

**MINUTES OF THE REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
HELD ON WEDNESDAY, JULY 2, 2014 AT 7:00PM
AZALEA HALL, 1620 PICKETT ROAD, MCKINLEYVILLE, CA.**

AGENDA ITEM 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 7:01pm with Directors Couch, Corbett, Edwards and Mayo Present; Director Wheeler was absent.

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

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

AGENDA ITEM A.3 CLOSED SESSION DISCUSSION: NO CLOSED SESSION SCHEDULED

AGENDA ITEM A.4 PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was led by President Couch

AGENDA ITEM A.5 ADDITIONS TO THE AGENDA: There were no additions to the agenda. There was no discussion.

AGENDA ITEM A.6 APPROVAL OF THE AGENDA:

MOTION: It was moved to adopt the agenda.

Motion Corbett; second by Edwards

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

MOTION SUMMARY: Motion Passed – 4 Ayes; 0 Nays

AGENDA ITEM B PUBLIC HEARINGS: NO PUBLIC HEARINGS SCHEDULED

AGENDA ITEM C PUBLIC COMMENT AND WRITTEN COMMUNICATIONS: President Couch opened public input and no members of the public spoke.

AGENDA ITEM D CONSENT CALENDAR:

D.1 Consider approval of the minutes of the Board of Directors' Regular Meeting of June 4, 2014

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

D.3 DCV Violations this month

D.4 Consider approval Independent Contractor Agreement for Hiller Park

D.5 Consider Approval of a Memorandum of Understanding with McKinleyville Union School District for the KidsClub Afterschool Program

MOTION: It was moved to adopt the consent calendar item D.1 through D.5. No objections were made.

Motion Corbett; second by Edwards

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

MOTION SUMMARY: Motion Passed – 4 Ayes; 0 Nays

AGENDA ITEM E CONTINUED AND NEW BUSINESS:

E.1 Consider developing a policy for requests for removal and replacement of trees along Central Avenue Open Space Maintenance Zone: Prior to discussion, it was announced that there was a revision to this item as to the language after the original agenda publication; the Action item title, recommendation, factors to consider and attachment were modified. Parks and Receptions Director Sehon distributed copies of the modified agenda item to the Board and staff and copies were made available for the public. Attached at the end of the packet is the revised agenda item showing the track changes.

The item now reads: **Consider developing a policy for requests for removal and replacement of trees within any public rights of way that are maintained by MCSD:** Parks & Receptions Director Jason Sehon provided background information and history in regards to Open Space Zones and areas of Central Avenue containing trees and shrubs maintained by MCSD on property owned by businesses with easements by the County. An extensive discussion followed with input from Directors Corbett, Edwards and Mayo as well as General Manager Orsini. Director Corbett would like additional language as to the dates of replacement of trees as well as allowing the General Manager discretion on the tree species. Director Edwards feels the location of replacement needed to be made clearer and if the type of tree needed to be the same. General Manager Orsini indicated that his main concern was that the tree replacement be made in kind and that there should be some latitude with the replacement. Director Corbett spoke of making an amendment "such other trees, shrubs or revised placement, as approved by the General Manager's sole discretion." Director Mayo feels that many residents are not supportive of the trees as to their root encroachment, bridle path accessibility and lack of visibility. He would like a survey of the businesses on Central Avenue. The following members of the public spoke:

1. Matthew Brodhag, Sales Manager for BMW of Humboldt Bay spoke about the problems the trees create for the dealership. He reports that customers miss the entry driveway, flower blooms make a mess in the parking lot and on the cars and bird droppings from the birds that nest in the trees are all causing damage to the vehicles on the lot.
2. Chad Sefcik stated the blooms and uplifted sidewalks are a problem. He requested that the Board not take action tonight and that there be more business owner research first.

Director Corbett wanted to make it clear that MCSD did not mandate the shrubs but just administer the county requirement.

