



Notice is hereby given that a  
**REGULAR MEETING**  
Of the Board of Directors will be held at:  
122 Main Street, Scotia, CA 95565

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**Thursday, July 19, 2018**  
**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 (5 minutes)**
1. Approval of Previous Meeting Minutes p.3  
June 21, 2018
2. Approval of June 1, 2018 – June 30, 2018 Check Registers p.8
- 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.
- E. BUSINESS**
- F. 1. New Business –**
- a. Adopt Prentice Long & Epperson Legal Services Agreement (15 minutes) p.12
- b. Approve, pending legal counsel approval, Mutual Secondment Agreement Between Loleta Community Services District and Scotia Community Services District (15 minutes) p.23
- c. Approve and sign Irrevocable Offer of Dedication and Grant of Easement Deed for Phase 2 Infrastructure of the Scotia Subdivision (15 minutes) p. 28
- d. Consider Adopting Resolution 2018-11 A Resolution of the Scotia Community Services District Approving the Form and Authorizing the Execution of a Memorandum of Understanding and Authorizing Participation in the Special District Risk Management Authority's Health Benefits Program (15 minutes) p. 42
- e. Approve and sign Memorandum of Understanding enrolling the District into the SDRMA Small Group Health Benefits Program for Health Insurance for District Employees (15 minutes) p. 45
- f. Consider adopting Resolution 2018-12: Amending Resolution 2017-13 A p.48

**Resolution of The Board of Directors of The Scotia Community Services District  
Authorizing the Adoption of the Pars Defined Contribution Plan Administered  
by Public Agency Retirement Services (PARS) to reflect the effective date of  
September 1, 2018 (15 minutes)**

- g. Consider Adopting Resolution 2018-13: Authorizing the General Manager to Sign and File, for and on the behalf of the SCSD, a Financial Assistance Application for a Financing Agreement from the State Water Resources Control Board for the Planning, Design, and construction of the SCSD Wastewater Treatment Facility Replacement Project (15 minutes)** p.52
- h. Consider Adopting Resolution 2018-14: Pledging Revenues and Funds from User Fees from the Wastewater Enterprise Fund for Repayment of Financing for the Scotia Community Services District Wastewater Treatment Facility Replacement Project (15 minutes)** p. 54
- i. Consider Adopting Resolution 2018-15: Authorizing the General Manager to Sign and File, for and on the behalf of the SCSD, a Financial Assistance Application for a Financing Agreement from the State Water Resources Control Board for the Planning, Design, and construction of the SCSD Water Treatment Facility Replacement Project (15 minutes)** p. 56
- j. Consider Adopting Resolution 2018-16: Pledging Revenues and Funds from User Fees from the Water Enterprise Fund for Repayment of Financing for the Scotia Community Services District Water Treatment Facility Replacement Project (15 minutes)** p. 58

**2. Old Business – NONE**

**G. Brief Board Training**

**1. Introduction**

**H. REPORTS (5 minutes each)**

The Board may briefly discuss any particular item raised, no action will be taken on these items.

- 1. President's Report:**
- 2. Board Director Reports:**
- 3. General Manager's Report:**
- 4. Special Counsel's Report:**
- 5. Engineer's Report:**
- 6. Fire Chief's Status Report: 2017 Report**
- 7. Board Clerk Report: CSDA Sexual Harassment Prevention Training Monday, August 6, 2018 in McKinleyville**

**I. ADJOURNMENT**

Next Regular Meeting of the SCSD will be August 16, 2018 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 21, 2018 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

Paul Newmaker Director – Present

Scott Pitcairn Director – Present

Susan Pryor Director – Absent

Rick Walsh President – Present

Staff Present: Leslie Marshall, GM; Steve Tyler, Asst. GM; Julie Thomas, BC; Steve Davidson, District Engineer; Colette Metz, Senior Planner, Planwest Partners

**B. SETTING OF AGENDA**

The reports section did not make it on the agenda so those items will be reported on under the written communication section.

**C. CONSENT CALENDAR**

**1. Approval of Previous Meetings Minutes**

**May 17, 2018**

**2. Approval of May 1, 2018 – May 31, 2018 Check Registers**

**Board Discussed**

**No public comment**

**Motion: To Approve Consent Calendar**

**Motion: Newmaker Second: Pitcairn**

**Motion Vote: Ayes: 4 – Bristol, Newmaker, Pitcairn, Walsh Opposed: 0 Absent: 1 – Pryor Abstain: 0**

**D. PUBLIC COMMENT & WRITTEN COMMUNICATION**

**President's Report:** President Walsh to be gone on vacation from 6/27/18 to 7/10/18

**Director's Report:** Director Bristol heard that people from the community would be in attendance to protest the utility rates. Board and staff discussed. Comments from member of the public explained that many residents are frustrated with rates and have mentioned bringing a petition to the board. Further specifics of the petition were unknown.

**District Engineer's Report:** Corridor project is moving forward. SHN is applying for grants on our behalf. Preliminary quote for water and wastewater applications is approximately \$15,000. Staff anticipate that costs associated with applications will not greatly exceed this \$15,000 estimate, though some additional costs may be incurred. After application is accepted, some costs may be eligible for reimbursement.

Staff will be bringing revised ordinances to Board of Directors for approval soon. Issues regarding District's willingness to pay for additional streetlighting will come to board for decisions soon. Formal requests for streetlighting need to be made in writing.

**General Manager's Report:** The 2017 Consumer Confidence Report has been released; posted here,

online and included URL in mailed notice with billing. The District may enter into a mutual secondment with Loleta CSD – staff will present this with more information at the next meeting, in July. Received bill from Dam Safety for \$6,000, District is paying in protest to avoid steep late fees and requesting reimbursement once Dam Safety reclassifies it as something other than a dam. Staff attended a meeting with HRC to discuss road maintenance. District has committed to 50/50 split of maintenance to start, and then moving to 90/10 HRC taking the greater proportion moving forward. HRC is digging a well for their fisheries exhibit. HRC will do the Christmas tree lighting and metering. HRC will receive the log cut for their logging exhibit. It is a liability to the District because it poses a climb and fall hazard. HRC would like to extract gravel from the riverbed – SCSD would be responsible for any issues. Ramp was resurfaced at the Daycare building for ADA compatibility. Need to obtain building permits for the bathroom renovation. Sidewalk slope near parking in the vacant lot does not meet ADA requirements – may be able to designate an alternate route. District staff are planning to do an open-house event after moving in to the new office. Upgrades continue on the daycare building – anticipating a move-in in August/September.

**E. PUBLIC HEARING –**

**1. Consider adoption of Resolution 2018-7 A Resolution of the Board of Directors of the Scotia Community Services District to Adopt FY 2018-2019 Final Budget**

GM introduced and explained some changes that are explained further in the staff report.

The budget line item increase is due to incremental increase in fees.

Still expecting savings from insurance and with automated river pumping that does pumping only during off-peak hours for electrical.

As with FY 2017/18, the unexpended fund balance will rollover to next year.

GM discussed the profits and losses and explained totals and discussed items further.

No public comment

**Motion:** To Adopt Resolution 2018-7 A Resolution of the Board of Directors of the Scotia Community Services District to Adopt FY 2018-2019 Final Budget.

**Motion:** Bristol **Second:** Pitcairn

**Motion Vote:** Ayes: 4 – Bristol, Newmaker, Pitcairn, Walsh **Opposed:** 0 **Absent:** 1 – Pryor **Abstain:** 0

**F. BUSINESS**

**1. New Business –**

**a. Consider adoption of Resolution 2018-8: A Resolution of the Scotia Community Services District Board of Directors Adopting the FY 2018-2019 Appropriations Limit**

GM introduced and explained. Board Discussed.

No Public Comment

**Motion:** To adopt Resolution 2018-8: A Resolution of the Scotia Community Services District Board of Directors Adopting the FY 2018-2019 Appropriations Limit

**Motion:** Newmaker **Second:** Pitcairn

**Motion Vote:** Ayes: 4 – Bristol, Newmaker, Pitcairn, Walsh **Opposed:** 0 **Absent:** 1 – Pryor **Abstain:** 0

**b. Approve SDRMA Insurance invoice for payment**

GM introduced and explained. Board discussed. President Walsh signed the authorization to pay the

invoice and directed staff to remit payment for insurance to SDRMA.

**c. Consider approval of service agreement with Planwest Partners for contract staffing services**

GM introduced. Colette Metz, of Planwest Partners was present and explained that Planwest has made adjustments to the SCSD rates for this fiscal year, but next fiscal year's rates will reflect fully burdened costs. Hours have been reduced for some staff, including Steve Tyler and Steve Davidson. Board Discussed. No public comment.

**Motion:** To Approve Service Agreement with Planwest Partners for contract staffing services

**Motion:** Newmaker **Second:** Pitcairn

**Motion Vote:** Ayes: 4 – Bristol, Newmaker, Pitcairn, Walsh **Opposed:** 0 **Absent:** 1 – Pryor **Abstain:** 0

**d. Review received Legal Services Proposals for General Legal Counsel from *Prentice, Long and Epperson* and *Lozano Smith* and consider extending invitations for interviews.**

GM and Asst. GM introduced and explained details found in staff report. The major differences noted were in the cost for services. Lozano Smith is more expensive. Staff recommended that the Board interview both, however they do not have to. The Board moved to direct staff to agendize the hiring of Prentice Long & Epperson at the next meeting and to direct staff to begin drawing up the contract and to negotiate an annual contract with an option to terminate with 30 days' notice, a flat rate fee, and teleconferencing. Board directed staff to bring this item to the July 19, 2018 meeting.

