

**MINUTES OF THE REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
HELD ON WEDNESDAY, MARCH 5, 2014 AT 7:00PM
AZALEA HALL, 1620 PICKETT ROAD, MCKINLEYVILLE, CA.**

AGENDA ITEM A.1 thru A.3 – CALL TO ORDER, ROLL CALL, And PLEDGE OF ALLEGIANCE: Audio was not captured for Agenda item A.1 through A.5. The regular meeting of the Board of Directors of McKinleyville Community Services District convened at 7:01pm with the following Directors and staff in attendance:

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

Gregory Orsini, General Manager
Colleen M.R. Trask, Finance Director
James Henry, Operations Director
Kathy Wilson, Board Secretary

President Couch led the pledge of allegiance.

AGENDA ITEM A.4 ADDITIONS TO THE AGENDA: There were no additions to the agenda. President Couch asked for public input and no public input was offered.

AGENDA ITEM A.5 – APPROVAL OF THE AGENDA:

MOTION: It was moved to adopt the agenda. Motion Corbett; second by Edwards

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

MOTION SUMMARY: Motion Passed – 5 Ayes; 0 Nays

Audio begins with Chris Fisher from Wildan Financial Services speaking.

AGENDA ITEM B – PUBLIC HEARINGS:

B.1 Public Hearing/Protest report and final reading of Resolution 2014-13 for water rate adjustment:

General Manager Greg Orsini introduced Chris Fisher with Wildan Financial Services. Mr. Fisher was present to provide background on the update of the Water Rate Analysis and Financial Plan Study that was originally completed for the McKinleyville Community Services District (MCSD) in 2012. General Manager Orsini reported that proper noticing of the hearing was done with a "Notice of Public Hearing" mailed to each parcel within the MCSD service area in compliance with Proposition 218. After a brief Board discussion President Couch opened the public hearing and the following people addressed the Board:

1. Don Dodd protested the rate increase and the process.
2. Sherry Spillman was not issuing a protest, but asked about the recovery component.
3. Marjorie Alden expressed concern with the rate increase and what happens at the end of the three (3) year period.
4. Dave Fisher expressed concern regarding the Q&A statement MCSD published, specifically the reduction in services and questioned the impact they would have and stated he opposes the rate increase.
5. Jeff Dunk stated he understands why the water rate increase needs to happen and he appreciates the process.

General Manager Orsini responded to the questions that were offered by the public. Brief discussion took place between the directors. President Couch closed the public hearing. Board Secretary Kathy Wilson reported that there was not sufficient written protests submitted resulting in a majority protest to the proposed new rates. A total of fourteen (14) written protests were received.

MOTION: It was moved to adopt Resolution 2014-13 of the MCKINLEYVILLE COMMUNITY SERVICES DISTRICT AMENDING RULE 16.01 OF THE MCSD RULES AND REGULATIONS TO INCREASE THE RATES OF THE DISTRICT'S WATER SERVICE CHARGE. Motion by Mayo; second by Edwards

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

MOTION SUMMARY: Motion Passed – 5 Ayes; 0 Nays

B.2 A Resolution of the Board of Directors of the McKinleyville Community Services District Ordering the Levy and Collection of Assessments within the Measure B Maintenance Assessment District – Renewal for Parks, Open Space, and Recreational Facilities for Fiscal Year 2014-15: General Manager Orsini introduced the process related to the proposed Annual Levy of Assessments for Fiscal Year 2014-2015 of the Measure B Assessment District. President Couch opened the public hearing. No public testimony or written protest was offered. President Couch closed the public hearing.

MOTION: It was moved to adopt Resolution 2014-10 of the BOARD OF DIRECTORS OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT ORDERING THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN THE MEASURE B MAINTENANCE ASSESSMENT DISTRICT — RENEWAL FOR PARKS, OPEN SPACE, AND RECREATIONAL FACILITIES FOR FISCAL YEAR 2014-15. Motion by Corbett; second by Mayo

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

MOTION SUMMARY: Motion Passed – 5 Ayes; 0 Nays

AGENDA ITEM C - PUBLIC COMMENT AND WRITTEN COMMUNICATIONS: President Couch opened public input and one member of the public spoke:

1. Sheri Woo, Director Humboldt Bay Municipal Water District commented on the successful release of information regarding the rate increase and reported that Ruth Lake is 93% full.

AGENDA ITEM D – CONSENT CALENDAR:

D.1 Consider approval of the minutes of the Board of Directors' Regular Meeting of February 5, 2014

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

D.3 DCV Violations this month

MOTION: It was moved to adopt the consent calendar item D.1 through D.3. No objections were made.

Motion by Corbett; second by Edwards

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

MOTION SUMMARY: Motion Passed – 5 Ayes; 0 Nays

AGENDA ITEM E – CONTINUED AND NEW BUSINESS:

E.1 Regional Housing Need Assessment (RHNA) Presentation: President Couch introduced Michael Richardson Senior Planner, County of Humboldt. Mr. Richardson was present to provide us with a briefing regarding the Humboldt County Housing Element update. After the presentation Mr. Richardson welcomed questions from the Board. Lengthy discussion took place between the Board and Mr. Richardson regarding the Humboldt County Housing Element update. This fifth revision of the Housing Element is required to be completed and approved by the Department of Housing and Community Development by July 1, 2014. Staff noted comments made by the Board and will include them in a comment letter to the County Planning Department.

