



SCOTIA COMMUNITY SERVICES DISTRICT
NOTICE IS HEREBY GIVEN THAT A
REGULAR MEETING
OF THE BOARD OF DIRECTORS

WILL BE HELD AT: 122
MAIN STREET SCOTIA,
CALIFORNIA

Thursday, July 20, 2017
Regular Meeting at 5:30 P.M.

AGENDA

- A. **CALL TO ORDER/ ROLL CALL** The Presiding officer will call the meeting to order and call the roll of members to determine the presence of a quorum.

PLEDGE OF ALLEGIANCE

- B. **SETTING OF AGENDA**

The Board may adopt/ revise the order of the agenda as presented.

- C. **CONSENT CALENDAR**

1. Approval of Minutes from Previous Meetings

June 15, 2017

June 29, 2017

2. Approval of June 1, 2017 - June 30, 2017 Check Register

- D. **PUBLIC COMMENT & WRITTEN COMMUNICATION**

Regularly scheduled meetings provide an opportunity for members of the public to directly address the SCSD Board Members on any action item that has been described in the agenda for the meeting, before or during consideration of that item, or on matters not identified on the agenda within the Board jurisdiction. Comments are not generally taken on non-action items such as reports or information. Comments should be limited to three minutes.

TOS Letter to Humboldt County Re: HRC Demolition project

- E. **PUBLIC HEARING – NONE**

- F. **BUSINESS**

1. New Business –

- a. **Consider adoption of Resolution 2017-11: A Resolution of the Board of Directors of the Scotia Community Services District to Adopt FY 2017-2018 Fee Schedule**
- b. **SDRMA Board Election Ballot**
- c. **Meet New SCSD Employee: Traci Cannon**
- d. **FY 2016-2017 Annual Audit**
- e. **Museum Lease-back Agreement with TOS**

2. Old Business –

a. Update on lead and asbestos testing for Engine #9 and associated equipment

G. REPORTS

No specific action is required on these items, but the Board may briefly discuss any particular item raised.

1. President's Report:

2. Board Director Reports:

3. Interim Manager's Report:

4. Special Counsel's Report:

5. Engineer's Report:

6. Fire Chief's Status Report:

7. Board Clerk Report: Elections Office Reminder – filing for candidacy, recommend Special Meeting to welcome community members to Scotia CSD, meet the Board, Q&A, etc. for December (after new Board members take seat)

H. ADJOURNMENT

Next Regular Meeting of the SCSD will be August 17, 2017 at 5:30 PM. A Special meeting may be held prior to that.

Notice regarding the Americans with Disabilities Act: The District adheres to the [Americans with Disabilities Act](#). Persons requiring special accommodations or more information about accessibility should contact the District Office. Notice regarding Rights of Appeal: Persons who are dissatisfied with the decisions of the SCSD Board of Directors have the right to have the decision reviewed by a State Court. The District has adopted [Section 1094.6](#) of the [Code of Civil Procedure](#) which generally limits the time within which the decision may be judicially challenged to 90 days.

Minutes of the REGULAR Board Meeting for the
Scotia Community Services District
Thursday, June 15, 2017 at 5:30 P.M.

A. CALL TO ORDER/ ROLL CALL/ PLEDGE OF ALLEGIANCE

The regular meeting of the Board of Directors of the Scotia Community Services District convened at 5:35 pm with the following directors in attendance:

Diane Bristol Director - present
Gayle McKnight Director – present
Paul Newmaker Director – present
Susan Pryor Director – present
Rick Walsh President – present

Staff: T. Boobar, S. Tyler, L. Marshall

B. SETTING OF AGENDA

No Changes

C. CONSENT CALENDAR

1. Approval of Minutes from Previous Meetings

May 18, 2017

2. Approval of May 23, 2017 - May 31, 2017 Check Register

Motion: Motion to approve the Consent Calendar

Motion: McKnight **Second:** Newmaker

Motion Vote: **Ayes** - Bristol, McKnight, Newmaker, Pryor, Walsh **Opposed** – 0
Absent - 0 **Abstain** - 0

D. PUBLIC COMMENT & WRITTEN COMMUNICATION

Tracy O’Connell, Rio Dell-Scotia chamber introduced herself, would like to do a press release in the next Chamber newsletter on Scotia CSD.