No public comment.

**e. Review SHN Consulting Engineers & Geologists Inc. (SHN) Services Agreement Addendum with Scotia Community Services District**

GM explained the staff report details and financial data. Board discussed. No public comment.

**Motion:** To approve the SHN Consulting Engineers & Geologists Inc. (SHN) Services Agreement Addendum with Scotia Community Services District

**Motion:** Newmaker **Second:** Bristol

**Motion Vote:** Ayes: 4 – Bristol, Newmaker, Pitcairn, Walsh **Opposed:** 0 **Absent:** 1 – Pryor **Abstain:** 0

**f. Consider Adopting Phase 2 Resolutions Accepting Phase 2 Infrastructure**

**i. Resolution No. 2018-9: A Resolution of the Board of Directors of the Scotia Community Services District to accept dedicated ownership, financial responsibility and maintenance for all non-County or private streets and alleyways in Town of Scotia Phase 2 Development**

Steve Davidson introduced and stated that with the approval of the resolution the exhibits should be revise to say "Exhibit A". Board discussed and inquired about specific responsibilities of the SCSD, homeowners of SCSD and TOS. Following item is related and was discussed along with this item.

No public comment.

**Motion:** To adopt Resolution No. 2018-9: A Resolution of the Board of Directors of the Scotia Community Services District to accept dedicated ownership, financial responsibility and maintenance for all non-County or private streets and alleyways in Town of Scotia Phase 2 Development

**Motion:** Newmaker **Second:** Pitcairn

**Motion Vote:** Ayes: 4 – Bristol, Newmaker, Pitcairn, Walsh **Opposed:** 0 **Absent:** 1 – Pryor **Abstain:** 0

**ii. Resolution 2018-10: A Resolution of the Board of Directors of the Scotia Community Services District to accept dedicated ownership, financial responsibility and maintenance for all non-County or private drainage in Town of Scotia Phase 2 Development**

Item discussed with previous item (F1fi). No public comment.

**Motion:** To adopt Resolution 2018-10: A Resolution of the Board of Directors of the Scotia Community Services District to accept dedicated ownership, financial responsibility and maintenance for all non-County or private drainage in Town of Scotia Phase 2 Development

**Motion:** Bristol **Second:** Newmaker

**Motion Vote:** **Ayes:** 4 – Bristol, Newmaker, Pitcairn, Walsh **Opposed:** 0 **Absent:** 1 – Pryor **Abstain:** 0

**G. ADJOURNMENT:** 7:10 PM **By** President Walsh

Next Regular Meeting of the SCSD will be July, 19 2018 at 5:30 PM.

These minutes were approved by the Board of Directors of the Scotia Community Services District on July 19, 2018 at its duly-noticed regular meeting in Scotia, CA.

APPROVED:

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Rick Walsh, President  
Board of Directors  
Scotia Community Services District

ATTEST:

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Julie Thomas, Board Clerk  
Scotia Community Services District

1:54 PM

## Scotia Community Services District

## Account QuickReport

As of June 30, 2018

07/12/18

Accrual Basis

Type	Date	Num	Name	Memo	Amount	Balance
<b>10000 · RCB Checking 8239</b>						622,512.08
Deposit	06/01/2018			ub-pay cc payment	213.96	622,726.04
Deposit	06/01/2018			ub-pay cc payment	191.47	622,917.51
Deposit	06/01/2018			ub-pay cc payment	186.38	623,103.89
Deposit	06/05/2018			UBMax water/sewer pmnts	3,904.06	627,007.95
Check	06/07/2018	50288	Town of Scotia		-1,049.21	625,958.74
Bill Pmt -Check	06/07/2018	50289	PG&E		-333.48	625,625.26
Bill Pmt -Check	06/07/2018	50290	Piersons	4002	-175.76	625,449.50
Bill Pmt -Check	06/12/2018	50291	Advanced Security	Museum Alarm Service	-166.25	625,283.25
Bill Pmt -Check	06/12/2018	50292	Aqua Sierra Controls I...	Calibrate CL2 Analyzer	-1,722.83	623,560.42
Bill Pmt -Check	06/12/2018	50293	Brian McNeill	Backflow Tests	-360.00	623,200.42
Bill Pmt -Check	06/12/2018	50294	EAN Services LLC	Enterprise Car rental	-159.69	623,040.73
Bill Pmt -Check	06/12/2018	50295	Johnson's Mobile Rent...	Train area fence rental	-235.33	622,805.40
Bill Pmt -Check	06/12/2018	50296	Jonathon Penny	One-time charge	-495.00	622,310.40
Bill Pmt -Check	06/12/2018	50297	North Coast Laborator...		-2,805.00	619,505.40
Bill Pmt -Check	06/12/2018	50298	PG&E		-924.96	618,580.44
Bill Pmt -Check	06/12/2018	50299	Planwest Partners	VOID: Replaced by ck#50304	0.00	618,580.44
Bill Pmt -Check	06/12/2018	50300	Renner Petroleum	49589	-247.38	618,333.06
Bill Pmt -Check	06/12/2018	50301	Sequoia Personnel	T. Cannon WE 6/3/18	-498.00	617,835.06
Bill Pmt -Check	06/12/2018	50302	SHN		-22,070.72	595,764.34
Bill Pmt -Check	06/12/2018	50303	Town of Scotia	Labor billing	-10,164.20	585,600.14
Bill Pmt -Check	06/12/2018	AUTO...	AT&T	U-verse 400 Church	-140.33	585,459.81
Bill Pmt -Check	06/12/2018	50304	Planwest Partners		-29,074.33	556,385.48
Deposit	06/13/2018			UBMax water/sewer pmnts	200.00	556,585.48
Check	06/14/2018	50305	Petty Cash		-119.22	556,466.26
Check	06/14/2018	50320	Visa		-914.71	555,551.55
Deposit	06/19/2018			UBMax water/sewer pmnts	780.57	556,332.12
Deposit	06/20/2018			ub-pay CC batch	199.64	556,531.76
Deposit	06/20/2018			UBMax water/sewer pmnts	359.29	556,891.05
Deposit	06/20/2018			Deposit - Reimburse District	83.94	556,974.99
Bill Pmt -Check	06/21/2018	50306	AT&T		-696.18	556,278.81
Bill Pmt -Check	06/21/2018	50307	Fortuna Ace		-204.23	556,074.58
Bill Pmt -Check	06/21/2018	50308	Jonathon Penny		-560.00	555,514.58
Bill Pmt -Check	06/21/2018	50309	Pacific Paper		-102.39	555,412.19
Bill Pmt -Check	06/21/2018	50310	Recology Eel River		-17.05	555,395.14
Bill Pmt -Check	06/21/2018	50311	Sequoia Personnel		-979.13	554,416.01
Bill Pmt -Check	06/21/2018	50312	Steves Septic	2500 gal to Ferndale	-750.00	553,666.01
Bill Pmt -Check	06/21/2018	50313	Stewart Telecom		-4,014.92	549,651.09
Bill Pmt -Check	06/21/2018	50314	CA Dept. Water Reso...		-5,776.00	543,875.09
Check	06/26/2018	50315	Rick Walsh	Jan - June 2018	-400.00	543,475.09
Check	06/26/2018	50316	Diane Bristol	Jan - June 2018	-400.00	543,075.09
Check	06/26/2018	50317	Paul Newmaker	Jan - June 2018	-400.00	542,675.09
Check	06/26/2018	50318	Scott Pitcairn	Feb - June 2018	-300.00	542,375.09
Check	06/26/2018	50319	Susan Pryor	Jan - June 2018	-400.00	541,975.09
Deposit	06/26/2018			Water/sewer pmnts	10,090.60	552,065.69
Deposit	06/26/2018			Deposit Sale of Playground E...	200.00	552,265.69
Deposit	06/27/2018			Deposit HRC ACH	18,021.26	570,286.95
Bill Pmt -Check	06/27/2018	50321	PG&E		-21,510.26	548,776.69
Check	06/27/2018	DC	AM PM Red Bluff	Fuel for Leslie/Conference	-27.66	548,749.03
Deposit	06/27/2018			UB Pay CC dep	183.70	548,932.73
Bill Pmt -Check	06/28/2018	50322	EAN Services LLC	Leslie car rental CSDA Confe...	-152.84	548,779.89
Bill Pmt -Check	06/28/2018	50323	Industrial Electric	R&R Floats & Breaker	-281.12	548,498.77
Bill Pmt -Check	06/28/2018	50324	NCCS	Cleaning services 400 Church	-315.00	548,183.77
Bill Pmt -Check	06/28/2018	50325	Redi-Rents	Excavator Rental	-422.62	547,761.15
Bill Pmt -Check	06/28/2018	50326	Rogers Machinery	Pump repair	-5,911.46	541,849.69
Bill Pmt -Check	06/28/2018	50328	Sequoia Personnel	T. Cannon WE 6.24.2018	-486.75	541,362.94
Bill Pmt -Check	06/28/2018	50329	Wyckoff Plumbing		-38.58	541,324.36
Deposit	06/28/2018			Water Sewer pmnts	2,456.79	543,781.15
Total 10000 · RCB Checking 8239					-78,730.93	543,781.15
<b>TOTAL</b>					<b>-78,730.93</b>	<b>543,781.15</b>



