSROOM WORKSHOPS:

1/14/15	The Drinking Water Sample: A Comprehensive Approach	Crescent City
1/15/15	Water Distribution System Basics	Fortuna
2/11/15	Financial Management	Claremont
2/12/15	Asset Management & GIS	Claremont
3/10/15	Cross Connection Controls	Fresno
3/11/15	Drought Contingency Planning	Fresno
3/26/15	CalTAP Fair for Water Systems	Rancho Cordova (Sacramento area)
4/8/15	Ethics, Conflict of Interest & Policies	Santa Cruz
4/14/15	Arsenic Symposium	Yuba City
4/16/15	Arsenic Symposium	Victorville
4/21/15	Cross Connection Controls	Monterey
4/21/15	Ethics, Conflict of Interest & Policies	Clearlake
4/22/15	Ethics, Conflict of Interest & Policies	Chico
4/23/15	Cross Connection Controls	Auburn
5/13/15	Drought Contingency Planning	Paso Robles
5/14/15	Emergency & Disaster Response Planning	Buellton
6/10/15	No Bad Bugs: Protecting Your Water System	Merced
6/11/15	No Bad Bugs: Protecting Your Water System	Visalia

ONLINE WORKSHOPS:

1/6/15	Board Basics: Basic Operations	10 a.m.
1/7/15	Operator Basics: Water Supply & Sources	10 a.m. & 2 p.m.
1/21/15	AB54 Board Training for Mutual Water Systems	10 a.m.
1/22/15	Regulations Basics: Total Coliform Rule	10 a.m. & 2 p.m.
2/3/15	Board Basics: Safe Drinking Water Act	10 a.m.
2/4/15	Operator Basics: Pumps & Motors Efficiency	10 a.m. & 2 p.m.
2/18/15	AB54 Board Training for Mutual Water Systems	6 p.m.
2/19/15	Regulations Basics: Operator Certification	10 a.m. & 2 p.m.
3/3/15	Board Basics: Board Roles & Responsibilities	10 a.m.
3/4/15	Operator Basics: Storage & Distribution	10 a.m. & 2 p.m.
3/17/15	Cross Connection Controls	10 a.m. & 2 p.m.
3/18/15	Water Distribution Math	10 a.m. & 2 p.m.
3/19/15	Regulations Basics: Water Quality Sampling	10 a.m. & 2 p.m.
4/1/15	Operator Basics: Disinfection	10 a.m. & 2 p.m.
4/17/15	Board Basics: Capital Improvement Plans	10 a.m.
4/23/15	Regulations Basics: Surface Water Treatment	10 a.m. & 2 p.m.
5/5/15	Board Basics: Financial Management	10 a.m.
5/6/15	Operator Basics: Water Treatment Techniques	10 a.m. & 2 p.m.
5/13/15	Water Treatment Math	10 a.m. & 2 p.m.
5/28/15	Regulations Basics: Public Notification	10 a.m. & 2 p.m.
6/2/15	Board Basics: Rate Setting	10 a.m.
6/3/15	Operator Basics: Sampling Procedures & Reporting Results	10 a.m. & 2 p.m.
6/16/15	Emergency Response Planning	10 a.m. & 2 p.m.
6/17/15	Drought Contingency Planning	10 a.m. & 2 p.m.
6/18/15	Regulations Basics: DBPR II	10 a.m. & 2 p.m.



You can register for ALL workshops on-line at www.rcac.org, under Trainings & Events.

For registration questions, please contact RCAC by e-mail at: registration@rcac.org or 916/447-9832 ext. 1429.

Contact Hours: Each classroom workshop and the CalTAP Fair for Small Water Systems qualify for six (6) drinking water certification contact hours.

Each online workshop qualifies for two (2) drinking water certification contact hours. Certificates of completion will be provided.

Attention California Registered Environmental Health Specialists (REHS): RCAC has been designated as a continuing education accreditation agency for REHS by CDPH.

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Agenda Item G1 - New Business
G1a and G1b.

Resolution establishing District
depository of funds

Resolution to establish signatory
assignment

**Scotia Community Service District\
Board meeting - January 15, 2015**

TO: Board of Directors

SUBJECT: Board Agenda Report - G1(a) and G1(b)

District Funds and Signatory Assignments

The District has reached a point in our development that will require us to concurrently establish a number of accounts, signatory assignments and to formally set up our financial management program.

Under the California Government Code (section 61050-61053 attached), by default, the County Treasury is also named the SCSD's Treasury, and the County Treasury is the principal depository of all district funds. The SCSD is also allowed to designate an alternative depository pursuant to section 61053.

Under the approved SCSD Bylaws, section 6.1 requires the Board to designate a bank or banks for the depository of the District's money and section 6.4, requires the Board to designate the signatories for signing and endorsement of district transactions.

