

**MINUTES OF THE REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
HELD ON WEDNESDAY, JULY 10, 2013 AT 6:30 PM
AZALEA HALL, 1620 PICKETT ROAD, MCKINLEYVILLE, CA.**

The regular meeting of the Board of Directors of McKinleyville Community Services District convened at 6:31 pm with the following Directors and staff in attendance:

Dennis Mayo, Board President
David Couch, Vice President
John Corbett, Director
Helen Edwards, Director
Bill Wennerholm, Director
Russ Gans, Counsel

Greg Orsini, General Manager
Colleen M.R. Trask, Finance Director
James Henry, Operations Director
Jason Sehon, Parks and Recreation Director
Kathy Wilson, Board Secretary

REGULAR MEETING

AGENDA ITEM A.1 thru A.3 - CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE:

At 6:31 pm President Mayo called the regularly scheduled meeting to order; Directors Couch, Edwards, Wennerholm and Mayo were present. Director Corbett was absent. President Mayo asked Greg Orsini to lead in the pledge of allegiance.

AGENDA ITEM A.4 – ADDITIONS TO THE AGENDA: There were no additions to the agenda.

AGENDA ITEM A.5 – APPROVAL OF THE AGENDA:

MOTION: It was moved to remove item E.8 from the agenda and appoint Director Edwards and Couch to review the Strategic Plan along with staff and bring it back at a later date for review of the Board. The balance of the agenda was approved. Motion by Edwards; second by Wennerholm

MOTION VOTE: Ayes: Couch, Edwards, Wennerholm, and Mayo

MOTION SUMMARY: Motion Passed – 4 Ayes; 0 Nays

Director Corbett arrived at 6:35 pm

CLOSED SESSION

AGENDA ITEM A.6 – CLOSED SESSION DISCUSSION

A.6.a CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION.

Consider initiation of litigation pursuant to subdivision (c) of Section 54956.9:

1 potential case: Defects included in Willdan Consulting 2012 Rate Study/Analysis/Rate Structure.

Recessed to closed session at 6:36 pm

Reconvened out of closed session at 7:11 pm

AGENDA ITEM A.7 – REPORT OUT OF CLOSED SESSION – Director Mayo introduced Mark Risco, President/CEO and Jeff McGarvey, Managing Principal of Willdan Consulting Services who were in the audience. General Manager Greg Orsini reported out of closed session that there was no action taken.

AGENDA ITEM B – PUBLIC HEARINGS: No public hearings were scheduled

AGENDA ITEM C – PUBLIC COMMENT AND WRITTEN COMMUNICATIONS: President Mayo opened public input and no public input was offered. No written communications were presented.

AGENDA ITEM D – CONSENT CALENDAR:

D.1 Consider approval of the minutes of the Board of Directors' Regular Meeting of June 12, 2013

D.2 Consider approval of May, 2013 Treasurer's Report
D.3 No DCV Violations this month

MOTION: It was moved to approve the consent calendar with one correction being made to the draft June 12, 2013 minutes; changing the roll call to reflect Director Corbett and Edwards were absent. Director Couch was present and Director Corbett arrived late as noted in the minutes. Motion by Corbett; second by Couch

MOTION VOTE: Ayes: Corbett, Couch, Edwards, Wennerholm, and Mayo

MOTION SUMMARY: Motion Passed – 5 AYES; 0 NAYS

AGENDA ITEM E – CONTINUED AND NEW BUSINESS:

E.1 Presentation from the McKinleyville Land Trust: Nancy Correll and Emily King Teraoka with the McKinleyville Land Trust (MLT) presented information regarding the Chah-GAH-Cho (CGC) property located near the Mill Creek Market Place in McKinleyville. The representatives included a powerpoint presentation highlighting the Chah-GAH-Cho project. Discussion took place with the Board, staff and representatives from MLT. The first fundraiser called "Celebrate Chah-GAH-Cho!" will take place on Saturday, July 20, 2013 from 12:00 pm to 3:00 pm. The public is encouraged to come and explore the wooded areas of the land, walk the proposed trails, enjoy the view of the Mad River and the ocean, and learn about the history and the MLT's plan for the future of this land. President Mayo opened public input and no input was offered.