E. PUBLIC HEARING – NONE

F. BUSINESS

H1. New Business –

a. Consider adoption of Resolution 2017-7: A Resolution of the Scotia Community Services District Board of Directors Opting Out of Even Year Elections

L. Marshall/T. Boobar introduced, Board discussed. No public comment.

Motion: Motion to adopt Resolution 2017-7: A Resolution of the Scotia Community Services District Board of Directors Opting Out of Even Year Elections

Motion: Bristol **Second:** Pryor

Motion Vote: **Ayes** - Bristol, McKnight, Newmaker, Pryor, Walsh **Opposed** – 0
Absent - 0 **Abstain** - 0

b. Consider adoption of Resolution 2017-8: A Resolution of the Scotia Community Services District Board of Directors adopting rate for Board Stipend

T. Boobar introduced. Board discussed. No public comment.

Motion: Motion to adopt Resolution 2017-8: A Resolution of the Scotia Community Services District Board of Directors adopting rate for Board Stipend

Motion: Newmaker **Second:** Bristol

Motion Vote: Ayes - Bristol, McKnight, Newmaker, Pryor, Walsh **Opposed – 0**
Absent - 0 Abstain - 0

c. Second Reading and consideration of adoption of Ordinance 2017-3: Scotia Community Services District Board of Directors Cross Connection Control Ordinance

President Walsh introduced. Board discussed. Asked about District Engineer- how to contact with questions. Are Cross Connection Controls in new homes – yes.

Motion: Motion to read by title only

Motion: Walsh **Second:** McKnight

Motion Vote: Ayes - Bristol, McKnight, Newmaker, Pryor, Walsh **Opposed – 0**
Absent - 0 Abstain - 0

Motion: Motion to adopt Ordinance 2017-3: Scotia Community Services District Board of Directors Cross Connection Control Ordinance

Motion: Walsh **Second:** Newmaker

Motion Vote: Ayes - Bristol, McKnight, Newmaker, Pryor, Walsh **Opposed – 0**
Absent - 0 Abstain - 0

Recess 5:55p.m. – 6:02p.m.

d. Consider adoption of Nancy Diamond Law Contract Extension

T. Boobar introduced. Rates still the same, possibility of T. Boobar going on her own apart from Nancy Diamond Law offices.

Motion: Motion to adopt Nancy Diamond Law Contract Extension

Motion: McKnight **Second:** Pryor

Motion Vote: Ayes - Bristol, McKnight, Newmaker, Pryor, Walsh **Opposed – 0**
Absent - 0 Abstain - 0

e. Consider adoption of Planwest Partners Professional Services Agreement

S. Tyler introduced. T. Boobar asked about possibility of conflict of interest with S. Davidson, District Engineer with SCSD and TOS work.

L. Marshall introduced additional staffing needs.

Motion: Motion to adopt Planwest Partners Professional Services Agreement

Motion: Bristol **Second:** McKnight

Motion Vote: Ayes - Bristol, McKnight, Newmaker, Pryor, Walsh **Opposed – 0**
Absent - 0 Abstain - 0

f. Museum vs. Daycare Discussion Item

T. Boobar introduced the possibility of this discussion item becoming a negotiation, so this item will be a general conversation, no specifics. SCT presented the initial numbers for general costs to upgrade ADA and fire safety exceed costs anticipated. Discussed pros and cons. Board directed staff to pursue Day care facility.

g. Name negotiators for Daycare facilities and associated properties

These minutes were approved by the Board of Directors of the Scotia Community Services District on July 20, 2017 at its duly-noticed regular meeting in Scotia, CA.

APPROVED:

Rick Walsh, President
Board of Directors
Scotia Community Services District

Date

ATTEST:

Leslie Marshall, Board Clerk
Scotia Community Services District

Date

Minutes of the SPECIAL Board Meeting for the
Scotia Community Services District
Thursday, June 29, 2017 at 5:30 P.M.

A. CALL TO ORDER/ ROLL CALL/ PLEDGE OF ALLEGIANCE

The regular meeting of the Board of Directors of the Scotia Community Services District convened at 5:31 pm with the following directors in attendance:

Diane Bristol Director - present
Gayle McKnight Director – present
Paul Newmaker Director – present
Susan Pryor Director – present
Rick Walsh President – present

Staff: L. Marshall, S. Tyler

B. SETTING OF AGENDA

Cancel closed session.