In putting this agenda package together last week, I had sent in a call to the County Treasure's office regarding our situation, and only had a return call come in on Wednesday, January 14, 2015. In my conversation with the Humboldt County Treasures office, Joe Mellett, Mr. Mellett confirmed that the County is ready to establish a Scotia CSD Trust account as the primary fund account for SCSD. In addition the County Treasure, by default, is named the SCSD treasure by CA Government Code Section 61050.

Mr. Mellet confirm that it is routine and acceptable for a District to establish an additional bank account, as long as they follow the provisions of CA Government Code section 61053. Mr. Mellet suggested that the secondary account should have a cap on maximum deposits, be insured, and otherwise follow the provision of section 61053.

Because the Board has yet to hire a general manager, name a treasurer (by default, the County Treasure is also the District's treasurer). The District is unable to meet the conditions required at this time. Specifically, section 61053 (2)(3)&(4), which requires bonding of staff/treasurer; adopt a system of accounting (under review now); and adopt a procedure for drawing and signing checks, provided those procedures adheres to generally accepted accounting principals.

Regarding this requirement, I have in draft a set of Policy and Procedures for Financial Management. I have also met with a CPA, Jamie Corsetti, regarding the establishment of an accounting system that is in compliance with these requirements. Jamie has already drafted a Chart of Accounts and basic accounting reports, in preparation for the start-up.

Board Report - G1a and G1b 1
Regular Board Meeting of January 15, 2015

RECOMMENDATION TO THE BOARD:

G1a. Resolution 2015-2

Defer approval of Proposed Resolution 2015-2, "Resolution Establishing an Additional Depository of District Money for the Scotia Community Service District", until such time as the District has completed the establishment of the primary Fund account with the County of Humboldt, Treasurer office, and has established procedures, polices in compliance with CA Government Code section 61053 (2)(3)&(4).

G1b. Resolution 2015-3

Approve the resolution as submitted, as this will facilitate the establishment of a Scotia CSD Trust Fund with the County of Humboldt Treasury and allow the board to establish an additional account, pursuant to the requirements of the California Government Code, as addressed above.

DRAFT
**Before the Board of Directors
of the Scotia Community Service District,
Humboldt County, State of California
Resolution No. 2015-2**

On the motion of Director:
Duly seconded by Director:

The following Resolution is adopted:

**RESOLUTION ESTABLISHING AN ADDITIONAL DEPOSITORY OF DISTRICT MONEY
FOR THE SCOTIA COMMUNITY SERVICE DISTRICT**

WHEREAS, the board of the Scotia CSD, pursuant to SCSD Bylaws, Article 6.1, is required to establish a Depository for District Money; and

WHEREAS, the SCSD board is required under California Government Code, Section 61050-61503 to name the county treasurer of Humboldt County as the SCSD's Treasurer; and

WHEREAS, the SCSD Board is required under California Government Code, Section 61052 (a) "Except as provided by Section 61053, the county treasurer of the principal county shall be treasurer of the district and shall be the depository and have the custody of all of the district's money. " ; and

WHEREAS, the SCSD wishes to add an additional depository of District funds, for limited deposits for the purpose of short term cash flow requirements of the District; and

Whereas, the SCSD the District has consulted with the Humboldt County Treasurer to verify that is is appropriate to establish a secondary depository of limited District funds, if the Districts complies with California Government Code Section 61053

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Directors of the Scotia CSD the District will establish an additional depository by setting up an account with the US Bank, Scotia branch office, located at 113 Main Street, Suite B, Scotia, CA 95565

PASSED AND ADOPTED by the Scotia Board of Directors of the Scotia Community Service District, County of Humboldt, State of California, _____ following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Rick Walsh
President of the Board

ATTEST: _____
Secretary of the Board

DRAFT
**Before the Board of Directors
of the Scotia Community Service District,
Humboldt County, State of California
Resolution No. 2015-3**

On the motion of Director:
Duly seconded by Director:
The following Resolution is adopted:

**RESOLUTION ESTABLISHING
THE SIGNATORY ASSIGNMENT FOR CHECKS, DRAFTS, ECT.
FOR THE SCOTIA COMMUNITY SERVICE DISTRICT**

WHEREAS, the board of the Scotia CSD, pursuant to SCSD Bylaws, Article 6.4, Checks, drafts, Etc. "All checks, drafts and other orders for payment of money, notes or other evidence of indebtedness, issued in name of or payable to the District, shall be signed or endorsed by the General Manager or the President of the Board, plus one (1) additional Director"; and

WHEREAS, the SCSD board is in the process of establishing accounts, pursuant to California Government Code, Section 61050-61503 to name the county treasurer of Humboldt County as the SCSD's Treasurer and depository of funds; and

WHEREAS, the SCSD wishes to add an additional depository of District funds, for limited deposits for the purpose of short term cash flow requirements of the District; and

Whereas, the SCSD the District has consulted with the Humboldt County Treasurer to verify that is is appropriate to establish a secondary depository of limited District funds, if the Districts complies with California Government Code Section 61053

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Directors of the Scotia CSD the District will establish the signatory assignment in order to implement the set up of the primary SCSD Fund Depository with the County of Humboldt and as an additional depository by setting up an account with the US Bank, Scotia branch office, located at 113 Main Street, Suite B, Scotia, CA 95565

PASSED AND ADOPTED by the Scotia Board of Directors of the Scotia Community Service District, County of Humboldt, State of California, _____ following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Rick Walsh
President of the Board

ATTEST: _____
Secretary of the Board

GOVERNMENT CODE

SECTION 61050-61053

61050. (a) The board of directors shall appoint a general manager.

