

**MINUTES OF THE REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES
DISTRICT HELD ON WEDNESDAY, APRIL 1, 2015 AT 7:00PM
AZALEA HALL, 1620 PICKETT ROAD, MCKINLEYVILLE, CA**

AGENDA ITEM A CALL TO ORDER

A.1 Roll Call: The regular meeting of the Board of Directors of McKinleyville Community Services District convened at 7:01 pm with President Corbett, Directors Couch, Mayo and Wheeler present. Director Edwards was absent.

John Corbett, President

George Wheeler, Vice President

David Couch, Director

Dennis Mayo, Director

Gregory Orsini, General Manager

Colleen M.R. Trask, Finance Director

James Henry, Operations Director

Lesley Frisbee, Recreation Supervisor

Becky Schuette, Board Secretary

A.2 Pledge of Allegiance: The Pledge of Allegiance was led by Director Wheeler

A.3 Additions to the Agenda: There were no additions to the agenda.

A.4 Approval of Agenda:

MOTION: It was moved to approve the agenda.

Motion: Dennis Mayo; Second: David Couch

VOICE VOTE: Ayes; Couch, Mayo, Wheeler and Corbett;

MOTION SUMMARY: Motion Passed

A.5 Closed Session Discussion: There was no closed session scheduled.

AGENDA ITEM B PUBLIC HEARINGS: There were no public hearings scheduled

AGENDA ITEM C PUBLIC COMMENT AND WRITTEN COMMUNICATIONS: President Corbett opened public comment and the following member of the public commented:

Chad Sefcik, 1960 Jordan Court, McKinleyville, commented on the swing sets at Pierson Park and the request for a set for older children/teens.

There was no further public comment.

AGENDA ITEM D CONSENT CALENDAR:

D.1 Consider approval of minutes of the Board of Directors' Regular Meeting of March 4, 2015

D.2 Consider approval of February 2015 Treasurer's Report

D.3 No DCV Violations this month

D.4 Consider approval of Hiller Sports Complex Facility Use Agreement Contract for Mad River Youth Soccer League

D.5 Consider approval of Senior Center Management Services and Usage Agreement

D.6 Consider cancelling the May 6, 2015 Regular Board Meeting and instead call a Special Board Meeting on Wednesday, May 13, 2015 at 7:00pm

MOTION: It was moved to adopt the consent calendar item D.1 - D.6.

There were no objections and no comment by the public.

Motion: Dennis Mayo; Second: George Wheeler

VOICE VOTE: Ayes; Couch, Mayo, Wheeler and Corbett

MOTION SUMMARY: Motion Passed

AGENDA ITEM E CONTINUED AND NEW BUSINESS:

E.1 Informational update to Board on partnership with the Boys & Girls Club of the Redwoods:

Recreation Supervisor Lesley Frisbee provided the Board with an update on the partnership and added that the request for funding from the SH Cowell Foundation had been granted. This was an informational item only. There were no comments from the Board or the public.

E.2 Consider appointing a Board member to serve on the Volunteer Teen Center Committee:

Recreation Supervisor Lesley Frisbee explained that while working on the partnership with the Boys & Girls Club of the Redwoods for the operation and use of the McKinleyville Teen and Community Center, a committee was created to create awareness and support. Frisbee explained that the temporarily named "Cornerstone Committee" would be made up of a representative from the Board of Directors from each organization as well as at least one staff member from each organization. She further explained what the committee would be doing. Frisbee was requesting the Board President appoint a Board member to represent MCSD on the Cornerstone Committee. Director Couch willingly volunteered. There was brief discussion about the necessity of an alternate and it was decided that one would be appointed later if the need arose. President Corbett appointed Director David Couch as the duly authorized representative for MCSD; no vote was needed as no one challenged the chair. There were no public comments.

E.3 Approve Resolution 2015-07 amending the Rules and Regulations, Rules 40.01.c & 40.01.d

MEMBERSHIP and Rule 40.04.c. TERMS OF OFFICE: Having been removed from the previous month's agenda, this item was presented by Recreation Supervisor Lesley Frisbee. Prior to the meeting, Director Wheeler pointed out a few corrections to the staff note. A newly modified staff note and corrected resolution were presented to the board members before the start of the meeting. The previous version below:

(b) ~~One (1) member shall be a member~~ The remaining ten (10) members shall consist of eight (8) regular voting members and two (2) alternates. Of the eight (8) regular voting members, one (1) will be a member of the McKinleyville Area Fund Board of Directors nominated by the McKinleyville Area Fund Board of Directors. When possible two (2) of the eight (8) regular voting members shall be High School students, nominated by the McKinleyville High School Principal.