1:57 PM

07/12/18

Cash Basis

**Scotia Community Services District**  
**Account QuickReport**  
As of June 30, 2018

Type	Date	Num	Name	Memo	Original Amount	Paid Amount	Balance
<b>12000 · RCB Savings 0367</b>							50,028.84
Deposit	01/31/2018			Interest	4.25	4.25	50,033.09
Deposit	02/28/2018			Interest	3.84	3.84	50,036.93
Deposit	03/18/2018			Deposit of Bid...	56,240.00	56,240.00	106,276.93
Deposit	03/31/2018			Interest	6.80	6.80	106,283.73
Deposit	04/30/2018			Interest	10.48	10.48	106,294.21
Deposit	05/31/2018			Interest	12.06	12.06	106,306.27
Deposit	06/30/2018			Interest	13.11	13.11	106,319.38
Total 12000 · RCB Savings 0367						56,290.54	106,319.38
<b>TOTAL</b>						<b>56,290.54</b>	<b>106,319.38</b>

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## Scotia Community Services District

07/12/18

## Account QuickReport

Cash Basis

As of June 30, 2018

Type	Date	Num	Memo	Original Amount	Paid Amount	Balance
<b>12100 · RCB Cust Deposit Savings 0797</b>						2,700.33
Deposit	01/16/2018		221 Mill Street	100.00	100.00	2,800.33
Deposit	01/31/2018		Interest	0.14	0.14	2,800.47
Deposit	02/15/2018		404 Church S...	100.00	100.00	2,900.47
Deposit	02/15/2018		401 Church S...	100.00	100.00	3,000.47
Deposit	02/15/2018		405 Church S...	100.00	100.00	3,100.47
Deposit	02/27/2018		418 Church S...	100.00	100.00	3,200.47
Deposit	02/28/2018		Interest	0.13	0.13	3,200.60
Deposit	03/08/2018		410 Church S...	100.00	100.00	3,300.60
Deposit	03/08/2018		406 Church S...	100.00	100.00	3,400.60
Transfer	03/27/2018		Transf Corner...	100.00	100.00	3,500.60
Deposit	03/27/2018		356 Eddy Street	100.00	100.00	3,600.60
Deposit	03/27/2018		428 Church St.	100.00	100.00	3,700.60
Deposit	03/29/2018		206 Mill Lane ...	100.00	100.00	3,800.60
Deposit	03/31/2018		Interest	0.17	0.17	3,800.77
Deposit	04/05/2018		424 Church S...	100.00	100.00	3,900.77
Deposit	04/06/2018		VOID: Duplicate	0.00	0.00	3,900.77
Deposit	04/20/2018		408 Church S...	100.00	100.00	4,000.77
Deposit	04/20/2018		413 Church S...	100.00	100.00	4,100.77
Deposit	04/30/2018		Interest	0.20	0.20	4,100.97
Deposit	05/30/2018		426 Church D...	100.00	100.00	4,200.97
Deposit	05/31/2018		Interest	0.27	0.27	4,201.24
Deposit	06/20/2018		416 Church St.	100.00	100.00	4,301.24
Deposit	06/28/2018		414 Church S...	100.00	100.00	4,401.24
Deposit	06/30/2018		Interest	0.35	0.35	4,401.59
Total 12100 · RCB Cust Deposit Savings 0797					1,701.26	4,401.59
<b>TOTAL</b>					<b>1,701.26</b>	<b>4,401.59</b>

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07/12/18

Accrual Basis

## Scotia Community Services District

## Account QuickReport

As of June 30, 2018

Type	Date	Num	Name	Memo	Amount	Balance
<b>11000 · RCB CD 0929</b>						50,072.99
Deposit	01/30/2018			Deposit	10.63	50,083.62
Deposit	02/28/2018			Deposit	9.95	50,093.57
Deposit	03/30/2018			March Interes...	10.30	50,103.87
Deposit	04/30/2018			April Interest ...	10.64	50,114.51
Deposit	05/31/2018			Deposit of Int...	10.64	50,125.15
Deposit	06/30/2018			Deposit Intere...	12.36	50,137.51
Total 11000 · RCB CD 0929					64.52	50,137.51
<b>TOTAL</b>					<b>64.52</b>	<b>50,137.51</b>

# **Scotia Community Services District**

## **Staff Report**

DATE: July 19, 2018  
TO: Scotia Community Services District Board of Directors  
FROM: Steve Tyler, Assistant G.M.; Leslie General Manager  
SUBJECT: Consider Approval of Legal Services Agreement Between Scotia Community Services District and Prentice, Long & Epperson for Fiscal Year 2018/2019, General Counsel Services

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### **RECOMMENDATION:**

The Administrative staff recommends that the Board review and approve the Legal Services Agreement (Agreement) between Scotia Community Services District (District) and Prentice, Long & Epperson P.C. (Law Firm) for Fiscal Year 2018/2019, General Counsel Services.

### **ACTION:**

Review, approve, and authorize President Walsh to sign the Agreement between the District and the Law Firm for Fiscal Year 2018/2019, General Counsel Services.

### **DISCUSSION:**

The Board of Directors accepted RFP's from law firms for General Counsel Services at the June 21, 2018 Board meeting. The Board directed administrative staff to develop an Agreement with Prentice, Long & Epperson P.C for the Board's review at the next regularly scheduled Board of Directors Meeting on July 19, 2018.

The Agreement between the District and the Prentice, Long & Epperson P.C. includes the request by the Board for a one (1) year term, beginning on July 19, 2018 and ending on June 30, 2019 and a flat rate of \$1,700.00 per month. Exhibit A, the scope of work, identifies the services to be provided and Exhibit B, includes the compensation schedule and reimbursement expenses.

### **FISCAL IMPACT:**

Flat rate of \$1,700.00 per month (see attached Agreement).

**LEGAL SERVICES AGREEMENT BETWEEN SCOTIA COMMUNITY SERVICES  
DISTRICT AND  
PRENTICE, LONG & EPPERSON FOR GENERAL COUNSEL SERVICES**

THIS AGREEMENT for legal services is entered into by and between the Scotia Community Services District (hereinafter referred to as "District") and PRENTICE, LONG & EPPERSON P.C. (hereinafter referred to as "Law Firm"), as of (the "Effective Date") through.

**SECTION 1. SERVICES.** Subject to the terms and conditions set forth in this Agreement, Law Firm shall provide to District the services described in the Scope of Work attached hereto and incorporated herein as Exhibit A/B at the time and place and in the manner specified therein. In the event of a conflict in or inconsistency between the terms of this Agreement and Exhibit A/B, the Agreement shall prevail.

**1.1 Term of Services.** The term of this Agreement shall begin on July 19, 2018 and end on June 30, 2019.

**1.2 Standard of Performance.** Law Firm shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which Law Firm is engaged in the geographical area in which Law Firm practices its profession. Law Firm shall prepare all work products required by this Agreement in a substantial, first-class manner and shall conform to the standards of quality normally observed by a person practicing in Law Firm's profession.

**1.3 Assignment of Personnel.** Law Firm shall assign only competent personnel to perform services pursuant to this Agreement. Margaret Long will be assigned as General Counsel.

**1.4 Time.** Law Firm shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance provided in Section 1.2 above and to satisfy Law Firm's obligations hereunder. It is anticipated that the assigned County Counsel or his designee shall attend all regular Board of Supervisors meetings and regular office hours two days a week. County Counsel shall attend or designate counsel to attend Board of Equalization and Planning Commission meetings as necessary.

**SECTION 2. COMPENSATION.** Notwithstanding any contrary indications that may be contained in Law Firm's proposal, District agrees to pay Law Firm in accordance with the Compensation Schedule provided in Exhibit B for services to be performed and reimbursable costs incurred under this Agreement. In the event of a conflict between this Agreement and Law Firm's proposal regarding the amount of compensation, the Agreement shall prevail. District shall pay Law Firm for services rendered pursuant to this Agreement at the time and in the manner set forth herein. The payments specified below shall be the only payments from District to Law Firm for services rendered pursuant to this Agreement. Law Firm shall submit all invoices to District in the manner specified herein.

**2.1 Invoices.** Law Firm shall submit invoices not more often than once a month during the term of this Agreement (unless requested otherwise by District), based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information:

- The beginning and ending dates of the billing period;
- A Task Summary containing the amount of any prior billings, the total due for the period being billed for, and any outstanding sums remaining unpaid; and
- The applicable time entries showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense.

**2.2 Monthly Payment.** District shall make monthly payments, based on invoices received, for services satisfactorily performed and for authorized reimbursable costs incurred. District shall have thirty (30) days from receipt of an invoice to pay Law Firm.