(b) The county treasurer of the principal county shall serve as the treasurer of the district. If the board of directors designates an alternative depository pursuant to Section 61053, the board of directors shall appoint a district treasurer who shall serve in place of the county treasurer.

(c) The board of directors may appoint the same person to be the general manager and the district treasurer.

(d) The general manager and the district treasurer, if any, shall serve at the pleasure of the board of directors.

(e) The board of directors shall set the compensation, if any, for the general manager and the district treasurer, if any.

(f) The board of directors may require the general manager to be bonded. The board of directors shall require the district treasurer, if any, to be bonded. The district shall pay the cost of the bonds.

61051. The general manager shall be responsible for all of the following:

(a) The implementation of the policies established by the board of directors for the operation of the district.

(b) The appointment, supervision, discipline, and dismissal of the district's employees, consistent with the employee relations system established by the board of directors.

(c) The supervision of the district's facilities and services.

(d) The supervision of the district's finances.

61052. (a) Except as provided by Section 61053, the county treasurer of the principal county shall be treasurer of the district and shall be the depository and have the custody of all of the district's money.

(b) All claims against a district shall be audited, allowed, and paid by the board of directors by warrants drawn on the county treasurer.

(c) As an alternative to subdivision (b), the board of directors may instruct the county treasurer to audit, allow, and draw his or her warrant on the county treasury for all legal claims presented to him or her and authorized by the board of directors.

(d) The county treasurer shall pay the warrants in the order in which they are presented.

(e) If a warrant is presented for payment and the county treasurer cannot pay it for want of funds in the account on which it is drawn, the treasurer shall endorse the warrant, "NOT PAID BECAUSE OF INSUFFICIENT FUNDS" and sign his or her name and the date and time the warrant was presented. From that time until it is paid, the warrant bears interest at the maximum rate permitted pursuant to Article 7 (commencing with Section 53530) of Chapter 3 of Part 1 of Division 2.

61053. (a) Notwithstanding Section 61052, a district may establish an alternative depository pursuant to this section.

(b) The board of directors shall appoint a district treasurer who shall serve in the place of the county treasurer.

(c) The board of directors shall adopt a resolution that does each of the following:

(1) State its intention to withdraw its money from the county treasury.

(2) Fix the amount of the bond for the district treasurer and other district employees who will be responsible for handling the district's finances. The district shall pay the cost of the bonds.

(3) Adopt a system of accounting and auditing that shall completely and at all times show the district's financial condition. The system of accounting and auditing shall adhere to generally accepted accounting principles.

(4) Adopt a procedure for drawing and signing checks, provided that the procedure adheres to generally accepted accounting principles. The procedure shall provide that bond principal and salaries shall be paid when due. The procedure may provide that checks to pay claims and demands need not be approved by the board of directors before payment if the district treasurer determines that the claims and demands conform to the district's approved budget.

(5) Designate a bank, a savings and loan association, or a credit union as the depository of the district's money. A bank, savings and loan association, or credit union may act as a depository, paying agent, or fiscal agency for the holding or handling of the district's money, notwithstanding the fact that a member of the board of directors, whose funds are on deposit in that bank or savings and loan association is an officer, employee, or stockholder of that bank or savings and loan association, or of a holding company that owns any of the stock of that bank or savings and loan association.

(d) The board of directors and the board of supervisors of the principal county shall determine a mutually acceptable date for the withdrawal of the district's money from the county treasury, not to exceed 15 months from the date on which the board of directors adopts its resolution.

(e) In implementing this section, the district shall comply with Article 1 (commencing with Section 53600) and Article 2 (commencing with Section 53630) of Chapter 4 of Part 1 of Division 2 of Title 5. Nothing in this section shall preclude the district treasurer from depositing the district's money in the county treasury of the principal county or the State Treasury pursuant to Article 11 (commencing with Section 16429.1) of Chapter 2 of Part 2 of Division 4 of Title 2.

(f) The district treasurer shall make quarterly or more frequent written reports to the board of directors, as the board of directors shall determine, regarding the receipts and disbursements and balances in the accounts controlled by the district treasurer. The district treasurer shall sign the reports and file them with the general manager.