

**MINUTES OF THE REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT  
HELD ON WEDNESDAY, SEPTEMBER 3, 2014 AT 7:00PM  
AZALEA HALL, 1620 PICKETT ROAD, MCKINLEYVILLE, CA**

**A.1 thru A.2 CALL TO ORDER and ROLL CALL:** The regular meeting of the Board of Directors of McKinleyville Community Services District convened at 7:02pm with President Couch, Directors Edwards, Mayo and Wheeler present. Director Corbett arrived at 7:03pm.

David Couch, President  
John Corbett, Vice President  
Helen Edwards, Director  
Dennis Mayo, Director  
George Wheeler, Director

Gregory Orsini, General Manager  
Attorney Russ Gans  
Colleen M.R. Trask, Finance Director  
James Henry, Operations Director  
Jason Sehon, Parks & Recreation Director  
Becky Schuette, Board Secretary

**A.3 APPOINT REAL PROPERTY NEGOTIATORS: TEEN CENTER/IMPROVEMENT PROJECT** – General Manager Orsini provided information to the Board regarding the financing options for the Teen Center. A finance quote was provided to MCSD by the California Special Districts Association Finance Corporation who later contacted Brandis Tallman LLC to assist in finding financing options for MCSD. Brandis Tallman canvassed lenders and assisted in preparation of the lease agreements. There was no public contact.

**MOTION:** It was moved to appoint Greg Orsini, Albert Reyes (MCSD Special Bond Counsel, Nossaman, LLP) and Russell Gans (MCSD General Counsel) to complete and finalize negotiations of a proposed Site Lease and a Lease Agreement for the leasing of certain property owned by the MCSD to the Public Property Financing Corporation of California to facilitate financing Teen and Community Center improvement construction.

Motion: Edwards; Second: Mayo

**ROLL CALL VOTE:** Ayes; Corbett, Edwards, Mayo, Wheeler and Couch  
Nays; None  
Absent; None  
Abstain; None

**MOTION SUMMARY:** Motion Passed – 5 Ayes; 0 Nays

At 7:06pm, at the recommendation of President Couch, the Board adjourned for a closed session discussion regarding Real Property negotiators.

**MOTION:** It was moved to adjourn to closed session.

Motion: Corbett; Second: Mayo

**VOICE VOTE:** Ayes; Corbett, Edwards, Mayo, Wheeler and Couch  
Nays; None  
Absent; None  
Abstain; None

**MOTION SUMMARY:** Motion Passed – 5 Ayes; 0 Nays

**A.4 CLOSED SESSION DISCUSSION:** At 7:41pm the Board adjourned out of closed session and reconvened with the following Directors and Staff in attendance:

David Couch, President  
John Corbett, Vice President  
Helen Edwards, Director  
Dennis Mayo, Director  
George Wheeler, Director

Gregory Orsini, General Manager  
Attorney Russ Gans  
Colleen M.R. Trask, Finance Director  
James Henry, Operations Director  
Jason Sehon, Parks & Recreation Director  
Becky Schuette, Board Secretary

**REPORT OUT OF CLOSED SESSION:** Attorney Gans reported that there was no action taken during the closed session and there was nothing to report.

**A.5 PLEDGE OF ALLEGIANCE:** The Pledge of Allegiance was led by President Couch

**A.6 ADDITIONS TO THE AGENDA:** There were no additions to the agenda.

**A.7 APPROVAL OF THE AGENDA:**

**MOTION:** It was moved to approve the agenda.

Motion: Corbett; Second: Edwards

**VOICE VOTE:** Ayes; Corbett, Edwards, Mayo, Wheeler and Couch  
Nays; None  
Absent; None  
Abstain; None

**MOTION SUMMARY:** Motion Passed – 5 Ayes; 0 Nays

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

**AGENDA ITEM C PUBLIC COMMENT AND WRITTEN COMMUNICATIONS:** President Couch opened public input and the following member of the public commented:

1. Catherine Hanafi had a point of information suggesting that MCSD join a social media website “neighbornextdoor.com” created by the County as a way to get information out to the public. She also appreciated the MCSD website contained the banner regarding the IPM.

**AGENDA ITEM D CONSENT CALENDAR:**

D.1 Consider approval of the minutes of the Board of Directors' Regular Meeting of August 6, 2014

D.2 Consider approval of July 2014 Treasurer's Report

D.3 No DCV Violations this month

D.4 Consider approval of the Regular Board Meeting Dates, Time and Location for the 2015 Calendar Year.

**MOTION:** It was moved to adopt the consent calendar item D.1 through D.4. No objections were made and there was no comment by the public.