C. PUBLIC COMMENT & WRITTEN COMMUNICATION

John Broadstock spoke on ability to lead confined spaces training, current district operators need to be trained.

D. PUBLIC HEARING

a. Consider adoption of Resolution 2017-9: A Resolution of the Board of Directors of the Scotia Community Services District to Adopt FY 2017-2018 Final Budget

Staff introduced. A mid-year budget adjustment will be made to accommodate SHN contract if approved. No public comment.

Motion: Motion to adopt Resolution 2017-9: A Resolution of the Board of Directors of the Scotia Community Services District to Adopt FY 2017-2018 Final Budget

Motion: Pryor **Second:** Bristol

Motion Vote: Ayes - Bristol, McKnight, Newmaker, Pryor, Walsh **Opposed – 0**

Absent - 0 Abstain - 0

E. BUSINESS

1. New Business –

a. Consider adoption of Resolution 2017-10: A Resolution of the Scotia Community Services District Board of Directors Establishing the FY 2017-2018 Appropriations Limit

L. Marshall introduced. Future Appropriations Limits should be set through Annual Audit process. Currently District does not have annual audits to base from. No Public Comment.

Motion: Motion to adopt Resolution 2017-10: A Resolution of the Scotia Community Services District Board of Directors Establishing the FY 2017-2018 Appropriations Limit

Motion: Newmaker **Second:** McKnight

Motion Vote: Ayes - Bristol, McKnight, Newmaker, Pryor, Walsh **Opposed – 0**

Absent - 0 Abstain - 0

b. Consider approval of service agreement with SHN Geologists and Engineers

S. Tyler introduced. SHN contract will cover assistance for monitoring and reporting for NPDES permitting requirements through fiscal year. Board directed General Manager to sign agreement.

2. Old Business – NONE

F. CLOSED SESSION **CANCELLED IN SETTING OF AGENDA**

1. Call to Order
2. Roll Call
3. Government Code §54956.8 Real Property Negotiations. Agency Negotiators: Stephen C Tyler, Tracy M Boobar, Leslie Marshall & President Rick Walsh. Negotiating Parties: Scotia Community Services District & Town of Scotia Company LLC.
4. Closed Session Discussion

G. ADJOURN TO OPEN SESSION

1. Report out of Closed Session

H. ADJOURNMENT

Meeting adjourned at 5:54 pm by Board President Rick Walsh.

These minutes were approved by the Board of Directors of the Scotia Community Services District on July 20, 2017 at its duly-noticed regular meeting in Scotia, CA.

APPROVED:

Rick Walsh, President
Board of Directors
Scotia Community Services District

Date

ATTEST:

Leslie Marshall, Board Clerk
Scotia Community Services District

Date

Scotia Community Services District

Staff Report

Date: July 20, 2017

To: Scotia CSD Board of Directors

From: Leslie Marshall, Board Clerk and Assistant General Manager

Subject: Resolution 2017-11 Scotia Community Services District FY 2017/18 Master Fee Schedule

RECOMMENDATION:

Review and adopt Resolution 2017-11 Scotia Community Services District FY 2017/18 Master Fee Schedule

ACTION:

Review, discuss and motion to adopt.

DISCUSSION:

The Master Fee Schedule is a composite list of fees and costs used as a convenient device for District and customer reference. The fee list does not include any assessments. The Master Fee Schedule is generally adopted at the beginning of the fiscal year after adoption of the budget, but can be changed or updated at any time by Board action. This Fee Schedule reflects the 5% increase in water and wastewater rates built into the 5-year rate schedule adopted by the Proposition 218 process in 2017.

FISCAL IMPACT:

See Fee Schedule.

RESOLUTION NO. 2017-11

**RESOLUTION OF THE SCOTIA COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
ESTABLISHING FY 2017/18 MASTER FEE SCHEDULE**

WHEREAS, in an effort to achieve recovery of staff costs, it is necessary to establish fees charged by the Scotia Community Services District to provide services without adversely impacting the District's service funds; and

WHEREAS, in order to recover these costs, it is necessary to establish new fees through the Master Fee Schedule; and

WHEREAS, as required by Article XIID Sections 4 and 6(b) of the California Constitution, Districts can only charge rates or fees that are equal to or less than the reasonably anticipated costs of providing the service, conferring a benefit, granting a privilege, performing regulatory duties, enforcing laws, or as a condition of property development; and

WHEREAS, the Scotia Community Services District FY 2017/18 Master Fee Schedule will be reviewed on an annual basis and adjusted accordingly; and

WHEREAS, the Board of Directors has determined that it is in the best interest of the District to adopt fees for District services.