INFORMATIONAL ITEM: No action required or taken by the Board

E.2 Information related to Humboldt County Association of Governments (HCAOG) Board Membership request for future action by MCSD Board: Marcella Clem, Executive Director for Humboldt County Association of Governments (HCAOG) was present to answer questions regarding the new criteria for membership and its application to MCSD. Discussion took place with the Board regarding the interest of the District to request a seat on the Technical Advisory Committee (TAC). Securing a seat on the committee would allow a management level MCSD staff member to provide advice and recommendations to the Policy Advisory Committee. Director Edwards suggested staff write a letter of interest for a seat on the TAC and bring this item back for the Board to review. President Mayo opened public input. A member of the public spoke; Jeff Dunk supported the significance for membership on HCAOG and TAC. President Mayo directed General Manager Orsini to bring this item back on the August 07, 2013 agenda regarding a seat on the TAC.

INFORMATIONAL ITEM: No action required or taken by the Board

E.3 Consider Approval of Agreement with Willdan Consulting Services to Perform Revised Rate Study to Correct 2012 Water Rate Structure Defects: General Manager Orsini explained the process to correct the 2012 Water Rate Structure Defects. He introduced Mark Risco, President/CEO and Jeff McGarvey, Managing Principal of Willdan Consulting Services who were in the audience. President Mayo opened public input and no input was offered.

MOTION: It was moved to approve the General Manager enter into a contract with Willdan Financial Services consistent with the attached professional services agreement. Motion by Edwards; second by Corbett

MOTION VOTE: Corbett, Couch, Edwards, Wennerholm, and Mayo

MOTION SUMMARY: Motion Passed – 5 AYES; 0 NAYS

General Manager Orsini asked the Board to address item E.10 next.

E.10 Resolution 2013-16 Authorizing Purchase of Water Main Easement for Northern Intertie Project:

Director Edwards pointed out inconsistencies in the Resolution and Agreement of Purchase and Sale of Easement and Joint Escrow Instructions. The following corrections will be made:

1. Resolution 2013-16 - section D. will be correct to read:

WHEREAS, The total purchase price for the Easement shall be Nine Thousand Nine Hundred Dollars and 00/100 (\$9,900.00) (Purchase Price), payable by MCSD to Shirley Cramer as Follows: A deposit in the amount of Five Hundred Dollars (\$500.00) shall be deposited into escrow within five (5) business days following execution of the Agreement by seller. The remaining portion of the Purchase Price (i.e., Nine Thousand Four Hundred Dollars (\$9,400.00) shall be deposited into escrow by MCSD prior to the Close of Escrow for delivery to Shirley Cramer by way of wire transfer of immediately available funds at Close of Escrow.

2. Exhibit 1 – Agreement of Purchase and Sale of Easement and Joint Escrow Instructions – AGREEMENT – section 2.1 Cash Purchase Price (page 1 of 16) will be corrected to read:

Subject to prior satisfaction of all Contingencies (as defined in Section 4.1 of this Agreement, below), Buyer shall pay Seller the sum of Nine Thousand Nine Hundred Dollars and 00/100 (\$9,900.00) (the “Cash Purchase Price”). The Cash Purchase Price shall be deposited in Escrow (as defined in Section 9, below) by Buyer as follows: (i) Five Hundred Dollars (\$500.00) shall be deposited (the “Deposit”) within five (5) business days following Seller’s execution of this Agreement; and (ii) the remaining portion of the Cash Purchase Price (i.e. Nine Thousand Four Hundred Dollars and 00/100 (\$9,400.00)) shall be deposited prior to Close of Escrow for delivery to Seller by way of wire transfer of immediately available funds at the Close of Escrow. The Deposit shall be deemed irrevocable, and the sole property of Seller, following its deposit into escrow by Buyer and shall serve as consideration for rights(s) and options(s) created by this Agreement for Buyer to proceed with the purchase of the Easement upon satisfaction of the Contingencies.