**2.3 Reimbursable Expenses.** Reimbursable expenses are specified in Exhibit B, and expenses not listed in Exhibit B are not chargeable to District.

**2.4 Payment of Taxes.** Law Firm is solely responsible for the payment of employment taxes incurred under this Agreement and any similar federal or state taxes.

**2.5 Payment upon Termination.** In the event that District or Law Firm terminates this Agreement pursuant to Section 7 of this Agreement, District shall compensate the Law Firm for all outstanding costs and reimbursable expenses incurred for work satisfactorily completed as of the date of written notice of termination. Law Firm shall maintain adequate logs and timesheets in order to verify costs incurred to that date.

**2.6 Authorization to Perform Services.** Law Firm is not authorized to perform any services or incur any costs whatsoever under the terms of this Agreement until receipt of authorization from District.

**SECTION 3. FACILITIES AND EQUIPMENT.** Except as set forth herein, Law Firm shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the services required by this Agreement. District shall make available to Law Firm only the facilities and equipment listed in this section, and only under the terms and conditions set forth herein.

District shall furnish physical facilities such as desks, filing cabinets, and conference space, as may be reasonably necessary for Law Firm's use while consulting with District employees and reviewing records and the information in possession of District. The location, quantity, and time of furnishing those facilities shall be in the sole discretion of District. In no event shall District be obligated to furnish any facility that may involve incurring any direct expense, including but not limited to computer, long-distance telephone or other communication charges, vehicles, and reproduction facilities.

#### **SECTION 4. INSURANCE REQUIREMENTS.**

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$1,000,000** per occurrence. If a general aggregate limit applies,

either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

2. **Automobile Liability:** Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if Consultant has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than **\$1,000,000** per accident for bodily injury and property damage.
3. **Workers' Compensation** insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease.
4. **Professional Liability** (Errors and Omissions) Insurance appropriate to the Consultant's profession, with limit no less than **\$1,000,000** per occurrence or claim, \$2,000,000 aggregate.

If the Consultant maintains broader coverage and/or higher limits than the minimums shown above, the Entity requires and shall be entitled to the broader coverage and/or higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Entity.

#### **Other Insurance Provisions**

**The insurance policies are to contain, or be endorsed to contain, the following provisions:**

##### ***Additional Insured Status***

**The Entity, its officers, officials, employees, and volunteers are to be covered as additional insureds** on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Consultant's insurance (at least as broad as ISO Form CG 20 10 11 85 or **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 forms if later revisions used).

##### ***Primary Coverage***

For any claims related to this contract, the **Consultant's insurance coverage shall be primary** insurance primary coverage at least as broad as ISO CG 20 01 04 13 as respects the Entity, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

##### ***Notice of Cancellation***

Each insurance policy required above shall state that **coverage shall not be canceled, except with notice to the Entity.**

##### ***Waiver of Subrogation***

Consultant hereby grants to Entity a waiver of any right to subrogation which any insurer of said Consultant may acquire against the Entity by virtue of the payment of any loss under such insurance. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the Entity has received a waiver of subrogation endorsement from the insurer.

### ***Self-Insured Retentions***

Self-insured retentions must be declared to and approved by the Entity. The Entity may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or Entity.

### ***Acceptability of Insurers***

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the Entity.

### ***Claims Made Policies***

If any of the required policies provide coverage on a claims-made basis:

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided ***for at least five (5) years after completion of the contract of work.***
3. If coverage is canceled or non-renewed, and not ***replaced with another claims-made policy form with a Retroactive Date*** prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of ***five (5)*** years after completion of contract work.

### ***Verification of Coverage***

Consultant shall furnish the Entity with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the Entity before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The Entity reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

### ***Subcontractors***

Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that Entity is an additional insured on insurance required from subcontractors.

### ***Special Risks or Circumstances***

Entity reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

### ***Indemnity***

Contractor shall hold harmless, defend and indemnify Entity and its officers, officials, employees and volunteers from and against any and all liability, loss, damage, expense, costs in connection with Contractor's direct negligence in the performance of work hereunder or its failure to comply with any of its obligations contained in the agreement, except such loss or damage which was caused by the sole negligence or willful misconduct of the Entity.



## **SECTION 5. STATUS OF LAW FIRM.**

**5.1 Independent Contractor.** At all times during the term of this Agreement, Law Firm shall be an independent contractor and shall not be an employee of District. District shall have the right to control Law Firm only insofar as the results of Law Firm's services rendered pursuant to this Agreement and assignment of personnel pursuant to Subparagraph 1.3; however, District shall otherwise not have the right to control the means by which Law Firm accomplishes services rendered pursuant to this Agreement. Notwithstanding any other District, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Law Firm – and any of its employees, agents, and subcontractors providing services under this Agreement – shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by District, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of District, and entitlement to any contribution to be paid by District for employer contributions and/or employee contributions for PERS benefits.

**5.2 Law Firm Not Agent.** Except as District may specify in writing or as provided by law, Law Firm shall have no authority, express or implied, to act on behalf of District in any capacity whatsoever as an agent. Law Firm shall have no authority, express or implied, pursuant to this Agreement to bind District to any obligation whatsoever.

## **SECTION 6. LEGAL REQUIREMENTS.**

**6.1 Governing Law.** The laws of the State of California shall govern this Agreement.

**6.2 Compliance with Applicable Laws.** Law Firm and any subcontractors shall comply with all laws applicable to the performance of the work hereunder.

**6.3 Other Governmental Regulations.** To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, Law Firm and any subcontractors shall comply with all applicable rules and regulations to which District is bound by the terms of such fiscal assistance program.

**6.4 Licenses and Permits.** Law Firm represents and warrants to District that Law Firm and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature legally required to practice their respective professions. Law Firm represents and warrants to District that Law Firm and its employees, agents, any subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals legally required to practice their respective professions. In addition to the foregoing, Law Firm and any subcontractors shall obtain and maintain during the term of this Agreement any required business licenses from District.

**6.5 Nondiscrimination and Equal Opportunity.** Law Firm shall not discriminate, on the basis of a person's race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided by Law Firm under this Agreement. Law Firm shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement.

## **SECTION 7. TERMINATION AND MODIFICATION.**

**7.1 Termination.** District or Law Firm may cancel this Agreement upon sixty (60) days' written notice.

In the event of termination, Law Firm shall be entitled to compensation for services performed to the effective date of termination; District, however, may condition payment of such compensation upon Law Firm delivering to District copies of any or all reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Law Firm prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder. Originals of attorney work product shall remain the property of Law Firm.

**7.2 Amendments.** The parties may amend this Agreement only by a writing signed by all the parties.

**7.3 Assignment and Subcontracting.** District and Law Firm recognize and agree that this Agreement contemplates personal performance by Law Firm and is based upon a determination of Law Firm's unique personal competence, experience, and specialized personal knowledge. Moreover, a substantial inducement to District for entering into this Agreement was and is the professional reputation and competence of Law Firm. Law Firm may not assign this Agreement or any interest therein without the prior written approval of the Contract Administrator. Law Firm shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors noted in the proposal, without prior written approval of the Contract Administrator.

**7.4 Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between District and Law Firm shall survive the termination of this Agreement.

**7.5 Options Upon Breach by Law Firm.** If Law Firm materially breaches any of the terms of this Agreement, District's remedies shall include but not be limited to the following:

- 7.5.1** Immediate termination of the Agreement;
- 7.5.2** Retention of the plans, reports, documents, and any other work product prepared by Law Firm pursuant to this Agreement; and/or
- 7.5.3** Retention of a different law firm to complete any work described in Exhibit A remaining unfinished by Law Firm.

## **SECTION 8. KEEPING AND STATUS OF RECORDS.**

**8.1 Records Created as Part of Law Firm's Performance.** Law Firm hereby agrees to deliver copies of all reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Law Firm prepares or obtains pursuant to this Agreement to District upon termination of the Agreement. It is understood and agreed that the documents and other materials, including but not limited to those described above, prepared pursuant to this Agreement are prepared specifically for District and are not necessarily suitable for any future or other use. District and Law Firm agree that, until final approval by District, all data, plans,

specifications, reports and other documents are confidential and will not be released to third parties without prior written consent of both parties.

**8.2 Law Firm's Books and Records.** Law Firm shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to District under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Law Firm pursuant to this Agreement.

**8.3 Inspection and Audit of Records.** Any records or documents that Section 9.2 of this Agreement requires Law Firm to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of District.

## **SECTION 9. MISCELLANEOUS PROVISIONS.**

**9.1 Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.

**9.2 Venue.** In the event that either party brings any action against the other under this Agreement, the parties agree that trial of such action shall be vested exclusively in the Superior Court for the County of District.

**9.3 Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

**9.4 No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

**9.5 Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the parties.

**9.6 Conflict of Interest.** Law Firm may serve other clients, but none whose activities within the corporate limits of District or whose business, regardless of location, would place Law Firm in a "conflict of interest," as that term is defined in the rules of professional responsibility governing Law Firm's profession, unless such conflict may be waived by District and District chooses to waive such conflict in writing.