NOW, THEREFORE, BE IT RESOLVED:

1. The Scotia Community Services District Board of Directors hereby approves establishing fees for District services pursuant to the FY 2017/18 Master Fee Schedule attached hereto as Exhibit "A" and made a part hereof by this reference.

2. Except as otherwise provided herein, any fees described on the FY 2017/18 Master Fee Schedule in conflict with the fees established or increased by this Resolution shall be void and of no force and effect.

3. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED on the 20th day of July, 2017, by the following vote of the governing body:

APPROVED:

Rick Walsh, Board President, Scotia CSD

ATTEST:

Board Clerk, Scotia CSD

CLERK'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2017-5, passed and adopted at a special meeting of the Board of Directors of the Scotia Community Service District, County of Humboldt, State of California, held on the 20th day of July, 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

Board Clerk, Scotia CSD

Attached: Scotia Community Services District FY 2017/18 Master Fee Schedule

**SCOTIA COMMUNITY SERVICES DISTRICT
FY 2017/18 MASTER FEE SCHEDULE**

SECTION 1. WATER SYSTEM

The following water system fees are applicable to the Scotia Community Services District (District).

1. **Existing Water Service Connection.** Where the Developer has installed the new water service line and the District will merely be installing a new meter, the fee shall be as follows:

New Meter Fees	
5/8 Inch (meter set only)	\$201.35
3/4 Inch (meter set only)	\$266.04
1 Inch (meter set only)	\$305.82
Greater Than 1 Inch	Special Quote

2. **Splitting/Relocating Water Service.** The charge for splitting an existing water service shall be the actual charge for material, labor, and equipment not to exceed the charges for a new service. The charge for relocating an existing service shall be actual costs for materials, labor, and equipment not to exceed charges for a new service less credit for existing meter. Any related inspection costs will be charged on a time and materials basis.
3. **Private Fire Protection Water Service Charges.** The monthly rate for said service shall be computed by multiplying \$3.00 times the diameter in inches of the service line provided to the fire system.
4. **Backflow Prevention Device Charges.** Maintenance and testing of these devices is the responsibility of the customer and shall be tested by a certified backflow tester. The customer shall submit a copy of the test results annually. Failure to provide certified backflow test results as required shall result in the District providing the test and inspection at the customer's expense.
5. **Water Hauler Fees and Charges.** \$20.15 shall be imposed for each load under 4,000 gallons that is removed from unmetered District facilities. Charges for loads greater than 4,000 gallons shall be determined on the actual size of the load at a rate of \$5.05 per 1,000 gallons.
 - A. **Emergency Water Hauler Fees and Charges.** During a water shortage or drought emergency: \$20.00 shall be imposed for each load under 600 gallons that is removed from unmetered District facilities. Charges for loads greater than 600 gallons shall be determined on the actual size of the load at a rate of \$0.03/gallon.
6. **Temporary Construction Meters.** A \$40.00 meter setting fee will be charged for the installation of this meter. There shall be imposed a monthly rate for the temporary service,

based on meter size in the table below and a charge for the quantity of water used at the rate of \$2.70 per one hundred cubic feet.

- 7. **Meter Tests – Deposit.** If a customer desires to have the meter serving their premises tested, they shall first deposit Thirty-Five Dollars (\$35.00) and pay the actual cost to test the meter.
- 8. **Monthly Water Service Rates.** A monthly rate for water service provided by the District shall be imposed, at which the rate shall be the total of Section 8A and 8B below

A. **Monthly Water Base Rate.** The monthly base rate shall be determined by size of water meter and location of service as follows:

Monthly Water Base Rate FY 2016-2017	
Meter Size (inches)	Monthly Base Rate
5/8"	\$63.86
3/4"	\$95.79
1"	\$159.64
1 1/2"	\$319.28
2"	\$510.84
3"	\$957.83
4"	\$1,596.37
6"	\$3,192.75
8"	\$5,108.40

- B. **Monthly Consumption Charge:** The monthly quantity charge rate is \$2.70 per 100 cubic-feet (HCF) of water used.
- C. **Monthly Raw Water Charge:** The Raw (non-potable) Water Rate is \$0.23 per 100 HCF of water used.