President Mayo opened public input and no input was offered.

MOTION: It was moved to adopt Resolution 2013-16 as amended. Motion by Corbett; second by Wennerholm

MOTION VOTE: ROLL CALL VOTE: AYES; Corbett, Couch, Edwards, Wennerholm and Mayo

NAYS; NONE

ABSENT; NONE

ABSTAIN; NONE

MOTION SUMMARY: Motion Passed – 5 AYES; 0 NAYS

E.4 Information for upcoming LAFCo meeting concerning MCSD request for Out of District Services: Due to a scheduling conflict General Manager Orsini will not be available to attend the Humboldt LAFCo meeting. General Manager Orsini recommended that two Board members attend the LAFCo meeting on July 17th, 2013 at 9:00 am. Directors Corbett and Mayo will attend the LAFCo meeting. President Mayo opened public input and no input was offered.

INFORMATIONAL ITEM: No action required or taken by the Board

E.5 Select Candidates for Special District Risk Management Authority (SDRMA) Board of Directors:

MOTION: It was moved to nominate Dennis Mayo and John Woolley. Motion by Corbett; **Motion Died for lack of a second**

MOTION VOTE: ROLL CALL VOTE:

MOTION SUMMARY:

MOTION: It was moved to nominate three (3) of the incumbents; Muril Clift, Jean Bracy, David Aranda and candidate Mike Scheafer. Motion by Edwards; **Motion Died for lack of a second**

MOTION VOTE: ROLL CALL VOTE:

MOTION SUMMARY:

MOTION: It was moved to nominate three (3) of the incumbents; Muril Clift, Jean Bracy, David Aranda and candidate Mike Scheafer. Motion by Couch; second by Edwards

MOTION VOTE: ROLL CALL VOTE: AYES; Couch, Edwards

NAYS; Corbett, Wennerholm, Mayo

ABSENT; NONE

ABSTAIN; NONE

MOTION SUMMARY: Motion Failed – 2 AYES; 3 NAYS

President Mayo opened public input. A member of the public spoke; Jeff Dunk addressed the Board and supported Director Corbett’s motion to nominate Dennis Mayo and John Woolley. The Board could not reach a consensus as to the candidates to nominate. This item will be brought back next month for discussion at the August 07, 2013 Board meeting.

E.6 Information related to McKinleyville Community Services Districts Water (MCSD) Leak Adjustment Policy for future action by MCSD Board: A brief discussion took place between the Board and staff. President Mayo opened public input and no input was offered. No action was taken by the Board.

INFORMATIONAL ITEM: No action required or taken by the Board

E.7 Review Streetlight Central Avenue portion to date and consider approval: Operations Director James Henry presented to the Board the second phase of the Streetlights Light Emitting Diode (LED) Conversion Project. President Mayo opened public input. A member of the public spoke; Jeff Dunk inquired as to the life span of the LED and expressed his support of the project. Positive comments were made as to Central Avenue and the upgrade from HPS lights to LED.

MOTION: It was moved to adopt staff's recommendation to covert the remaining lights in the District to LED and authorize expenditure to \$124,191. Motion by Edwards; second by Corbett

MOTION VOTE: Corbett, Couch, Edwards, Wennerholm and Mayo

MOTION SUMMARY: Motion Passed – 5 AYES; 0 NAYS

E.8 Consider Approval of Strategic Plan: Removed from the agenda.

E.9 Review California Special Districts Association (CSDA) 2013 Official Board Elections Mail Ballot

Information: The Board supported nominating Greg Orsini as a representative to the CSDA Board of Directors for Region One. The completed ballot voting for Greg Orsini has been mailed to CSDA for acceptance. Candidates will be called with election results and new members will be recognized at the CSDA Annual Conference in September, 2013.

INFORMATIONAL ITEM: No action required or taken by the Board

AGENDA ITEM F-REPORTS:

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

Director Couch reported that the committee talked about having an edible garden along the trail at the south end of Pierson Park. Jason Sehon reported that the Recreation Advisory Committee will meet next Thursday, July 18, 2013.

