

**MINUTES OF THE REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
HELD ON WEDNESDAY, MAY 1, 2013 AT 7:00 PM
AZALEA HALL, 1620 PICKETT ROAD, MCKINLEYVILLE, CA.**

The regular meeting of the Board of Directors of McKinleyville Community Services District convened at 7:03pm with the following Directors and staff in attendance:

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

Greg Orsini, Interim General Manager
Colleen M.R. Trask, Finance Director
James Henry, Acting 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 7:02 pm President Mayo called the Regularly Scheduled Meeting to order. Directors Corbett, Couch, Edwards, Wennerholm and Mayo were present. President Mayo led 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 approve the agenda. Motion by Corbett; second by Wennerholm

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

MOTION SUMMARY: Motion Passed – 5 Ayes; 0 Nays

AGENDA ITEM B – PUBLIC HEARINGS: McKinleyville Community Services District (MCSD) is required to update the Urban Water Management Plan (UWMP) every 5 years. The previous update was done in 2005. The update being reviewed today was done in 2010. It was reviewed by the Department of Water Resources and was found to have some deficiencies. The corrections have been made and the revised draft UWMP is now being presented to the public for review. Staff will bring the final draft back at the June 12, 2013 Board Meeting for Board approval. President Mayo opened public input and no public input was offered.

B.1 Take public comment on the revised draft Urban Water Management Plan

MOTION: It was moved to bring the final UWMP draft back at the June 12, 2013 Board Meeting for approval.

Motion by Corbett; second by Edwards

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

MOTION SUMMARY: Motion Passed – 5 Ayes; 0 Nays

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

AGENDA ITEM D – CONSENT CALENDAR:

D.1 Consider approval of minutes of the Board of Directors' Regular Board Meeting of April 3, 2013

D.2 Consider approval of March 2013 Treasurer's Report

D.3 No DCV violations this month

D.4 Consider approval of 2012 Consumer Confidence Report

D.5 Consider approval of a Mainline Extension agreement for County of Humboldt Hanger Project

MOTION: It was moved to approve the consent calendar items D.1 through D.5. Motion by Corbett; second by Edwards

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 Consider adopting Resolution 2013-09 honoring local Artist Shelly Mortensen for donation of paintings: Colleen Trask presents Resolution 2013-09 to local artist Shelly Mortensen.

MOTION: It was moved to adopt Resolution 2013-09 honoring local Artist Shelly Mortensen. Motion by Edwards; second by Corbett

ROLL CALL VOTE: Ayes: Corbett, Couch, Edwards, Wennerholm, Mayo

MOTION SUMMARY: Motion Passed – 5 AYES; 0 NAYS

E.2 Consider variance for customer Ray Christie regarding water leak adjustment: Greg Orsini reported to the Board the information gathered regarding potential alternatives as to a water leak adjustment. Staff recommended that the Board enforce the water leak adjustment policy. President Mayo opened public input and resident Ray Christie addressed the Board.

MOTION: It was moved to settle the claim for \$2,500.00. Motion by Corbett; second by Edwards

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

MOTION SUMMARY: Motion Passed – 5 AYES; 0 NAYS

The District will amortize the \$2,500.00 amount over the next 12 months. President Mayo requested staff bring the water leak adjustment policy back to the Board for review of the language in the policy.

E.3 Consider nomination of Gregory Orsini for election to the California Special District Association Board of Directors (CSDA) for Region 1, Seat B; discuss nominations for Special District Risk Management Authority (SDRMA) and discuss nominations for Local Agency Formation Commission (LAFCo):

- **Consider nomination of Gregory Orsini for election to the California Special District Association Board of Directors (CSDA) for Region 1, Seat B and adopt Resolution 2013-10.**

MOTION: It was moved to adopt Resolution 2013-10 nominating Greg Orsini for the election to the California Special District Association Board of Directors, Region 1, Seat B. Motion by Edwards; second by Corbett

ROLL CALL VOTE: Ayes: Corbett, Couch, Edwards, Wennerholm, Mayo

MOTION SUMMARY: Motion Passed – 5 AYES; 0 NAYS

- **Discuss nominations for Special District Risk Management Authority (SDRMA) and adopt Resolution 2013-11.**

MOTION: It was moved to adopt Resolution 2013-11 nominating Director Dennis Mayo for election to the Special District Risk Management Authority Board of Directors. Motion by Wennerholm second by Edwards

ROLL CALL VOTE: Ayes: Corbett, Couch, Edwards, Wennerholm, Mayo

MOTION SUMMARY: Motion Passed – 5 AYES; 0 NAYS

- **Discuss nominations for Local Agency Formation Commission (LAFCo).**

MOTION: It was moved to nominate Director Bill Wennerholm to serve on the Humboldt Local Agency Formation Commission. Motion by Corbett; second by Couch

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

MOTION SUMMARY: Motion Passed – 5 AYES; 0 NAYS

E.4 Modify the Board Policy Manual (BPM) to include a process for General Manager Performance evaluation by Board of Directors and Department Heads (360 Degree) to be conducted annually: Greg Orsini presents the General Manager 360 Performance Evaluation process to evaluate the General Manager's performance to be completed by the Board of Directors and Department Heads. Discussion took place regarding maintaining file integrity and staff was directed to follow up with a process. President Mayo opened public input and a member of the public spoke.