Motion: Edwards; Second: Corbett

**VOICE VOTE:** Ayes; Corbett, Edwards, Mayo, Wheeler and Couch  
Nays; None  
Absent; None  
Abstain; None

**MOTION SUMMARY:** Motion Passed – 5 Ayes; 0 Nays

**AGENDA ITEM E CONTINUED AND NEW BUSINESS:**

**E.1 Approve Resolution 2014-25 to adopt the Proposed Mitigated Negative Declaration and associated CEQA Findings; Mitigation, Monitoring and Reporting Program for the MCSD WWMF Improvements Project, approve the project and direct staff to file the Notice of Determination.** General Manager Orsini reported on the importance of environmental documentation in regards to the Waste Water Management Facility Improvement Project. James Alcorn from GHD provided a brief presentation and Power Point on the California Environmental Quality Act (CEQA) compliance process. There will be minimal environmental impacts because the same foot print is being used for the improvement project. A Mitigated Negative Declaration (MND) was prepared because any potentially significant impacts from the project can be mitigated to a less than significant

level. Director Corbett added that for a project this size there is remarkably insignificant environmental impact. There was no comment by the public.

**MOTION:** It was moved to adopt Resolution 2014-25 to adopt the Proposed Mitigated Negative Declaration and associated CEQA Findings; Mitigation, Monitoring and Reporting Program for the MCSD WWMF Improvements Project, approve the project and direct staff to file the Notice of Determination.

Motion: Mayo; Second: Corbett

**ROLL CALL VOTE:**

Ayes: Corbett, Edwards, Mayo, Wheeler and Couch

Nays: None

Absent: None

Abstain: None

**MOTION SUMMARY:**

Motion Passed – 5 Ayes; 0 Nays

**E.2 Approve Resolution 2014-26 Financing the acquisition, construction and installation of certain improvements to the Teen and Community Center including the leasing of certain property owned by the MCSD to the Public Property Financing Corporation of California pursuant to a Site Lease and the leasing back of the property by the Corporation to MCSD pursuant to a Lease Agreement.** General Manager Orsini provided the multiple services that the Teen and Community Center will be provide to the McKinleyville Community as a result of input from the local community and teens. A finance quote was provided by the California Special Districts Association Finance Corporation (CSDAFC). CSDAFC contacted Brandis Tallman LLC to assist in finding financing options for MCSD. Brandis Tallman canvassed lenders and subsequently selected Umpqua Bank. Two options were offered by Umpqua and staff selected the 15 year term with a 3.55% fixed rate which will save the District \$32,000 in interest over time. In answer to a question from Director Edwards, Rick Brandis of Brandis Tallman LLC discussed that this was a cheaper option than a bond issue and also a good option as many banks will not loan for recreational projects because they are discretionary. Director Corbett asked what fees will be and was advised that total fees will be about \$69,000. Options for pre-payment terms are still being negotiated. There was no public comment.

**MOTION:** It was moved to adopt Resolution 2014-26 Financing the acquisition, construction and installation of certain improvements to the Teen and Community Center including the leasing of certain property owned by the MCSD to the Public Property Financing Corporation of California pursuant to a Site Lease and the leasing back of the property by the Corporation to MCSD pursuant to a Lease Agreement

Motion: Edwards; Second: Corbett

**ROLL CALL VOTE:**

Ayes: Corbett, Edwards, Mayo, Wheeler and Couch

Nays: None

Absent: None

Abstain: None

**MOTION SUMMARY:**

Motion Passed – 5 Ayes; 0 Nays

**E.3 Consider Recreation Advisory Committee's recommendation to revise the Parks & Recreation Master Plan to include a trail system at Fischer Ranch.** Parks and Recreation Director Jason Sehon advised that staff is considering submitting a grant application to the Habitat Conservation Fund (HCF) through California State Parks. In August the Recreation Advisory Committee (RAC) had a discussion regarding the benefits of installing a neighborhood trail system at Fischer Ranch. A "tentative" map of the trail was shown to the Board. In order to apply for the funding, it is necessary to update the Parks & Recreation Master Plan to include a trail system at the ranch. Director Wheeler would like language added for a salmonid and Coho habitat for fisherman who fish for money, in addition to a bird watching area and observation deck. Director Edwards request that the RAC take up Director Wheelers request at their next meeting. Director Sehon re-advised that the funding for this particular project is specific to trails and that the salmonid and Coho project is related to the sewer ponds. General Manager Orsini also advised that the sewer ponds decommissioning is actually a responsibility of the sewer department and not a Parks & Recreation project. There was no public comment.

**MOTION:** It was moved to accept the recommendation from staff and the Recreation Advisory Committee to revise the Parks & Recreation Master Plan to include a trail system at Fischer Ranch.