Law Firm shall not employ any District official in the work performed pursuant to this Agreement. No officer or employee of District shall have any financial interest in this Agreement that would violate California Government Code section 1090 *et seq.*

Law Firm hereby warrants that it is not now, nor has it been in the previous twelve (12) months, an employee, agent, appointee, or official of District. If Law Firm were an employee, agent, appointee, or official of District in the previous 12 months, Law Firm warrants

that it did not participate in any manner in the forming of this Agreement. Law Firm understands that, if this Agreement is made in violation of Government Code section 1090 *et seq.*, the entire Agreement is void and Law Firm will not be entitled to any compensation for services performed pursuant to this Agreement, including reimbursement of expenses, and Law Firm will be required to reimburse District for any sums paid to the Law Firm. Law Firm understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code section 1090 and, if applicable, will be disqualified from holding public office in the State of California.

**9.8 Solicitation.** Law Firm agrees not to solicit business at any meeting, focus group, or interview related to this Agreement, either orally or through any written materials.

**9.9 Notices.**

Any written notice to Law Firm shall be sent to:

Prentice Long & Epperson P.C.  
Attn Margaret Long  
2240 Court Street  
Redding, CA 96001

Any written notice to District shall be sent to:

Scotia Community Service District  
Leslie Maeshall, General Manager  
P.O. Box 104  
Scotia, CA 95565

**9.10 Integration.** This Agreement, including attachments, represents the entire and integrated agreement between District and Law Firm and supersedes all prior negotiations, representations, or agreements, either written or oral.

**9.11 Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

**9.12 Authorized Signature.** Each person and party signing this Agreement warrants that he/she has the authority to execute this Agreement on behalf of the principal and that the party will be bound by such signature.

The parties have executed this Agreement as of the Effective Date.

**DISTRICT**

Scotia CSD

**LAW FIRM**

Prentice Long & Epperson P.C.

By: \_\_\_\_\_

By: \_\_\_\_\_  
Margaret Long

## **EXHIBIT A**

### **SCOPE OF WORK**

The following services shall be provided under this Agreement:

#### **DISTRICT SERVICES**

Law Firm shall provide the following services to District including, but not necessarily limited to, the following:

- Perform General Counsel services as requested, including attendance at all Board of Directors' meetings (unless excused) and attendance at office hours as scheduled from time to time. Firm shall keep the District Manager apprised of attendance schedule. General Counsel shall ensure compliance, provide timely and accurate responses to legal questions, and otherwise perform in accordance with the needs of the District and its, Board of Directors and department heads. General Counsel shall also assist Personnel and Risk Management in the performance of his/her duties as necessary to ensure operational integrity of the District.

## **EXHIBIT B**

### **COMPENSATION SCHEDULE AND REIMBURSABLE EXPENSES**

#### **DISTRICT SERVICES**

Law Firm shall provide advice and representation to the District as set forth in Exhibit A at a flat monthly rate of \$1,700.

#### **COMPENSATION SCHEDULE:**

Law Firm is available to provide litigation services, upon approval of the Board, at the following rate:

Attorney Rate – Litigation: \$215.00/hour

#### **REIMBURSABLE EXPENSES:**

In-house duplication costs (50 copies or more) \$0.10/page

Reproduction/duplication costs performed by an outside service Actual Cost

Vehicle travel (non-standard trips originating from District offices) Applicable IRS rate per mile  
x number of miles

Extraordinary postage or overnight delivery charges (e.g., FedEx, OnTrac, UPS) Actual Cost

Fax transmissions (incoming and outgoing) \$.50 per page

Court filing fees Actual Cost

Attorney services (includes service of process fees, arbitrators, and mediators) Actual Cost

Messenger services Actual Cost

Data analysis subscription fees associated with CaseLogistix or related software Prorated so District would pay its proportionate share

Extraordinary postage or overnight delivery charges (e.g., FedEx, OnTrac, UPS) Actual Cost

Reasonable travel expenses (mileage/hotel) IRS rate per mile  
Government rate

Parking and toll fees Actual Cost

Duplication/reproduction fees (for 50 copies or more) Actual Cost if performed by outside service;  
\$0.10 if performed in-house

Any other expense not listed above that becomes necessary for the successful resolution of a client matter Actual Cost

## **Scotia Community Services District Staff Report**

DATE: July 19, 2018  
TO: Scotia CSD Board of Directors  
FROM: Leslie Marshall, General Manager  
SUBJECT: Mutual Secondment Agreement Between Loleta Community Services District and Scotia Community Services District

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### **RECOMMENDATION:**

Staff recommends the Board of Directors consider and adopt the Mutual Secondment Agreement Between Loleta Community Services District (LCSD) and Scotia Community Services District (SCSD), *pending legal counsel approval*.

### **ACTION:**

Adopt the Mutual Secondment Agreement Between Loleta Community Services District and Scotia Community Services District, *pending legal counsel approval*.

### **DISCUSSION:**

This Mutual Secondment Agreement will allow for a Mutual Aide arrangement for licensed Water and Wastewater staffing between the two Districts. This will provide coverage for hired staff for weekends, vacations, as well as coverage for licensing requirements for staff seeking their wastewater licenses. Mutual Aide hours are limited to 20 hours per month (before GM approval for extra hours).

**FISCAL IMPACT:** Approximately \$750 per month for 20 hours per month, depending on fully burdened rate.

# MUTUAL SECONDMENT AGREEMENT BETWEEN LOLETA COMMUNITY SERVICES DISTRICT AND SCOTIA COMMUNITY SERVICES DISTRICT

**THIS SECONDMENT AGREEMENT** (the "Agreement") is made as of the date last set forth below, **BETWEEN:**  
Loleta Community Services District ("LCSD") and Scotia Community Services District ("SCSD").

**WHEREAS**, Employers have agreed to make available the services of employees (as defined below) each to the other based on regulatory, operational, and emergency conditions. The Services (as defined below) will be provided on the terms and conditions set forth in this Agreement.

**NOW, THEREFORE**, in consideration of the promises and of the mutual covenants hereinafter set forth, the parties do hereby agree as follows:

## 1. INTERPRETATION

In this Agreement the following words and expressions have the meanings respectively set opposite them:

- 1.1 "Commencement Date" means \_\_\_\_\_;
- 1.2 "Employee" means Owen (Kevin) Farmer, employee of SCSD, and/or David Rodrigues, employee of LCSD;
- 1.3 "Host" means District where, or for whom, services are performed.
- 1.4 "Services" is work performed relating to operations of wastewater or water treatment, distribution, and collection.

## 2. OBLIGATIONS OF THE PARTIES

### 2.1 Employer

2.1.1 With effect from the Commencement Date, Employer shall second the Employee to the Host to perform the Services.

2.2.1 Without prejudice to clause 2.1, Employer will at all times during the Agreement:

- 2.2.1.1 permit the Employee to perform any lawful activities and duties, and possess authorities, requested by the Host (collectively, the "Services");
- 2.2.1.2 continue to pay to the Employee his full wages and other benefits, including but not limited to reasonable periods of paid leave in accordance with Employer's policies;
- 2.2.1.3 comply with all applicable statutes, laws or regulations concerning the employment of the Employee; and
- 2.2.1.4 Maintain all necessary insurance coverage in respect of any liability to or on behalf of the Employee as is generally provided to all other employees of Employer.

2.2.3 Employer shall make written request of payment from the Host for services rendered on a per hourly basis. Request shall include documentation of hours worked.

2.2.4 The hourly rate of services for Owen "Kevin" Farmer shall be \_\_\_\_\_.

2.2.5 The hourly rate for David Rodrigues shall be \_\_\_\_\_.

2.2.6 Over-time hours shall be paid with prior approval from host General Manager.

2.2.7 On-call shifts shall be a 2-hour minimum shift.

2.2.8 Employer shall notify Host in writing of any changes to these hourly rates. Provided that notice is provided prior to work being performed, such changes shall not require a counter-signature to be



incorporated into this agreement.

2.2.9 Employer may also request written reimbursement for other expenses incurred by Employer and authorized by Host as part of services. These requests shall document items or expenses.

## **2.3 Host**

2.3.1 Host agrees to notify Employer of all work requested.

2.3.2 The Host agrees that the Services provided by the Employee shall be under the sole direction and control of the Host. The Employee shall be considered an agent of the Host and not of Employer in connection with performance. The Employee shall have no authority to enter into any written agreement on behalf of Employer.

2.3.3 Host agrees to reimburse Employer for hourly services rendered by employee.

2.3.4 Host agrees to reimburse Employer for those expenses incurred by Employer in connection with Employee performing services at the request of and for the benefit of Host.

2.3.5 Monthly hour limit shall not exceed 20 hours without prior approval from each General Manager.

## **3. TERM AND TERMINATION**

3.1 This Agreement shall commence on the Commencement Date and, subject to the remaining terms of this Agreement, shall terminate immediately upon **[date]**. This Agreement may also be terminated upon the earliest of:

(a) the expiration of the seven (7) day period following delivery of a written termination notice by the Host to Employer, or

(b) the termination of the Employee's employment with Employer for any reason.

## **4. RELATIONSHIP BETWEEN THE PARTIES**

4.1 Employer and the Host agree that employees will at all times remain an employee of Employer notwithstanding his secondment to the Host.