INFORMATIONAL ITEM: No action required or taken by the Board

E.2 Authorize travel to the 2014 Special District Legislative Days (SDLD) on May 20 & 21, 2014 in

Sacramento, CA: General Manager Orsini and Director Mayo advocated for interested Board Members to attend the SDLD conference. Attendees will gain insights on policy changes impacting our agencies and will have opportunity to meet with legislators, key issue speakers and California's policy leaders.

MOTION: It was moved to authorize interested Board Members to travel to the 2014 Special District Legislative Days on May 20 & 21, 2014 in Sacramento, CA for training. Motion by Mayo;

General Manger Orsini asked the Board to identify specific names of Board Members interested in attendance to be in compliance with Board policy. After brief discussion, Director Mayo amended his motion to read:

AMENDED MOTION: It was moved to authorize interested Board Members Couch, Edwards, Mayo and Wheeler to travel to the 2014 Special District Legislative Days on May 20 & 21, 2014 in Sacramento, CA for training.

Motion by Mayo; second by Corbett

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

Nays: None

Absent: None

Abstain: None

MOTION SUMMARY: Motion Passed – 5 Ayes; 0 Nays

E.3 Approve Resolution 2014-11 to modify Rules and Regulations related to 14.02 and 14.09: Finance

Director Trask explained both the current and revised water rate adjustments are designed to phase in changes over multiple fiscal years resulting in a requirement for Board action every year by Resolution to update the Rules and Regulations. Revision of the language was suggested to reduce the inefficiency.

MOTION: It was moved to adopt RESOLUTION 2014-11 of the MCKINLEYVILLE COMMUNITIY SERVICES DISTRICT AMENDING REGULATION 14, RULEs 14.02 AND 14.09 TO ACCOMMODATE CHANGES IN COSTS FOR BULK WATER SERVICE AND TEMPORARY SERVICE. Motion by Edwards; second by Corbett

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

Nays: None

Absent: None

Abstain: None

MOTION SUMMARY: Motion Passed – 5 Ayes; 0 Nays

E.4 Discussion of the Draft Capital Improvement Plan for the Water & Sewer Funds, Fiscal Year Ending

June 30, 2015: Finance Director Trask presented the draft of the Fiscal year 2014-2015 Capital Improvement Project (CIP) and welcomed discussion with the Board.

INFORMATIONAL ITEM: No action required or taken by the Board

E.5 Approve Resolution 2014-08 Authorizing GM to submit applications for State Revolving Fund (SRF) and Resolution 2014-09 Authorizing GM to sign Memorandum of Mutual Understanding (MOMU)

Regarding the North Coast Integrated Regional Water Management Plan: General Manager Orsini asked the Board for authorization to complete and sign applications for SRF grants and loans; and for authorization to sign the Memorandum of Mutual Understanding regarding the North Coast Integrated Regional Water Management Plan.

MOTION: It was moved to adopt Resolution 2014-08 Authorizing GM to submit applications for State Revolving Fund (SRF); AND Resolution 2014-09 Authorizing GM to sign Memorandum of Mutual Understanding (MOMU) Regarding the North Coast Integrated Regional Water Management Plan. Motion by Edwards; second by Mayo

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

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 gave highlights of the meeting reporting that a group interested in flying small cellophane airplanes was present and discussion of facility rate increases, teen center, solar and memorial benches took place.

F.1.b Area Fund (John Kulstad)

Director Edwards reported they had several applications for grants.

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

Director Mayo reported that Sean McLaughlin with Humboldt Access presented information on community media training and information specific to RREDC regarding loans.

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

Director Edwards was invited to the Regular Board Meeting and found it very interesting.

F.1.e Audit (Corbett/Edwards)

Didn't meet.

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

Director Couch reported they met and are in negotiations and will meet again on March 7, 2014.

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

Director Wheeler stated they didn't meet, but announced a meet and greet was scheduled for March 18, 2014 at 2:00pm.

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

Didn't meet.

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

Director Edwards reported on the "Walk up Central Avenue" and the ongoing discussion for additional sheriff security in McKinleyville.

F.2.a - SUPPORT SERVICES DEPARTMENT: Finance Director Trask reported that the request for proposal from local accounting firms for a three-year audit cycle of the District has generated requests for more information. She further pointed out the Treasurer's Report Highlight in her report and will continue giving "Highlights" each month. The DocStar system is up and running and training is continuing.

F.2.b - OPERATIONS DEPARTMENT: Operations Director Henry reported that the Streetlights are on their way.

F.2.c - PARKS & RECREATION DEPARTMENT: No report.

F.2.d - GENERAL MANAGER: General Manager Orsini reported that management met with members of California trout to discuss the potential reutilization of the perk ponds after they are decommissioned, for Coho Salmon rearing ponds.

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

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

Director Mayo reported on the Local Government Committee meeting he recently attended in Sacramento.

AGENDA ITEM G – CLOSED SESSION DISCUSSION – NO CLOSED SESSION SCHEDULED

AGENDA ITEM H – ADJOURNMENT:

MOTION: It was moved to adjourn the meeting at 10:20pm. Motion by Wheeler; second by Edwards

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

MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

Kathy Wilson, Board Secretary