SECTION 2. WASTEWATER SYSTEM FEES

The following sewer system fees are applicable to the Scotia Community Services District.

- 1. Monthly Sewer Service Rates.** The rates and minimum sewer service charges billed monthly to customers within the service area of the District shall be as follows:

Monthly Wastewater Rates FY 2016-2017	
Base Rate (per EDU)	\$76.38
Monthly Flow Rate	
Flow Rate (per 100 cf used)	\$4.18
Monthly Strength Rate	
BOD (per lb)	\$0.3680
TSS (per lb)	\$0.5495

- 2. Special Sewer Discharge Permit.** A \$250.00 fee shall be collected on each special sewer discharge permit that is processed and issued. There will be an additional charge for actual gallons discharged to the public sewer system based on strength of discharged wastewater.

SECTION 3. WATER AND WASTEWATER DEPOSITS AND MISCELLANEOUS CHARGES

- 1. Security Deposits** The following deposits shall be collected if a customer fails to meet the District's guidelines for creditworthiness:

Security Deposits		
Type of Service	Base Deposit	Max. Deposit
Single Family Residential		
Water & Sewer	\$100.00	\$150.00
Water only	\$ 50.00	\$ 75.00
Sewer only	\$ 50.00	\$ 75.00
Multi-family Units		
Water only/1 st Unit	\$ 35.00	\$150.00
Additional Units	\$ 20.00	\$100.00
Water & sewer/1 st Unit	\$ 50.00	\$ 75.00
Additional	\$ 40.00	\$ 60.00
Commercial		
Water & Sewer	2.5 times the Monthly Base Rate	
Water Only	2.5 times the Monthly Base Rate	
Sewer Only	2.5 times the Monthly Base Rate	

2. **Guidelines for Creditworthiness.** A customer must meet one of the following criteria in order to meet the District’s guideline for creditworthiness when considering collection of a security deposit:
 - A. Prior service within the District showing timely payments within the previous two (2) years, or
 - B. Produce a letter of credit from PG&E, or other recognized utility showing timely payments for a period of one (1) year, or
 - C. Produce a positive rating report from a recognized credit reporting agency.

3. **Account Initiation Charge.** There shall be an initiation charge of Thirty-five Dollars (\$35.00) to set up an account for a new customer or change a location for a current customer.

4. **Reconnection Charge.** A reconnection charge of Forty Dollars (\$40.00) for the first reconnection and Sixty Five Dollars (\$65.00) thereafter plus penalties will be made and collected prior to renewing service following a discontinuance.

5. **Returned Checks.** If a check tendered as payment for any rate or charge is returned to the District uncollected, there shall thereupon become due an additional charge of Twenty Dollars (\$20.00).

6. **Broken Lock Fee.** If a service is locked and the lock is broken, a charge of Twenty-Five Dollars (\$25.00) shall be assessed to the customer in addition to any other fees or penalties.

SECTION 4. WATER SHORTAGE EMERGENCY FINES AND PENALTIES

1. **Fines and Penalties.** Except as otherwise provided by Board action, violations of any provision of the District Code shall be fined as follows:

Fines and Penalties		
Violation	Classification	Penalty
First violation	Infraction	\$ 10.00
Second violation	Infraction	\$ 30.00
Third violation and subsequent violations within a 6-month period	Misdemeanor	\$100.00

SECTION 5. PARKS AND RECREATION FEES

1. APPLICATION PROCESSING FEES. The District shall charge a fee to process all applications for events as defined in the Parks and Recreation Ordinance.

APPLICATION PROCESSING FEES

Application Processing Fees cover Staff time to Process Facility Use Permits. Application Processing Fees are non-refundable and must be submitted at the time a Facility Use Permit application is turned in, at least 30 days prior to the event. See event definitions in Title IV Chapter 9 Section 9.01.a. of the Parks and Recreation Ordinance.

Large Scale Community Event	\$150
Major Event	\$150
Minor Event	\$100
Expressive Event	\$100

2. FACILITY USE DEPOSIT FEES. The District shall charge a deposit for events which qualify and are defined as special events and require a Facility Use Permit as follows:

- Events WITHOUT Alcohol - \$250 deposit
- Events WITH Alcohol - \$500 deposit
- Concert Rentals - \$1,000 deposit

Deposits are refundable provided there are not damages to the facility and the facility is clean, consistent with the Parks and Recreation Ordinance. Deposits will not be refunded if the reservation is cancelled less than 1 month prior to event. Half of deposit will be returned if District is able to rebook facility.