4.2 The secondment arrangement provided for under this Agreement is conditional on the Employee possessing at all times water and/or wastewater operator certification necessary to their assigned tasks.

4.3 Nothing in this Agreement constitutes a partnership between Districts or constitutes either as agent of the other for any purpose whatsoever. Neither District will have authority or power to bind the other, to act as agent of the other, or to contract in the name of or create liability against the other in any way or for any purpose save as expressly authorized in writing by the other from time to time.

## **5. CONFIDENTIALITY**

5.1 Employer agrees that during the course of providing his services to the Host, the Employee may have access to Host and Employer confidential information and understands that such information is to remain confidential to the Host and Employer;

## **6. OBLIGATIONS FOLLOWING TERMINATION**

6.1 On termination of this Agreement, however arising, Employer shall use all reasonable endeavors to procure that the Employee shall deliver to the Host all documents whether on paper, computer disc, or other format acquired by him pursuant this Agreement and relating to the affairs of the Host. Deliver to the Host any tools, equipment, or other property of the Host which is in his possession, custody, care or control;

6.2 The parties will cooperate on all issues relating to the termination of Employee's secondment.

## **7. INSURANCE AND WORKERS COMPENSATION**

- 7.1 Each party agrees to carry appropriate and sufficient insurance coverage, including workers compensation insurance for each employee covered under this agreement.

## **8. INDEMNITY**

- 8.1 Each party agrees to fully indemnify and keep fully indemnified the other party on demand against all actions, claims, costs, liabilities and losses that are made, suffered or incurred as a consequence of or which relate to or arise directly or indirectly from the other party's failure to perform its obligations hereunder.

## **9. ENTIRE AGREEMENT AND VARIATION OF TERMS**

- 9.1 This Agreement contains the entire agreement and understanding of the parties and supersedes all prior agreements, understandings or arrangements (both oral and written) relating to the subject matter of this Agreement.
- 9.2 No variation, supplement, deletion or replacement of or from this Agreement or any of its terms will be effective unless made in writing and signed by or on behalf of each party.

## **10. ASSIGNMENT**

- 10.1 No party may assign, transfer or sub-contract all or any of its rights or obligations under this Agreement without the prior written consent of the other. This Agreement will inure to the benefit of and bind the respective successors and permitted assigns of the parties.

## **11. SEVERABILITY**

- 11.1 If any provision of this Agreement is invalid, illegal or unenforceable, that provision will, to the extent possible, be modified in such manner as to be valid, legal and enforceable but so as to most nearly retain the intent of the parties hereto as expressed herein. If such a modification is not possible, the parties hereto shall negotiate in good faith a modification of such provision that reflects as closely as possible the economic purpose of the invalid, illegal or unenforceable provision. If no agreement with respect to such modification is reached, the invalid, illegal or unenforceable provision will be severed from this Agreement. In any case, the validity, legality and enforceability of the remaining provisions of this Agreement will not in any way be affected or impaired thereby for so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party.

## **12. NOTICES**

- 12.1 Any notice given under this Agreement will be in writing and signed by or on behalf of the party giving it and will be served by delivering it personally or sending it by overnight mail to the registered office of the relevant party for the time being, or by sending it by email to email address notified by the relevant party to the other party. Any such notice will be deemed to have been received:
- (a) if delivered personally, at the time of delivery;
  - (b) in the case of overnight mail, 48 hours from the date of posting; and in the case of email, at the time of transmission.

## **13. COUNTERPARTS**

13.1 This Agreement may be executed in separate counterparts, which may be delivered by electronic mail in PDF or other electronic format, and each of which will be deemed an original and all of which together will constitute one and the same agreement. To signify their assent to the terms of this Agreement, the parties have executed this Agreement on the dates set forth under their signatures, which appear below.

**Loleta Community Services District**

Name (print) \_\_\_\_\_ Title \_\_\_\_\_

Signature \_\_\_\_\_ Dated \_\_\_\_\_

**Scotia Community Services District**

Name (print) \_\_\_\_\_ Title \_\_\_\_\_

Signature \_\_\_\_\_ Dated \_\_\_\_\_

Acknowledged By : David Rodrigues \_\_\_\_\_ Date \_\_\_\_\_

Acknowledged By : Kevin Farmer \_\_\_\_\_ Date \_\_\_\_\_

# Scotia Community Services District

## Staff Report

DATE: July 19, 2018  
TO: Scotia Community Services District Board of Directors  
FROM: Leslie Marshall, General Manager and Steve Tyler, Assistant General Manager  
SUBJECT: Irrevocable Offer of Dedication and Grant of Easement Deed for Scotia Subdivision Phase 2

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### **RECOMMENDATION:**

The Administrative staff recommends that the Board consider approving the Irrevocable Offer of Dedication and Grant of Easement Deed for Scotia Subdivision Phase 2.

### **ACTION:**

Approve the attached Irrevocable Offer of Dedication and Grant of Easement Deed for Scotia Subdivision Phase 2 and authorize Rick Walsh, President of the Board to sign the Agreement.

### **DISCUSSION:**

The Irrevocable Offer of Dedication and Grant of Easement Deed for Scotia Subdivision Phase 2 transfers Phase 2 linear infrastructure assets from TOS to SCSD including:

- Water Treatment Distribution System Infrastructure,
- Wastewater Treatment Collection System Infrastructure,
- Storm Drainage Infrastructure.

The Agreement includes exhibits which will be added upon recordation of final map.

The Phase 1 Irrevocable Offer of Dedication and Grant of Easement Deed was adopted as Exhibit G of the Town of Scotia and Scotia Community Services District Asset Transfer Agreement. This Irrevocable Offer of Dedication and Grant of Easement Deed for Scotia Subdivision Phase 2 is based on the Phase 1 Offer and has been approved by legal counsel.

### **FISCAL IMPACT:**

SCSD will take on responsibility for all Phase 2 infrastructure (which is built into the current rate structure) and all associated costs after final map recordation and transfer of assets.

**RECORDING REQUESTED BY:**

Town of Scotia Company, LLC  
PO BOX 245  
Scotia, CA 95565

**When Recorded Mail Document  
and Tax Statement To:**

Scotia Community Services District  
PO BOX 104  
Scotia, CA 95565

**Government Agency Acquiring Title**

RNT SECTION 11922

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SPACE ABOVE THIS LINE FOR RECORDER'S USE

**IRREVOCABLE OFFER OF DEDICATION  
AND GRANT OF EASEMENT DEED**

☒ This transfer is exempt from the documentary transfer tax.

**“The grantee is the United States or an agency or instrumentality thereof, a state or territory, or political subdivision thereof, R & T 11922.”**

THIS IRREVOCABLE OFFER OF DEDICATION AND GRANT DEED OF EASEMENT (this “Deed”) is made effective as of \_\_\_\_\_, 2018 (the “Effective Date”), by and between TOWN OF SCOTIA COMPANY, LLC, a Delaware limited liability company ("Grantor"), and the SCOTIA COMMUNITY SERVICES DISTRICT, a California Community Services District formed pursuant to California Government Code §§ 61000, et seq. ("Grantee").

**Recitals**

A. WHEREAS, Grantor is the 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.

B. WHEREAS, on or about October 13, 2010, the Humboldt County Local Agency Formation Commission (“LAFCo”) entered Resolution No. 10-09, making determinations and approving formation of the Scotia Community Services District.

C. WHEREAS, to satisfy conditions of approval imposed by LAFCO, on or about March 17, 2014, Grantor pledged that certain Covenant and Agreement to Dedicate Property and Convey Other Assets to Grantee, including certain infrastructure for water

and wastewater lines, pipes, distribution, and collection systems, streets and street lighting.

D. WHEREAS, the Grantee was formed pursuant to a Certificate of Completion recorded by LAFCo on March 17, 2014, for the purpose of providing water, wastewater service, stormwater drainage, fire protection, parks and recreation, streets and street lighting services to the Town of Scotia and its residents.

E. WHEREAS, on or about January 21, 2016, the Grantee adopted Resolution No. 2016-3, resolving to accept the dedicated property, without cost, pursuant to the terms and conditions of a transition agreement to be negotiated with Grantor.

F. WHEREAS, pursuant to a that certain TOWN OF SCOTIA AND SCOTIA COMMUNITY SERVICES DISTRICT ASSET TRANSFER AGREEMENT (“Asset Transfer Agreement”), made effective April 27, 2017, between Grantor and Grantee, Grantor agreed to irrevocably dedicate and Grantee agreed to accept (1) that certain real property (and appurtenant easements and improvements thereto) as more particularly described in Section 2 of the Asset Transfer Agreement; (2) that certain personal property as more particularly described in Section 3 of the Asset Transfer Agreement; (3) that certain linear infrastructure as more particularly described in Section 4 of the Asset Transfer Agreement; and (5) that certain Wastewater Treatment Plant and Water Treatment Plant as more particularly described in Section 4.4 of the Asset Transfer Agreement.

G. WHEREAS, pursuant to the Asset Transfer Agreement, Grantor is obligated to dedicate certain linear infrastructure and to grant to Grantee an easement over Grantor’s real property to locate, use, improve, maintain, operate, and repair said linear infrastructure, as more particularly described in Section 4 of the Asset Transfer Agreement.