Was corrected to reflect:

~~(b) One (1) member shall be a member~~ The remaining ten (10) members will be regular voting members. Of the ten (10) regular voting members, one (1) will be a member of the McKinleyville Area Fund Board of Directors nominated by the McKinleyville Area Fund Board of Directors.

(c) When possible two (2) of the ten (10) regular voting members shall be High School students, nominated by the McKinleyville High School Principal.

General Manager Orsini advised that the changes were not substantive, only to change the eight (8) to a ten (10) in item 40.01 subsection b of the proposed amendments to the Rules and Regulations. There were no additional comments by the Board and no public comment.

MOTION: It was moved to approve Resolution 2015-07.

Motion: David Couch; Second: Dennis Mayo

ROLL CALL VOTE: Ayes; Couch, Mayo, Wheeler and Corbett.

MOTION SUMMARY: Motion Passed

E.4 Consider appointments for vacant positions on the Recreation Advisory Committee between three (3) applicants (Bill Prescott, Addison O'Hanen and Mary Burke): Having approved Resolution 2015-07 amending the number of members on the Recreation Advisory Committee (RAC), Recreation Supervisor requested the Board appoint the three interested applicants to the committee. There was no comment by the Board or by the public at this time. General Manager Orsini requested that the interested applicants speak to the Board. The two applicants present, Bill Prescott and Mary Burke came forward and briefly addressed the Board. Addison O'Hanen was not present, however Director Wheeler spoke positively about him in his absence. Frisbee then recommended that the Board appoint Addison O'Hanen and Mary Burke as the two regular members and Bill Prescott as an alternate member. Mary Burke stepped forward and again addressed the Board advising that she had no problem being designated as the alternate, thereby allowing Bill Prescott to be named the regular member. There were some discussion questions between the Board and Frisbee before an amended staff recommendation was made. Frisbee modified her recommendation asking that the Board appoint Addison O'Hanen and Bill Prescott as the regular members and Mary Burke as the alternate.

MOTION: It was moved to adopt staff's amended recommendation.

Motion: David Couch; Second: George Wheeler

VOICE VOTE: Ayes; Couch, Mayo, Wheeler and Corbett

MOTION SUMMARY: Motion Passed

E.5 Employee negotiations regarding proposed one (1) year compensation contract with district employees: General Manager Orsini reviewed this item and the historical considerations during negotiations and then provided the current year requests. Orsini also noted in the fiscal considerations that the overall financial analysis showed an increase of 3.6% over last year's financial impact. There was some discussion among the Board and staff in regards to PERS and the District contribution amount. There were no public comments and no further discussion from the Board.

MOTION: It was moved accept staff recommendation (and approve the one year contract with the requested terms).

Motion: Dennis Mayo; Second: George Wheeler

After the motion, President Corbett commended the staff and there was applause.

VOICE VOTE: Ayes; Couch, Mayo, Wheeler and Corbett

MOTION SUMMARY: Motion Passed

General Manager Orsini spoke after the vote about the staff and thanked them for coming and for their hard work for the District.

E.6 Sewer Rate Evaluation and Proposition 218 process: General Manager Orsini introduced Chris Fisher from Willdan Financial Services who presented a PowerPoint presentation. The PowerPoint provided the purpose of the most recent sewer rate analysis and its findings, the history of the sewer rate study and the findings presented in graph format. These graphs included a financial recommendation, customer bill impact, and regional comparisons. Fisher also reviewed the Proposition 218 requirements and the next steps in public notice, rate adjustments and securing funding for the Wastewater Management Facility. There was a lengthy discussion about the new facility costs and additional operating expenses. The following members of the public spoke:

Bette Wilkinson regarding the increased sewer fees and seniors on fixed incomes.