3. FACILITY USE FEES. The District shall charge the following rates for use of a District-owned facility for each use specified below:
Rental fees are due 30 days prior to event. All-day rate applies to hours between 8 a.m. and 1 a.m., including cleanup. Requests for extended hours are subject to City approval and additional costs. Changes made to Facility Use Permit less than 30 days prior to event are subject to City approval and may require additional charge. Any changes must be made in writing.

The “All Day Rate” shall be defined as a fee charged specifically for use of the Winema Theater and which includes access to the facility for greater than four (4) consecutive hours.

The “Half-Day Rate” shall be defined as a fee charged specifically for use of the Winema Theater and which includes access to the facility for a maximum of four consecutive hours.

WINEMA THEATER

Private Citizen/Business	\$45.00/hour	
Half Day Rate	\$176.00	(\$44.00/hr)
All Day Rate	\$344.00	(\$43.00/hr)
Non-Profit Groups/Vendors	\$35.00/hour	
Commercial Events*	\$450.00/day	

*Requires Event Host

SCOTIA MUSEUM

Private Citizen/Business	\$35.00/hour
Non-Profit Groups/Vendors	\$25.00/hour

FIREMAN'S PARK

Private Citizen/Business	\$25.00/hour	
Half Day Rate	\$96.00	(\$24.00/hr)
All Day Rate	\$184.00	(\$23.00/hr)
Non-Profit Groups/Vendors	\$15.00/hour	
Commercial Events*	\$250.00/day	

*Requires Event Host

PARKS

Soccer Field	\$28.00/hour
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Baseball Park

Baseball Field	\$28.00/hour
Horseshoe Pit	\$20 for 2 hours
Lighting	\$26.00/hour

4. EVENT SERVICES FEES. The District shall charge a fee of \$35 per hour (unless overtime wages apply) for an event host for those events requiring such a host. The minimum charge shall be two hours. Other event service fees shall be determined each year and are based on the direct expense associated with providing said service. Such event fees shall be established and adopted by the Board.

SPECIAL EVENT SERVICES

Event Setup

Events with less than 100 persons	\$50.00
Events with 101-200 persons	\$80.00
Events with more than 200 persons	\$105.00

Event Cleanup

Events with less than 100 persons	\$100.00
Events with 101-200 persons	\$125.00
Events with more than 200 persons	\$150.00

SECTION 6. STORM DRAINAGE FEES

- 1. **INSPECTION FEES.** The District is responsible to annually inspect all private facilities for any violation of the provisions of the Storm Drainage ordinance. Private facilities shall be responsible for the cost of inspection and any associated inspection costs including but not limited to testing.

SECTION 7. DOCUMENT DUPLICATION AND DISTRIBUTION

The following charges are hereby established for the photocopying and mailing of printed material (not applicable to news media and not applicable to allied agencies in case of police reports for investigative purposes):

1. Photocopies.

- A. Per 8 1/2" x 11" and legal size page:
 - Per 1-side page..... \$0.10
 - Per 2-side page..... \$0.20
- B. Per 11" x 17" page:
 - Per 1-side page..... \$0.20
 - Per 2-side page..... \$0.40
- C. Per 24' x 36" page: Per 1-side page..... \$3.00
- D. Conversion of Documents to Electronic Image: \$2.00 plus \$0.10/page

2. Copies of Video Tapes, Audio Tapes, CDs, DVDs. \$3.00/each, plus actual cost for duplication

3. Mailing. \$2.00/each, plus actual postage cost

Scotia Community Services District

Staff Report

DATE: July 20, 2017

TO: Scotia Community Services District Board of Directors

FROM: Tracy Boobar, Special Council; Steve Tyler, General Manager

SUBJECT: Scotia CSD Museum Leaseback Agreement

RECOMMENDATION:

Special Council and administrative staff recommend that the Scotia CSD Board consider approving the Museum Leaseback Agreement (agreement) between SCSD and Town of Scotia (TOS).

ACTION:

Authorize the President of the SCSD Board to sign the attached agreement.