H. WHEREAS, pursuant to the Asset Transfer Agreement, the dedication of the linear infrastructure and the grant of easement shall occur in phases, as more particularly described in Section 4.1 of the Asset Transfer Agreement.

I. WHEREAS, on or about April 27, 2017 Grantor and Grantee entered that certain agreement titled Irrevocable Offer of Dedication and Grant of Easement Deed which conveyed to Grantee all appropriate right, title and interest in the Infrastructure, including for use of access to same in Scotia Subdivision Phase 1 as provided in the Asset Transfer Agreement.

J. WHEREAS, by this Deed Grantor offers to dedicate to Grantee and Grantee accepts that certain linear infrastructure in Scotia Subdivision, Phase 2, as more particularly identified below, and Grantor grants to Grantee and Grantee accepts that

certain Phase 2 easement more particularly identified below, each upon the terms and conditions set forth in this Deed.

### **Agreement**

NOW, THEREFORE, in consideration of the above Recitals and the mutual covenants, terms, conditions, and restrictions contained herein, and for the consideration recited in that certain Asset Transfer Agreement, executed by Grantor and Grantee on April 27, 2017, and other good and valuable consideration, receipt and sufficiency of which are both hereby acknowledged, Grantor and Grantee (individually, a “Party,” and collectively, the “Parties”) agree as follows:

#### **1. Dedication of Linear Infrastructure in Phase 2 of the Subdivision.**

Grantor hereby irrevocably offers to dedicate and Grantee hereby accepts all such Phase 2 linear infrastructure, including certain infrastructure for water and wastewater lines, pipes, distribution, and collection systems, non-county streets and alleyways, and street lighting, all within the area described as set forth in the Phase 2 legal description attached hereto as **Exhibit A (“Legal Description”)** [Note recording data to be inserted upon recording] **Exhibit A1 (“Non-County Streets and Alleyways”)** depicts excerpts of the Record Drawings or “As-Built” Development Plan for Phase 2.

**1.1. As-Is Condition.** Grantee acknowledges and agrees that Grantee has fully inspected and approved the Linear Infrastructure in Phase 2 of the Subdivision, and it is dedicated to, and accepted by Grantee, in an “as is” condition with all faults. Grantee has investigated and has knowledge of operative or proposed governmental laws and regulations (including, but not limited to, zoning, environmental and land use laws and regulations) to which the Linear Infrastructure is or may be subject and accepts the Linear Infrastructure solely upon the basis of its review and determination of the applicability and effect of such laws and regulations. Grantee acknowledges that it is accepting the Linear Infrastructure on the basis of Grantee's own investigation of the physical, operational, and environmental conditions of the Linear Infrastructure, including subsurface conditions, and Grantee assumes the risk that adverse physical, operational, and environmental conditions may not have been revealed by its own investigation.

**1.2. No Representations or Warranties.** Except for those limited representations and warranties pledged by Grantor in Section 6.7 of the Asset Transfer Agreement, Grantee further acknowledges that Grantor, its agents and employees and other persons acting on behalf of Grantor have made no representation or warranty of any kind in connection with any matter relating to the condition, functionality, operational capacity, value, fitness, or zoning of the

Linear Infrastructure upon which Grantee has relied, or is relying upon, directly or indirectly for any purpose.

**1.3. Release of Liability.** Except for any claims, actions, causes of action, demands, rights, damages, costs or expenses arising out of Grantor's use of the reserve easement and license recited in Section 2.8 of this Deed, below, Grantee hereby waives, releases, remises, acquits and forever discharges Grantor, Grantor's employees, agents, or any other person acting on behalf of Grantor, of and from any claims, actions, causes of action, demands, rights, damages, costs, expenses or compensation whatsoever, direct or indirect, known or unknown, foreseen or unforeseen, which Grantee now has or which may arise in the future on the account of or in any way growing out of or connected with the Linear Infrastructure, including without limitation its physical condition, functionality or operational capacity of the Linear Infrastructure, or any law or regulation applicable thereto. It is the intention of this paragraph that any and all responsibilities and obligations of Grantor, and any and all rights or claims of Grantee, its successors and assigns and affiliated entities, arising by virtue of the physical or environmental condition of the Linear Infrastructure are by this release provision declared null and void and of no present or future effect as to such parties. Grantee agrees to waive the benefits of Section 1542 of the California Civil Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

**1.4. Indemnity.** Except for any claims, actions, causes of action, demands, rights, damages, costs or expenses arising out of Grantor's use of the reserve easement and license recited in Section 2.8 and the indemnity obligation pledged by Grantor pursuant to Section 2.8(a) of this Deed, below, Grantee acknowledges and agrees that Sections 4.1 and 10 of the Asset Transfer Agreement contains certain "as is", release, covenant not to sue or complain, and/or indemnity covenants and agreements pertaining to the condition of the Linear Infrastructure made by Grantee on behalf of Grantee, Grantee's successors, successors in title and assigns to Grantor, on behalf of Grantor, and its and their directors, officers, members, employees, agents, and other persons acting on behalf of Grantor.



**1.5. Maintenance and Operation Costs.** It is expressly understood and agreed that Grantor shall have no obligation to share in the cost and expense of maintaining and operating the Linear Infrastructure, or any portion thereof, and that any such costs and expense shall be Grantee's sole and exclusive responsibility.

**2. Grant of Non-Exclusive Easement.** Grantor hereby voluntarily and irrevocably grants to Grantee, and Grantee hereby accepts, for the purposes set forth herein, a non-exclusive easement over and across those specific portions of Grantor's real property described in the legal description appended hereto as **Exhibit A ("Phase 2 Easement Area")** and for those purposes operating, keeping and maintaining the Linear Infrastructure as further described in paragraphs 2.1 and 2.3, below.

**2.1. Easement Purposes.** "Easement Purposes" collectively means use of the Phase 2 Easement Area as is necessary, desirable or advisable for the following purposes: locating, routing, installation, use, maintenance, service, repair, and operation of the Linear Infrastructure and all rights corresponding or incidental thereto.

**2.2. Character of Easement.** The Easement is nonexclusive and appurtenant to Grantor's real property and includes the absolute right of Grantee to use the Phase 2 Easement Area for the Easement Purposes, which use must not be disturbed, interrupted or impeded in any manner while this Agreement is in effect.

**2.3. Rights Reserved by Grantor.** All rights and interests not specifically conveyed herein shall remain with Grantor, including, without limitation, the reserve easement and license recited in Section 2.8 of this Deed, below, and the right to sell, lease, encumber and mortgage the Grantor's real property, or any portion of it including, without limitation, those areas encumbered by this Deed; except that any such conveyance shall be subject to the terms and conditions of this Deed and continuation of the Easement granted hereunder.

**2.4. Subsequent Transfers.**

- (a) Grantor agrees to incorporate the terms of this Deed in any deed or other legal instrument by which it divests itself of any interest in all or a portion of Grantor's property adjacent to the Easement Area, including, without limitation, a security or leasehold interest, and to provide Grantee with written notice of the transfer of any interest in all or a portion of Grantor's property adjacent to the Easement (including copies of any recorded transfer documents) no later than twenty (20)

days after the date of such transfer. The failure of Grantor to perform any act required by this paragraph shall not impair the validity of this Deed or limit its enforceability in any way.

- (b) Grantor shall not grant any additional easements, rights of way or other interests in the Easement Area (other than a security interest that pre-exists or is subordinate to this Deed), if the proposed grant could reasonably be expected to be inconsistent with the Easement Purpose.

**2.5. Amendment.** If circumstances arise under which an amendment to or modification of this Deed would be appropriate, Grantor and Grantee are free to jointly amend this Deed in writing signed by the Parties. All amendments shall be recorded in the Official Records of Humboldt County, California (the "Records") and any other jurisdiction in which such recording is required.

**2.6. Notices.** Any notice that either party may or is required to give, may be given by mailing the notice, postage prepaid, to Grantor or to Grantee at the address shown set forth in Section 26 of the Asset Transfer Agreement.

**2.7. Indemnification.** Except for the limited exceptions to Grantee's obligation to release, indemnify and defend Grantor created by Sections 10.1 and 10.2 of the Asset Transfer Agreement and as stated in Section 2.8(a) of this Deed, below, Grantee agrees to reimburse, release and hold harmless, indemnify, save, protect, and defend Grantor from, for and against all liabilities, penalties, costs, losses, damages, expenses, causes of action, claims, demands, or judgments, including, without limitation, reasonable attorneys' fees, arising from or in any way connected with:

- (a) Physical damage to the Easement Area or Grantor's property adjacent to the Easement Area or other lands of Grantor resulting from any act, omission, use, condition, or other matter related to or occurring on or about the Easement Area, including (without limitation) all acts, omissions, conditions, uses or other matters related to the Easement Area arising out of any act or omission of Grantee, Grantee's agent or employee, or any other person acting on Grantee's behalf, except to the extent directly caused by the negligent acts or omissions of Grantor;
- (b) Injury or damage to any person or property resulting from any act, omission, use, condition, or other matter related to or occurring on or about the Easement Area or Grantor's

property adjacent to the Easement Area or other lands of Grantor, including (without limitation) all injuries or damage to any person or property arising out of all acts, omissions, conditions, uses or other matters related to Grantee's, Grantee's agent or employee, or any other person acting on Grantee's behalf use of the Easement Area or Grantor's property adjacent to the Easement Area or other lands of Grantor, except to the extent directly caused by the negligent acts or omissions of Grantor;

- (c) Violations or other failure by Grantee, Grantee's agent or employee, or any other person acting on Grantee's behalf, to comply with the requirements of any applicable laws or regulations; and
- (d) The unlawful presence or illegal release in, on, from, or about the Easement Area, at any time, of any substance now or hereafter defined, listed, or otherwise classified pursuant to any applicable laws as hazardous, toxic or dangerous to the air, water, or soil, or in any way harmful or threatening to human health or the environment, to the extent caused by Grantee, Grantee's agent or employee, or any other person acting on Grantee's behalf.

