

**Minutes of the Special Board Meeting of the  
Scotia Community Services District**  
Thursday, February 18, 2016  
Regular Meeting 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 5:30 pm with the following directors in attendance:

Diane Bristol	Director – present
John Broadstock	Director - present
Gayle McKnight	Director – present
Susan Pryor	Director – present
Rick Walsh	President – present

Staff: T. Boobar, S. Davidson, L. Marshall, C. Metz, S. Tyler

**B. SETTING OF AGENDA**

Additions/revisions to the agenda: NONE

**C. CONSENT CALENDAR**

**C1. Approval of Minutes from Previous Meetings**

**January 21, 2016**

**Motion:** Motion to approve the Consent Calendar

**Motion:** Pryor                      **Second:** Bristol

**Motion Vote:** Ayes - 5      Opposed - 0                      Absent - 0      Abstain - 0

**D. PUBLIC COMMENTS & WRITTEN COMMUNICATIONS - None**

**E. PUBLIC HEARING- None**

**F. BUSINESS**

**F1. New Business –**

**a. REVISED Proposition 218 Process**

Interim General Manager introduced Colette Metz of Planwest Partners to speak on the Revised 218 Process. Colette went over the 218 process in the Staff report and attachment. Legal Counsel clarified the definition of tenant and legal standing of tenants per the 218 process. Went through the 218 schedule and laid out how the Detailed Engineering Analysis, Engineers Reports and Rate Studies all fit into the process.

Public Comment: Renee Abrams opened with questions regarding SCSD billing tenants; asked about updating the adopted Letter of Intent (legal counsel advised that an update would require another resolution process); and asked for an update on the County subdivision process, specifically in regard to the subdivision affecting the 218 process. Ted Vivatson, owner at Eel River Brewery asked for clarification of tenants, lease terms and the method in which utilities being paid affecting the tenant standing within the 218 process. Legal counsel advised that these concerns will all be covered in one-on-one meetings at a later date. Ted also asked about the base rate, which the Interim General Manager said will be covered in Item F2a on the agenda.

Direction: President Walsh directed staff to use the SCSD Board Clerk to tabulate the ballots in the 218 proceedings, and to use the SCSD P.O. Box as the mail-in location for the ballots.

**b. First Reading and consider adoption of Ordinance 2016-1 Scotia Community Services District authorizes the use of mail ballots for the election per Election Code §4000**

President Walsh introduced, Board and staff discussed.

**Motion:** Motion to read by title only

**Motion:** McKnight                      **Second:** Pryor

**Motion Vote:** Ayes - 5      Opposed - 0                      Absent - 0      Abstain - 0

**Motion:** Motion to accept as first reading of Ordinance 2016-1 Scotia Community Services District authorizes the use of mail ballots for the election per Election Code §4000.

**Motion:** Bristol                      **Second:** Pryor

**Motion Vote:** Ayes - 5      Opposed - 0                      Absent - 0      Abstain - 0

**c. Review Resolution 2016-4 Scotia Community Services District Board of Directors Calling for a Mail Ballot Assessment Proceeding**

Introduced by legal counsel. No action taken.

**F2. Old Business –**

**a. Rate Study – review, discuss, and direct to finalize proposed rates.**

Introduced by President Walsh. District Engineer introduced the staff report and lead discussion. The Board must set the rate to account for inflation, and it is recommended to factor in a 5 year cost of living increase for sewer and water, and an unlimited (by law) CPI increase for the benefit assessments. Interim General Manager pointed out that the District is starting out with no funds in reserve. Board discussed options.

Public Comment: Renee Abrams provided comment about importance of voter education process. Ted Vivatson of Eel River Brewery asked questions, and expressed his understanding of setting rates from a business standpoint.

**Motion:** Motion to accept recommended option #4 of Staff Report analysis: “Using SHN's 2020 highest rate of \$227/mo and applying future inflation increases of 1.5%/yr results in a rate spread of \$231/mo to \$246. It is proposed to use this higher rate spread to generate "early" years' revenue in order to lower future loan/debt obligations, account for unforeseen contingencies (specifically the proposed treatment plant construction) and provide adequate cash reserves.”

**Motion:** Broadstock                      **Second:** McKnight

**Motion Vote:** Ayes - 5      Opposed - 0                      Absent - 0      Abstain - 0

**G. REPORTS**

**1. President’s Report:** None

**2. Board Director Reports:** None

**3. Interim Manager’s Report:** will begin working on Budget process

**4. Special Counsel’s Report:** Update on Conflict of Interest Code, urged Board to reach out if they ever have any concerns.

**5. Engineer’s Report:** None

6. **Fire Chief's Status Report:** None

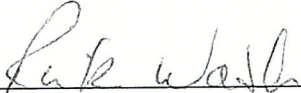
7. **Board Clerk Report:** Working Group Report, Form 700 Annual Statements *due by March 1, 2016*, update Board Directory after meeting

**H. ADJOURNMENT**

Meeting adjourned at 7:07 pm by Board President Rick Walsh.


These minutes were approved by the Board of Directors of the Scotia Community Services District on March 17, 2016 at its duly-noticed regular meeting in Scotia, CA.

APPROVED:

  
\_\_\_\_\_  
Rick Walsh, President  
Board of Directors  
Scotia Community Services District

3-17-2016  
Date

ATTEST:

  
\_\_\_\_\_  
Leslie Marshall, Board Clerk  
Scotia Community Services District

3-17-16  
Date