Bob Bronkall, Deputy Director of the Department of Public Works for the County of Humboldt, was also present to speak and provide clarification as to the County's position on this matter. He advised that the County has a public road easement over the top of the private land owner's property and that the private property owners were actually responsible for the sidewalk and its maintenance and the trees are actually the property of the land owner. The county uses the Streets and Highways Code as authority over them and that MCSD just maintains and preserves them. Further discussion continued among the Board Members, the Deputy Director and General Manager Orsini and it was determined that there needed to be more research, review of the agreement between MCSD and the County and clarification be provided by both MCSD and the County on this topic.

MOTION: It was moved to drop the item from the agenda and that the item be brought back to the Board as determined by the General Manager.
Motion Corbett; second by Edwards.

The discussion continued further after the motion was made. Bob Bronkall, members of the Board and General Manager Orsini again offered comment and discussion on the topic. Director Mayo asked who had the ultimate liability with the all of this and the answer was not available. There was agreement that the topic is important and that it not hold up public requests.

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

MOTION SUMMARY: Motion Passed – 4 Ayes; 0 Nays

E.2 Consider extension of General Manager's Employment Contract: General Manager Orsini advised that his performance evaluation, the terms of his contract and its extension had been discussed in closed session at the previous Board Meeting. The contract reflects no change to his pay and the effective date of July 1, 2014 through June 30, 2019. The new contract had been reviewed by District Counsel and it was acceptable. There was no comment by the public.

MOTION: It was moved to approve the modifications to and extend the General Manager's Employment Contract.
Motion Edwards; second by Corbett

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

MOTION SUMMARY: Motion Passed – 4 Ayes; 0 Nays

E.3 Consider authorization to attend ACWA Region 1 Program & Tour, North Coast Water Forum July 10th & 11th in Eureka: General Manager Orsini reviewed the upcoming ACWA Region 1 program agenda and requested that the Board approve attendance for all interested Directors. Director Mayo and General Manager Orsini are scheduled to speak; therefore their registration fee would be waived. There was no comment by the public.

MOTION: It was moved to authorize all members of the MCSD Board to attend the ACWA Region 1 Program & Tour, North Coast Water Forum July 10th & 11th in Eureka.

Motion Mayo; second by Corbett

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

MOTION SUMMARY: Motion Passed – 4 Ayes; 0 Nays

E.4 Consider the Regular Board Meeting Dates, Time and Location for the 2015 Calendar Year: Board Secretary Schuette reviewed the Directors Policy Manual section that specifies the dates and times of MCSD Board Meetings. A 2015 schedule of meeting dates was presented to the Board for their review. Board members were advised that the informational item would be scheduled again for discussion and approval at the September 3, 2014 Board Meeting, but that any conflicting dates be provided to the Board Secretary prior to the next meeting if possible. There was no comment by the public.

INFORMATIONAL ITEM: No action required or taken by the Board

E.5 Consider travel to the CSDA's 2014 Annual Conference & Exhibitor Showcase (September 29 - October 2) in Palms Springs, CA: General Manager Orsini provided information for the CSDA annual conference including its structure and value to the District for those who attended. General Manager Orsini explained the need for specific member authorization in the motion so that each attendee was covered by the liability insurance. He also emphasized the importance of Director Corbett's attendance so that the Governance Training requirement was met in order to move forward with the District of Distinction Goal set by the Board. One member of the public spoke:

1. Jeff Dunk requested that the Board Members who attend the training conferences write something for the consent calendar about the training they attended so that there was documentation of the training for future reference.

MOTION: It was moved to authorize all members of the MCSD Board to attend the CSDA's 2014 Annual Conference & Exhibitor Showcase (September 29 – October 2) in Palm Springs, CA.

Motion Mayo; second by Corbett

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

MOTION SUMMARY: Motion Passed – 4 Ayes; 0 Nays

E.6 Adopt Resolution 2014-20 to Modify Rules and Regulations: Finance Director Trask reported that the Rules and Regulations currently contained hard coded rules in the text which required that numerous fees be updated separately through Board action. She indicated that as District costs gradually increase, bad debt could result because inadequate deposits were being collected. Finance Director Trask proposed that the Fee Schedule be incorporated into the Rules and Regulations by reference and updated annually after the budget is passed. She also proposed that deposit requirements be adjusted in accordance with Resolution 2009-08 stating that deposits should be two and one-half times the average monthly bill and that failing to do so exposed the District to greater risk of bad debt. There was no comment by the public.