Jeff Dunk requested clarification of the actual costs of the WWMF after payoff of the loan. General Manager Orsini and Finance Director Trask provided some clarification to questions about capacity fees and base rate increases. Director Mayo spoke briefly about the financial difficulties for senior citizens. There was no further comment by the Board or the public.

MOTION: It was moved to proceed with the Proposition 218 majority protest notice to consider the matter of adjusting sewer charges in accordance with the Willdan Sewer Rate Analysis.

Motion: George Wheeler; Second: Dennis Mayo

VOICE VOTE: Ayes; Couch, Mayo, Wheeler and Corbett

MOTION SUMMARY: Motion Passed

E.7 Review Sensitivity Analysis and steps forward for continued consideration of photovoltaic at the Wastewater Management Facility: General Manager Orsini briefly reviewed his staff note and then introduced Curt Wylie and Mike Day, representing Beutler Corporation. Mike Day reviewed the PowerPoint presentation with explanation of the Sensitivity Analysis methodology and results along with the potential next steps in the solar project. A lengthy discussion followed which included questions about the Net Energy Metering (NEM) system timeline and its effect on our decision, fees or costs if we decide not to move forwards with the project, and concerns about the District taking on another large scale project (referring to both the Teen Center and the Wastewater Management Facility). The following members of the public spoke:

Jeff Dunk commented that he felt the turn key option was the best choice; adding that it was low risk with high rewards.

Bette Wilkinson believes the project should be done and acted upon immediately.

General Manager Orsini requested direction from the Board. Director Mayo urged the Board to move forward with the project immediately. There was further discussion on the need and method for immediate action. President Corbett gave direction to staff to proceed immediately to negotiate a contract and if it is legal, give authority to the General Manager to sign a contract with Beutler, cosigned by the Chair. If this was not legal, then if further authorization is needed we can call a special meeting of the Board next week. All were in agreement, there was no vote.

There was no further comment from the Board or the public.

At 9:10 pm, Finance Director Trask requested a quick break and President Corbett offered 10 minutes.

At 9:20 pm the meeting was called back to order.

E.8 Consider Adoption of Resolution 2015-08, Authorizing Participation in the California Special District Association's District Purchasing Card Program: Finance Director Colleen Trask reported that this opportunity was a better option than the standard commercial credit card program we are currently using with Umpqua Bank. The currently used credit card system requires a personal financial guarantee from the General Manager, whereas the CSDA did not require that personal guarantee. General Manager Orsini added that there was also a "points" reward system offered with this card program. There was no comment from the Board or the public.

MOTION: It was moved to adopt Resolution 2015-08.

Motion: David Couch; Second: George Wheeler

ROLL CALL VOTE: Ayes; Couch, Mayo, Wheeler and Corbett

MOTION SUMMARY: Motion Passed

E.9 Initiate process for General Manager Performance Evaluation: The Board Secretary Becky Schuette reviewed the staff report indicating that the Board Policy Manual included a requirement for the Board to conduct an annual performance evaluation for the General Manager. This evaluation should be conducted by all of the Board of Directors and the Department Heads. General Manager Orsini reported that the absent Director Edwards had volunteered to be the appointed consolidator of the evaluation packets. After some discussion, President Corbett selected Director Edwards as such and the Board members present were provided the date of April 15th to have the completed evaluations returned to the Board Secretary in sealed envelopes. The Board Secretary will provide Director Edwards with the sealed envelopes for tallying. General Manager Orsini requested a closed session be added to the May 13, 2015 Special Board Meeting for his annual evaluation. There was no motion or comment from the Board and no public comment.

E.10 Consider and Adopt Resolution No. 2015-09, Amending MCSD Ordinance No. 10 and MCSD Water Shortage Contingency Plan: Prior to the meeting, an amended Ordinance 10, Exhibit A was provided to the Directors and will be attached to the signed resolution 2015-09. Operations Director Henry explained that the language of the Ordinance in the board packet had been modified to allow for irrigation on specific days of the week for Stage 2, mandatory conservation.

The previous language read: Outdoor irrigation of ornamental landscapes or turf with potable water is prohibited on odd numbered calendar days. Unattended automatic watering of any lawn, garden, landscaped area, tree, shrub or other plant except between the hours of 12:00 AM and 4:00 AM.