F.1.b Area Fund (John Kulstad)

No meeting until November, 2013.

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

Director Wennerholm reported that Hank Simms attended the meeting and spoke about his new blog "The Outlook".

F.1.d McKinleyville Senior Center Advisory Committee (Wennerholm)

Did not meet.

F.1.e Audit (Corbett/Edwards)

Director Corbett reported that the audit committee met on July 1, 2013. Director Corbett complemented the committee on the high quality of the meetings. He again spoke to the outstanding process and he is proud to be a part of it. Director Edwards commended Colleen Trask on attending the Government Finance Officers Association Conference and keeping the Board up to date with the Governmental Accounting Standards Board (GASB) requirements and reporting requirements.

F.1.f Employee Negotiations (Wennerholm/Edwards)

Nothing to report.

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

Did not meet, but Director Mayo reported that the Strategic Planning Committee for Humboldt Bay Municipal Water District will reassemble to address some water sales ideas. Meetings have not yet been scheduled, but Director Mayo will give us an update as soon as one is available.

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

Director Mayo reminded us of the Household Hazardous Waste collection event that is taking place in McKinleyville on Saturday, July 20, 2013. Director Edwards suggested that a flyer for the "Celebrate Chah-GAH-Cho" party be advertised at the Household Hazardous Waste collection event.

**F.1.i McKinleyville Municipal Advisory Committee
(Edwards/Corbett (alternate))**
Did not meet, nothing to report.

F.2.a - SUPPORT SERVICES DEPARTMENT: Colleen Trask reported GASB Statements 63 & 65 regarding deferred inflows and outflows will be implemented. The District has only one deferral that will be affected by these statements. The draft Budget is now on the website and will be finalized when the Board adopts the final Strategic Plan for FY2013-14. A Days of Cash On-Hand ratio has been added to the Monthly Treasurer's Report. The projected due date for final audit statement is set for November, 2013. The second Emergency Operations table-top exercise has been completed. The EOPS team has some work to do in regards to developing clear lines of communication and information flow. The work is progressing and we will have a plan that will work smoothly in the event of a disaster. Staff is working to develop a request for proposal for banking services. Umpqua bank has changed its rate structure. The General Manager has asked for a competitive RFP to ensure we receive the best services at the lowest cost.

F.2.b - OPERATIONS DEPARTMENT: Nothing further to report.

F.2.c - PARKS & RECREATION DEPARTMENT: Jason Sehon reported on the overwhelming support from the community for the renovation of the Bocce Ball Courts. The Bocce Ball community is out in force enjoying the new court surfaces. The Parks and Recreation Department is looking into forming a Bocce Ball Club. Director Edwards requested that we consider recognizing Johnny Cochran for a Community Recognition Award.

F.2.d - GENERAL MANAGER: General Manager Orsini highlighted the Cost Savings related to District activities. District staff are acknowledged and commended for their continued efforts in looking for cost savings.

AGENDA ITEM F.3 PRESIDENT'S REPORT: Director Mayo commented on the work and attention being given to SB 731 CEQA Reform and AB 543 & AB 133. He noted that CSDA and ACWA have been keeping an eye on these specific Bills. The Household Hazardous Waste collection event is taking place in McKinleyville on Saturday, July 20, 2013. Director Mayo advised that there would be a County Associated Disaster Preparedness Meeting, Thursday, July 11, 2013 at 6:00pm at the Arcata Community Center.

AGENDA ITEM F.4. BOARD COMMENTS, ANNOUNCEMENTS, REPORTS AND AGENDA ITEM REQUESTS:

AGENDA ITEM G - ADJOURNMENT

MOTION: It was moved to adjourn the meeting at 9:14 pm. Motion by Corbett; second by Edwards

MOTION VOTE: Ayes: Corbett, Couch, Edwards, Wennerholm and Mayo

MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

Respectfully Submitted,

Kathy Wilson,
Board Secretary