MOTION: It was moved to modify the Board Policy Manual to include a process for General Manager Performance evaluation by Board of Directors and Department Heads (360 Degree) to be conducted annually. Motion by Corbett; second by Edwards

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

MOTION SUMMARY: Motion Passed – 5 AYES; 0 NAYS

E.5 Water/Sewer/Streetlights Operating Budget: Colleen Trask presents to the Board the draft Operating Budget for Water, Sewer and Streetlights Fund. The finalized budget will be presented to the Board for formal approval in June.

INFORMATIONAL ITEM: No action required

Recess: 8:05 pm

Reconvene: 8:15 pm

E.6 Consider support letters to secure passage of Senate Constitutional Amendment (SCA) 11 (Hancock) and Assembly Constitutional Amendment (ACA) 8 (Blumenfield): Greg Orsini presents the information regarding the legislative alert for Board discussion. After discussion it was decided support letters will not be written. President Mayo opened public input and a member of the public spoke.

MOTION: NO MOTION was made – dead issue

MOTION VOTE:

MOTION SUMMARY:

AGENDA ITEM F-REPORTS:

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

Did not meet, nothing to report.

F.1.b Area Fund (John Kulstad)

Did not meet, nothing to report.

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

Nothing to report.

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

Did not meet, nothing to report.

F.1.e Audit (Corbett/Edwards)

Did not meet, Nothing to report.

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

The committee is scheduled to meet May 2, 2013.

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

Nothing to report.

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

Eureka High School sponsored an event to dispose of Drugs and Toxics and it was well attended.

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

Met and discussed the supervisors draft regulation on registering out-door marijuana grows. This item will be brought back next month after the alternatives have been narrowed down by the Board.

F.2.a - SUPPORT SERVICES DEPARTMENT: Colleen Trask reports MCSD has received the official loan approval from PG&E for the Streetlights project. In regards to the further investigation of the rate study, a back analysis was done for the rate study. In the rate study that was done they were assuming 2011 usage. We took the 2011 usage, set the new rates to it and analyzed the results. The results were not the percentage of increase that we were led to expect by the rate study if we had held to the 2011 usage. The rate study has been returned to the original author for review. MCSD will continue to research the issue. Further research regarding the decline of water usage reflects it's not limited to McKinleyville, but is seen County-wide.

F.2.b - OPERATIONS DEPARTMENT: The first shipment arrived for the first round of streetlight upgrades for Central Avenue run. As soon as the arms arrive MCSD will be able to begin the make-over of Central Avenue.

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

F.2.d - GENERAL MANAGER: Greg reviewed the information attached to the back of his report. Specifically HCAOG approved JPA and Special District membership criteria. Review of HCAOG membership will be brought back to our July or August Board Meeting for discussion. Greg pointed out the Legislative Hot Sheet attached in his report that offers a summary of priority legislation that is important to special districts' services. Regarding the rate analysis and lower than expected water revenues. Time and energy has been invested in searching for a reason. In an attempt to truth the water model done for the rate analysis staff was directed to apply the new rates to the actual water consumption for July of 2011. The increase in revenues should have been roughly 20%, but they were only 3% which makes us believe that there is a flaw creating the shortfall in revenue. In reviewing the model it was discovered that the pass through amount should have calculated the entire amount of overhead paid to Humboldt Bay not just the increase amount paid to Humboldt Bay. There was a disconnect with the Consulting Firm, the model was sound, but the engineers report was flawed. Calculations suggest a \$420,000.00 shortfall in revenues. How the 218 process was sent out was flawed because the engineers report was flawed. Greg will continue to work closely with the consultant that conducted the study. Discussion took place regarding McKinleyville Municipal Advisory Committee (MMAC). The MMAC meetings were structured to be scheduled before the MCSD Board meeting since they are only advisory. Items of interest could then be brought to and discussed at the MCSD Board Meeting. The MMAC agenda is available one week prior to their scheduled meeting. If available the MMAC agenda will be attached to the General Managers report. One member of the public spoke. Greg introduced the District Transparency Certificate of Excellence to the Board which he will be implementing.

AGENDA ITEM F.3 PRESIDENT'S REPORT: Director Mayo reported on legislative material that he would like Director Corbett to review and give feedback specifically as to AB 142, AB 185, AB 295 and AB 467.

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

Director Mayo reported on the outcome of the interviews conducted on Saturday, April 27, 2013 for the McKinleyville Community Services General Manager. The Board will be making an offer to Mr. Orsini for the General Manager position.

AGENDA ITEM G- CLOSED SESSION DISCUSSION: Nothing scheduled

AGENDA ITEM H - ADJOURNMENT

MOTION: It was moved to adjourn the meeting at 9:07pm. Motion by Mayo; second by Corbett

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

MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

Respectfully Submitted,

Kathy Wilson,
Board Secretary