DISCUSSION:

The SCSD Museum is currently closed. SCSD does not have either the staff or resources necessary to keep the facility open to the public. TOS has offered (during the Transition Agreement process and again recently) to leaseback the Museum. TOS intends to staff the Museum and keep it open to the public, on a regularly scheduled basis. TOS will provide insurance, indemnify SCSD and maintain the facility.

SCSD staff and TOS believe that having the Museum open to the public would be a benefit to the Scotia community.

FISCAL IMPACT:

None, identified now.

MUSEUM FACILITY LEASEBACK AGREEMENT

This MUSEUM FACILITY LEASEBACK AGREEMENT (this "Lease" or "Agreement") is entered into as of July 20, 2017 (the "Effective Date"), by and between the Town of Scotia Company, LLC, a Delaware limited liability company ("TOS"), and the Scotia Community Services District, a California Community Services District, duly formed pursuant to California Government Code §§ 61000, et seq. ("SCSD" or "District). Where collective reference is intended, TOS and the District are hereinafter referred to as the "Parties" in this Agreement.

Recitals

A. WHEREAS, TOS and SCSD are parties to that certain TOWN OF SCOTIA AND SCOTIA COMMUNITY SERVICES DISTRICT ASSET TRANSFER AND TRANSITION AGREEMENT, entered on or about April 27, 2017 (the "Asset Transfer Agreement"), relating to the transfer of certain real property, personal property and linear infrastructure to the District, which is expressly incorporated herein by reference;

B. WHEREAS, Section 6.3 of the Asset Transfer Agreement contemplates that TOS will provide to SCSD certain contract transition services and support for District operations and, if necessary, leaseback certain portions of the real property transferred to the District for said operations;

C. WHEREAS, as recited in the Asset Transfer Agreement, TOS is the current owner of that certain real property, appurtenant easements and personal property located in the Town of Scotia, County of Humboldt, State of California, and more particularly described in that certain Tentative Subdivision Map ("Subdivision Map") prepared in accord with the California Subdivision Map Act (California Government Code §§ 66410 et seq. (the "Map Act")) and approved by the Humboldt County Planning Commission on November 10, 2009; and

D. WHEREAS, the Parties desire to memorialize the terms and conditions under which TOS will provide transition services to the District.

Agreement

NOW THEREFORE, the above recitals are incorporated herein and for good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Leaseback of Recreational Facilities. TOS shall leaseback from the District the following parcel of real property: the Scotia Museum (Lot 31 of the Subdivision Map), (referred to herein as the "Museum Facility").

2. Term. Subject to the Parties' termination rights in Section 3, below, the term of this Lease shall be for six (6) months, subject to extension for two (2) additional terms of six (6) months by lessee, TOS, by written notice sent in advance of expiration of the initial term.

3. Termination. At any time after the initial six (6) month term, this Lease

may be terminated in the sole, absolute and unilateral discretion of either party, by provision of thirty (30) days written notice to the other party. Written notice of cancellation may be provided by either party at any time during the initial six (6) month term or any renewal term.

4. Use. During the term (or extended term) of the Lease, TOS shall operate and control the Recreational Facilities in accord with all local, state and federal laws and in accord with TOS' current policies and procedures, as may be adjusted from time to time, as well as in accordance with all local, state and federal laws.

5. Maintenance and Alterations. TOS shall, at TOS's own expense and at all times, maintain the Leased Premises in good working order and repair, including all equipment, appliances, furniture, fixtures, and furnishings, and shall surrender the Leased Premises at termination of this Lease in as good condition as received, normal wear and tear excepted. TOS shall be responsible for damages caused by TOS's negligence and that of TOS's employees and agents.

6. Utilities. TOS shall be responsible for the payment of all utilities and services to the Leased Premises for the Initial Term (and Optional Extended Term, if exercised).

7. Indemnification. During the Term (and Optional Extended Term, if exercised), the District shall not be liable for any damage or injury to TOS or any other person, or to any property, occurring on the Leased Premises or any part of the Leased Premises or in common areas, unless the damage is the proximate result of the negligent acts or omissions to act of District, the District's agents or employees. TOS agrees to indemnify, defend, and hold harmless District for any liability, costs (including reasonable attorney's fees), or claims for personal injuries occurring on the Leased Premises or property damage to the Leased Premise caused by the negligent acts or omissions to act of TOS or TOS's agents or employees.

8. Insurance. TOS shall maintain, at TOS's expense and at all times, primary insurance coverage to include casualty, liability and property insurance for the Leased Premises at the coverage amount to be provided by District's insurance company. The District shall be listed as an additional insured on this policy. A copy of this policy shall be provided to the District.