Motion: Corbett; Second: Edwards

**VOICE VOTE:**

Ayes: Corbett, Edwards, Mayo, Wheeler and Couch

Nays; None  
Absent; None  
Abstain; None  
Motion Passed – 5 Ayes; 0 Nays

**MOTION SUMMARY:**

**E.4 Information pertaining to utilization of Percolation Ponds as salmonid habitat and development of a trail system and approve Board President to sign a letter of support for pursuit of grant funds for said project.** Mary Burke with California Trout provided an explanation of CalTrout and presented a Power Point explaining two proposals for the sewer pond decommissioning. The first was for habitat restoration of the ponds by creating off-channel estuaries and second to create trails allowing public access and educational opportunities. Grant funding is available through the California Department of Fish and Wildlife as well as the California State Coastal Conservancy. Some discussion about District liability, maintenance and policy regarding the area and Burke believes it will fall to MCSD as the landowner. There was input from the Directors regarding the trail type, boat launch style and possible obstructions by the boat launches. There was no public comment.

**MOTION:** It was moved to authorize President Couch to sign a letter of support for Salmonid Habitat Restoration and Public Access project on the lower Mad River.

Motion: Mayo; Second: Corbett

**VOICE VOTE:**

Ayes: Corbett, Edwards, Mayo, Wheeler and Couch  
Nays; None  
Absent; None  
Abstain; None

**MOTION SUMMARY:**

Motion Passed – 5 Ayes; 0 Nays

**E.5 Adopt Resolution 2014-24 for the preparation and submission of an application for grant funding through the Habitat Conservation Fund.** Parks & Recreation Director Sehon discussed a grant funding option through the Habitat Conservation Fund which can be used for acquisition or development projects. There is a total of \$2,000,000 in funding available for the program annually through 2019/2020. This is a dollar-for-dollar matching grant, requiring MCSD to match a minimum of dollar-for-dollar which can be matched with MCSD funding as well as funding from other outside sources. Director Corbett responded to Director Wheeler's concerns about how close they both live to the property in question and if it was a conflict of interest. He advises that it is general purpose and there is no economic gain or loss to affect their properties. There was no public comment.

**MOTION:** It was moved to adopt Resolution 2014-24 for the preparation and submission of an application for grant funding through the Habitat Conservation Fund.

Motion: Mayo; Second: Corbett

**ROLL CALL VOTE:** Ayes: Corbett, Edwards, Mayo, Wheeler and Couch

Nays; None  
Absent; None  
Abstain; None

**MOTION SUMMARY:** Motion Passed – 5 Ayes; 0 Nays

**E.6 Consider approving update of the MCSD Records Retention Policy.** Board Secretary Becky Schuette presented the update and revisions to the current Records Retention Policy. Director Edwards requested clarification between discharged and non-discharged contracts as to their permanency. There was also discussion about the 1 year audio recording section in regards to their maintenance at the McKinleyville Library. Finance Director Trask brought this section to the Boards attention because MCSD is now using YouTube for posting its audio files. The language of this section was unclear.

Director Edwards recommended an amendment to the storage location and language. The amendment was seconded by Director Corbett. The new language will state, "YouTube Recordings of the Board Proceedings will be maintained for one year." There was no comment by the public.

**MOTION:** It was moved to adopt staff recommendation for updating the Records Retention Policy.

Motion: Edwards; Second: Mayo

**VOICE VOTE:** Ayes: Corbett, Edwards, Mayo, Wheeler and Couch  
Nays; None  
Absent; None  
Abstain; None

**MOTION SUMMARY:** Motion Passed – 5 Ayes; 0 Nays

**E. 7 Consider cancelling the October 1, 2014 Regular Board Meeting.** Board Secretary Schuette reported that three of the five Board Directors, the General Manager and the Finance Director will be attending a training conference September 28 through October 2 and that there will be an inability to form a quorum for the October meeting. There was no Board comment and no comment from the public.

**MOTION:** It was moved to cancel the October 1, 2014 Regular Board Meeting.

Motion: Edwards; Second: Wheeler

**VOICE VOTE:** Ayes: Corbett, Edwards, Mayo, Wheeler and Couch  
Nays; None  
Absent; None  
Abstain; None

**MOTION SUMMARY:** Motion Passed – 5 Ayes; 0 Nays

**E.8 Consider travel to the ACWA 2014 Fall Conference & Exhibition in San Diego, December 2-5, 2014.**

Board Secretary Schuette reported that this year's ACWA 2014 Fall Conference and Exhibition will be held in San Diego, CA from December 2-5, 2014. Regular registration deadline is November 7, 2014. Staff recommends that the Board consider authorization for interested Board members to attend. Director Mayo would prefer to stay at the hostler and not the hotel, Director Corbett needs to look at his schedule and Director Edwards would like to attend as she will already be in the San Diego area. There was no comment by the public.