This language was amended to: Outdoor irrigation of ornamental landscapes or turf with potable water is only allowed on Sundays, Tuesdays, Thursdays and Saturdays. Unattended automatic watering of any lawn, garden, landscaped area, tree, shrub or other plant except between the hours of 12:00 AM and 4:00 AM.

There was a lengthy discussion among the Board and Staff regarding the current drought and state mandates. General Manager Orsini handed out a copy of Governor Brown's Executive Order B-29-15 which will require a 25% statewide water reduction. There was continued discussion about consumption drops and cash flow requirements and how the additional reduction may affect water agencies. Orsini reported that one District in California has already filed bankruptcy due to cash flow issues related to water shortages.

MOTION: It was moved to adopt Resolution 2015-09 per staff recommendation with the modifications in the new attachment A.

Motion: Couch; Second: Mayo

At this time, Operations Director Henry was allowed to finish his report and pointed out that the McKinleyville area already achieved substantial water reduction for our area as early as 2011 or 2012.

ROLL CALL VOTE: Ayes; Couch, Mayo, Wheeler and Corbett

MOTION SUMMARY: Motion Passed

President Couch requested authorization from the Board to attend the Drought Conference in Sacramento on April 9th with the District covering expenses. He would like to speak with our legislators about a per capita cutoff for this mandatory reduction. There was no disagreement from the Board members in attendance.

The following member of the public commented:

Bette Wilkinson spoke regarding her concerns about how the District will cut back further and again, the impact on the seniors.

E.11 Discussion of 2014 Wastewater Management Facility Annual Report to the Regional Water Quality Control Board (RWQCB): Operations Director Henry reviewed the staff note and reported on the compliance testing and results for the Wastewater Management Facility from the past year. Director Wheeler inquired on the definition of "BOD" and "TSS" and whether the dropping levels of them was a good or a bad thing. Henry provided definitions and confirmed that it was a good thing for the levels to drop. There were no further questions from the Board and no public comments.

E.12 Review Parks & General Fund Draft Operating Budget, FY2015-16: Finance Director Trask briefly reviewed the staff note. President Corbett had an inquiry about the Treasurer's report. There were no further comments or questions from the Board and no public comments.

AGENDA ITEM F REPORTS:

F1. Active Committee Reports

a. Recreation Advisory Committee (Wheeler/Couch (alternate))

Nothing to report; did not meet.

b. Area Fund (John Kulstad)

Nothing to report.

c. Redwood Region Economic Development Commission (Mayo/Edwards (alternate))

Director Mayo reported that the last meeting was an update from Cal Trans on the "Last Chance Grade" north of McKinleyville. He also advised that the commuter airline project continued to move along.

d. McKinleyville Senior Center Advisory Committee (Edwards)

Nothing to report; did not meet.

e. Audit (Corbett/Edwards)

Nothing to report; did not meet

f. Employee Negotiations (Couch/Edwards)

Negotiations completed at tonight's meeting.

g. Water Task Force (Wheeler/Corbett (alternate))

Nothing to report.

h. AdHoc No Drugs & Toxics Down the Drain (Wheeler/Couch (alternate))

Nothing to report; did not meet.

i. McKinleyville Municipal Advisory Committee (Edwards/Corbett (alternate))

President Corbett reported that the committee had met and continue to struggle with the rent control issue.

F.2 Staff Reports:

Support Services Department: Finance Director Colleen Trask reported that there was now \$260,490.84 in the trust account for the Revenue Recovery surcharge; she added that staff continues to research methods to attain higher returns on District accounts, while still operating within the law and policies for Board monies.

a. Operations Department: Operations Director James Henry had nothing further to add at this time.

b. Parks and Recreation Department: Recreation Supervisor Lesley Frisbee had nothing further to add at this time.

c. General Manager: General Manager Orsini had nothing to add at this time.

F.3 President's Report: President Corbett had nothing to report.

F.4 Board comments, announcements, reports and agenda item requests: Director Mayo reviewed his conference calls for ACWA Board meetings and with the Bureau of Reclamation as well as an EPA webinar. He advised that he was leaving for a water conference in Seattle on Thursday.

AGENDA ITEM G ADJOURNMENT:

President Corbett adjourned the meeting at 10:30 PM



Becky Schuette, Board Secretary