9. Binding Effect. The Parties to this Agreement mutually agree that it shall be binding upon their respective heirs, personal representatives, successors or assigns.

10. Waiver. No waiver by any party at any time of any breach of any provision of this Agreement shall be deemed a waiver or a breach of any other provision herein or a consent to any subsequent breach of the same or another provision. If any action by any party shall require the consent or approval of another party, such consent or approval of such action on anyone occasion shall not be deemed a consent to or approval of such action on any subsequent occasion or a consent to or approval of any other action.

11. Captions and Headings. The captions and paragraphs numbers appearing in this Agreement are inserted only as a matter of convenience and do not define, limit, construe, or describe the scope or intent of this Agreement. Unless otherwise indicated, all references to sections are to this Agreement. All exhibits and recitals included and referred to in this Agreement are attached to it and incorporated in it by this reference.

12. Counterparts. This Agreement may be executed in counterparts, each of which shall be considered an original and all of which taken together shall constitute one and the same instrument. Electronically scanned and/or facsimile signatures shall be deemed to constitute originals.

13. Governing Law. This Agreement has been prepared, negotiated and executed in, and shall be construed in accordance with, the laws of the State of California. Any action or proceeding relating to or arising out of this Agreement shall be filed in the Superior Court of the State of California, County of Humboldt.

14. Invalidity of Any Provision. If any provision (or any portion of any provision) of this Agreement is held to be illegal, invalid, or unenforceable by a court of competent jurisdiction under present or future laws effective during the term of this Agreement, the legality, validity, and enforceability of the remaining provisions (or the balance of such provision) shall not be affected thereby.

15. Drafting of Agreement. District and TOS acknowledge that this Agreement has been negotiated at arm's length, that each party has been represented by independent counsel and that this Agreement has been drafted by both Parties and no one party shall be construed as the draftsman.

16. Attorney's Fees. If either party named herein brings an action or proceeding to enforce the terms hereof or declare rights hereunder, the prevailing party in any such action (or proceeding), on trial or appeal, shall be entitled to its reasonable attorneys' fees to be paid by the losing party as fixed by the Court.

17. Notices. All notices to be given under this Agreement shall be in writing and sent by (a) certified mail, return receipt requested, in which case notice shall be deemed delivered three (3) business days after deposit, postage prepaid in the United States Mail, (b) a nationally recognized overnight courier, in which case notice shall be deemed delivered one (1) business day after deposit with the courier, or (2) fax or similar means if a copy of the notice is also sent by United States Certified Mail, in which case notice shall be deemed delivered on transmittal by fax or other similar means, provided that a transmission report is generated by reflecting the accurate transmission of the notices, as follows:

DISTRICT:

Scotia Community Services District
Attn: General Manager
PO BOX 104
Scotia, CA 95565

With Copy to:

Planwest Partners, Inc.
Attention: Leslie Marshall, Clerk of the Board
1125 16th St. Suite 200
Arcata, CA 95521
FAX (707)825-9181

Law Offices of Nancy Diamond
Attention: Tracy M. Boobar, Special Counsel to the SCSD
822 G St. Suite 3
Arcata, CA 95521
FAX (707)826-8541

TOS:

Town of Scotia Company, LLC
Attention: Frank Bacik, President and Director of Legal Affairs
PO BOX 245 (108 Main Street)
Scotia, CA 95565
FAX: (707) 764-4150

With Copy to:

Mitchell, Brisso, Delaney & Vrieze, LLP
Attention: Russell S. Gans
814 7th Street
Eureka, CA 95501
FAX: (707) 444-9586

These addresses may be changed by written notice to the other party, provided that no notice of a change of address shall be effective until actual receipt of that notice. Copies of notices are for informational purposes only, and a failure to give or receive copies of any notice shall not be deemed a failure to give notice.

IN WITNESS HEREOF, the Parties hereto have executed this Agreement as of the date set forth in the first paragraph of this Agreement.

TOWN OF SCOTIA COMPANY, LLC, a
Delaware limited liability company

By: _____
Name: Frank Shaw Bacik
Its: President and Director of Legal Affairs

SCOTIA COMMUNITY SERVICES DISTRICT,
a California Community Services District

By: _____
Name: Rick Walsh
Its: President of the Board of Directors