**MOTION:** It was moved to authorize interested Board members to attend the ACWA 2014 Fall Conference & Exhibition in San Diego, December 2-5, 2014.

Motion: Edwards; Second: Mayo

**VOICE VOTE:** Ayes: Corbett, Edwards, Mayo, Wheeler and Couch  
Nays; None  
Absent; None  
Abstain; None

**MOTION SUMMARY:** Motion Passed – 5 Ayes; 0 Nays

**AGENDA ITEM F REPORTS:**

**F.1.a Recreation Advisory Committee (Wheeler/Couch (alternate))**

Director Wheeler attended last month's meeting and reported some of the items discussed. He advises that there is a strange fence line at the residence on the corner of Washington/School Road; discussion about the trails and ponds Parks project; lengthy conversation about the vending machines on District property that dispense sugary foods and drinks and that they should be discouraged.

**F.1.b Area Fund (John Kulstad)**

Did not meet

**F.1.c Redwood Region Economic Development Commission (Mayo/Edwards (alternate))**

Director Mayo was not able to attend but called in and spoke with people later. He was advised that they had a party for the Executive Director for his last meeting. He advises that the airlines are requesting two million dollar guarantees now instead of one million. That has been agreed to for the time being.

**F.1.d McKinleyville Senior Center Advisory Committee (Edwards)**

Did not meet

**F.1.e Audit (Corbett/Edwards)**

Did not meet

**F.1.f Employee Negotiations (Couch/Edwards)**

Completed until next year

**F.1.g Water Task Force (Wheeler/Corbett (alternate))**

Did not meet

**F.1.h AdHoc No Drugs & Toxics Down the Drain (Wheeler/Couch (alternate))**

Did not meet

**F.1.i McKinleyville Municipal Advisory Committee (Edwards/Corbett (alternate))**

Director Edwards reported a Deputy Humboldt County Counsel had a presentation on the Brown Act at their meeting. They approved a letter to the Board of Supervisors thanking them for a ballot measure and another letter reviewed regarding requesting more funding for senior services. There will be a County Public Works presentation at the McKinleyville Municipal Advisory Committee (MMAC) meeting regarding improvements to Central Avenue on September 24 at 6pm.

**F.2.a SUPPORT SERVICES DEPARTMENT:** Finance Director Colleen Trask reported that the auditors have completed their on-sight visit. They had kudos for the DocSTAR system as well as employees Diane Sloane and Jennifer Olsen.

**F.2.b OPERATIONS DEPARTMENT:** Operations Director James Henry reported that the bio-solids removal has begun and that he will be providing a complete report on the project at the November meeting. There was a question regarding that tires being found on the property and Henry clarified that the tires are not new dumps, but left behind by the previous property owner.

**F.2.c PARKS & RECREATION DEPARTMENT:** Nothing to report.

**F.2.d GENERAL MANAGER:** General Manager Orsini reported that the Technical Advisory Committee will be meeting on September 4 and MCSD is proposing a seat on the committee.

Director Edwards had a question regarding the "Open-space" MOU. General Manager Orsini provided clarification and the intent to create something more extensive since the County did not include the District in putting their MOU together.

The Board discussed their frustration with the County regarding several projects being performed in McKinleyville with no consultation or inclusion in the decision making process for areas affecting the District. Director Mayo suggested that any communication with County Public Works include carbon copies to each of the Board members and Supervisor Ryan Sundberg.

**AGENDA ITEM F.3 PRESIDENT'S REPORT:** Nothing to report.

**AGENDA ITEM F.4 BOARD COMMENTS, ANNOUNCEMENTS, REPORTS AND AGENDA ITEM REQUESTS:** Director Edwards led a brief discussion regarding the meaning behind a letter received by all of the Directors from Mr. Jackson.

Director Mayo reported that he again met with Senator Elect Mike McGuire regarding solar funding. He will also be meeting with Assembly member Chesbro in Sacramento this week.

Director Mayo requested the attendance of the Directors at the MMAC meeting on September 24. General Manager Orsini will consult with Counsel regarding the manner to properly Notice a Special Meeting as a co-meeting with MMAC.

**AGENDA ITEM G ADJOURNMENT:**

**MOTION:** It was moved to adjourn the meeting at 9:59 pm

Motion: Edwards; Second: Mayo

**VOICE VOTE:** Ayes: Corbett, Edwards, Mayo, Wheeler and Couch  
Nays: None  
Absent: None  
Abstain: None

**MOTION SUMMARY:** Motion Passed – 5 Ayes; 0 Nays

---

**Becky Schuette, Board Secretary**