MOTION: It was moved to adopt Resolution 2014-20 to Modify Rules and Regulations so that we can include our district costs appropriately and commensurate with our fees.

Motion Edwards; second by Mayo

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

MOTION SUMMARY: Motion Passed – 4 Ayes; 0 Nays

E.7 Consider Approval to Execute Construction Contract and Construction Management Agreement for Biosolids Removal Project: General Manager Orsini outlined the Biosolids removal project for Pond 1A in order to fill it for construction improvements. He reported that the District had received two bids for the Treatment Pond Dredging and Biosolids Removal Project and that the low and responsible responsive bid was Synagro-WWT, Inc. This bid and the engineers estimate were the closest he had ever seen. MCSD has a protected bid for change orders in the event that more sludge needs to be removed. General Manager Orsini summarized that the project would have on-site construction, inspection and reporting by MCSD staff and that the Kennedy/Jenks consulting firm would provide off-site, in-office construction management resulting in cost savings to the District. General Manager Orsini added that Kennedy/Jenks Consultants was honoring a rate sheet from 2012 for this project resulting in a significant deal for construction management.

Director Edwards requested and was provided information for the discrepancies in the dry ton amounts between the two bids.

Director Corbett stated that there was a safeguard due to the closeness of the bid and the engineers estimate and that he felt staff could be trusted to keep track of the tonnage removal.

MOTION: It was moved to award the bid to Synagro, approve contract to Kennedy/Jenks, include a 10% project contingency of \$94,517 for a total amount \$1,039,687, and authorize the General Manager to execute the documents to allow the award of the contract and the notice to proceed.

Motion Mayo; second by Corbett

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

MOTION SUMMARY: Motion Passed – 4 Ayes; 0 Nays

AGENDA ITEM F REPORTS:

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

Did not meet.

F.1.b Area Fund (John Kulstad)

Director Edwards reported that the committee met on June 11 and awarded two \$1000 scholarships for students participating in the Ag program. There were originally three applicants and only one was going to receive a \$500 scholarship, however, it was discovered that that person did not properly meet the requirements. Because the remaining two applicants were so strong, they decided to award each of them \$1000 each instead.

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

Director Mayo was unable to attend the “show and tell” at the mill; therefore he had nothing to report.

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

Did not meet.

F.1.e Audit (Corbett/Edwards)

Director Edwards reported that at the last meeting the committee chose Hunter, Hunter & Hunt for the three year auditor contract. The committee meets with the auditors next Tuesday, July 8th at 3:30.

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

Completed until next year.

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

Nothing to report

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

Nothing to report

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

Director Edwards was out of town for the last meeting forgot to advise Director Corbett to attend. Director Corbett mentioned there may be a tax by the county for police and Director Mayo argued that he would rather have jobs than more taxes and that if there has to be a tax, then the consumption tax is the most honest.

F.2.a SUPPORT SERVICES DEPARTMENT:

Colleen Trask, Finance Director reported that to date, three months of revenue recovery funds have been deposited by the District in the trust account. She reported that Hunter, Hunter & Hunt was chosen by the Audit Committee to perform the District audits over the next three years. A review of the Treasurer's report indicated that actual revenue for water and wastewater services is only slightly over budget. The capacity fees are what have exceeded the budget.

F.2.b OPERATIONS DEPARTMENT: Operations Director Henry distributed copies of the Operations report item to the Board staff. He had nothing further to report.

F.2.c PARKS & RECREATION DEPARTMENT: Nothing to add to the weekly report.

F.2.d GENERAL MANAGER: Nothing to report

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

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

Director Edwards looks forward to seeing everyone at the Madaket. Director Mayo reported that he met with Senator McGuire and Congressmen Huffman last week to discuss funding for alternate treatment and is impressed with Congressmen Huffman's concern for the District.

AGENDA ITEM H ADJOURNMENT:

MOTION: It was moved to adjourn the meeting at 8:57pm
Motion by Corbett; second by Mayo

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

MOTION SUMMARY: Motion Passed – 4 Ayes; 0 Nays

Becky Schuette, Board Secretary