**2.8 License for Use of and Access to Linear Infrastructure by Grantor.** Grantor and Grantee acknowledge that, subsequent to the execution and delivery of this Deed, Grantor shall keep and retain the Linear Infrastructure located in Phases 3 through 5 of the Subdivision, and Grantor will continue to use the Linear Infrastructure and Easement Area in Phases 1 and 2 to, among other uses, deliver water to Phases 3 through 5 and discharge wastewater from Phases 3 through 5 of the Subdivision. Grantor expressly reserves an easement and license to continue accessing and using the Linear Infrastructure in Phases 1 and 2 of the Subdivision to deliver water and discharge wastewater, including other incidental uses, in order to serve to Phases 3 through 5 of the Linear Infrastructure without termination until the Linear Infrastructure in all 5 Phases of the Subdivision is conveyed to Grantee. Grantor's rights to access and use the Linear Infrastructure in Phases 1 and 2 of the Subdivision include, without limitation, incidental rights to improve and install connection devices in the Linear Infrastructure to facilitate connection to Linear Infrastructure in Phases 3 through 5 of the Subdivision. Grantor's reserve easement and license to use the Linear Infrastructure is subject to the following protection for Grantee:

- (a) Grantor agrees to reimburse, release and hold harmless, indemnify, save, protect, and defend Grantee from, for and against all liabilities, penalties, costs, losses, damages, expenses, causes of action, claims, injuries to persons or property, demands, or judgments, including, without limitation, reasonable attorneys' fees, to the extent arising out of Grantor's use of the reserve easement and license to the Linear Infrastructure in Phases 1 and 2 and the Easement Area from and after the recording date of this Deed.
- (b) TOS shall provide copies of certificates of commercial liability insurance, and the District shall be named an additional insured, for all contractors, agents and TOS' employees working on the improved Linear Infrastructure already conveyed to the District with policy limits of no less than Two Million Dollars (\$2,000,000.00) per occurrence.

### **3. General Provisions.**

**3.1. Controlling Law: Jurisdiction and Venue; Jury Waiver.** The interpretation and performance of this Deed shall be governed by the laws of the State of California. Any action brought with respect to this Deed shall be brought in the Superior Court of the State of California for the County of Humboldt and the Parties hereto consent to the jurisdiction and venue of such Court. Each of the Parties hereto waives any right to a jury trial in any action relating to this Deed.

**3.2. Severability.** If any provision of this Deed, or the application thereof to any person or circumstance, is found to be invalid, the remainder of the provisions of this Deed, or the application of such provision to persons or circumstances other than those as to which it is found to be invalid, as the case may be, shall not be affected thereby.

**3.3. Exhibits.** All exhibits attached to this Deed are incorporated into this Deed by this reference.

**3.4. Entire Agreement.** This Deed and its Exhibits set forth the entire agreement of the Parties with respect to the Easement. No alteration or variation of this instrument shall be valid or binding unless contained in an amendment as provided for in this Deed.

**3.5. Successors.** It is the express intent of Grantor and Grantee that the provisions of this Deed shall run with and burden title to Grantor's Property in

perpetuity, and shall be binding upon and inure to the benefit of the successors and assigns of Grantor and Grantee.

**3.6. “Grantor” – “Grantee.”** The terms “Grantor” and “Grantee,” wherever used herein, and any pronouns used in place thereof, shall be held to mean and to include, respectively, the above-named Grantor, and the successors and assigns of said Grantor, and each of them, and the above-named Grantee, and its successors and permitted assigns.

**3.7. Termination of Rights and Obligations.** A Party’s rights and obligations under this Deed terminate upon transfer of the Party’s entire interest in the easements granted under this Deed or in Grantor’s Property (as applicable), except that liability for acts or omissions occurring prior to transfer shall survive transfer.

**3.8. Captions.** The captions in this instrument have been inserted solely for convenience of reference and are not a part of this instrument and shall have no effect upon construction or interpretation.

**3.9. Counterparts.** The Parties may execute this instrument in two (2) or more counterparts, which shall in the aggregate, be signed by both Parties; each counterpart shall be deemed an original instrument as against any Party who has signed it. In the event of any disparity between the counterparts produced, the recorded counterpart shall be controlling.

**IN WITNESS HEREOF**, the Parties hereto have executed this Deed as of the Effective Date.

**Grantor:**

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

By:\_\_\_\_\_

Name:\_\_\_\_\_

Its:\_\_\_\_\_

**ACKNOWLEDGMENT**

**A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.**

STATE OF CALIFORNIA

COUNTY OF HUMBOLDT

On \_\_\_\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared **Frank Shaw Bacik**, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature

(Seal)

\

**Grantee:**

SCOTIA COMMUNITY SERVICES  
DISTRICT, a California Community Services  
District

By:\_\_\_\_\_

Name:\_\_\_\_\_

Its:\_\_\_\_\_

**ACKNOWLEDGMENT**

<p>A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.</p>
--

STATE OF CALIFORNIA

COUNTY OF HUMBOLDT

On \_\_\_\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature

(Seal)

**Exhibit A**

**Phase 2 Easement and Linear Infrastructure Area—Description**

[Note recorded data and plot # to be inserted upon recordation of final map]



**Exhibit A1**

**Selected “As Built” record drawing depicting non-county roads and alleyways**

## **Scotia Community Services District Staff Report**

DATE: July 19, 2018  
TO: Scotia Community Services District Board of Directors  
FROM: Leslie Marshall, General Manager; Steve Tyler, Asst. General Manager  
SUBJECT: Adopt Resolution No. 2018-11: A Resolution of the Board of Directors of the Scotia Community Services District Approving the Form of And Authorizing the Execution of a Memorandum of Understanding and Authorizing Participation in The Special District Risk Management Authority's Health Benefits Program

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### **RECOMMENDATION:**

The Administrative staff recommends that the SCSD Board consider Adopting Resolution No. 2018-11: A Resolution of the Board of Directors of the Scotia Community Services District Approving the Form of And Authorizing the Execution of a Memorandum of Understanding and Authorizing Participation in The Special District Risk Management Authority's Health Benefits Program; and Direct the General Manager to sign the MOU.

### **ACTION:**

Adopt Resolution No. 2018-11: A Resolution of the Board of Directors of the Scotia Community Services District Approving the Form of And Authorizing the Execution of a Memorandum of Understanding and Authorizing Participation in The Special District Risk Management Authority's Health Benefits Program; and Direct the General Manager to sign the MOU.

### **DISCUSSION:**

SDRMA is a public agency formed under California Government Code Section 6500, to provide a full-service risk management program for California's local governments, including property, liability, workers compensation coverages and a Health Benefits Program. The District is a participating member of SDRMA and has elected to participate in a Blue Shield Silver PPO plan for health benefits.

The District Board will need to adopt a resolution authorizing participation in a SDRMA HBP and execute a Memorandum of Understanding (MOU) with SDRMA.

**FISCAL IMPACT:** None

### **ATTACHMENTS:**

Resolution No. 2018-11

Memorandum of Understanding

## RESOLUTION NO. 2018-11

### A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SCOTIA COMMUNITY SERVICES DISTRICT APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING AND AUTHORIZING PARTICIPATION IN THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY'S HEALTH BENEFITS PROGRAM

**WHEREAS**, Scotia Community Services District, a public agency duly organized and existing under and by virtue of the laws of the State of California (the "ENTITY"), has determined that it is in the best interest and to the advantage of the ENTITY to participate in Health Benefits offered by the Special District Risk Management Authority (the "Authority"); and

**WHEREAS**, the Authority was formed in 1986 in accordance with the provisions of California Government Code 6500 *et seq.*, for the purpose of providing risk financing, risk management programs and other coverage protection programs; and

**WHEREAS**, participation in Authority programs requires the ENTITY to execute and enter into a Memorandum of Understanding which states the purpose and participation requirements for Health Benefits; and

**WHEREAS**, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the transactions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the ENTITY is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such transactions for the purpose, in the manner and upon the terms herein provided.

### **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE ENTITY AS FOLLOWS:**

Section 1. Findings. The ENTITY's Governing Body hereby specifically finds and determines that the actions authorized hereby relate to the public affairs of the ENTITY.

Section 2. Memorandum of Understanding. The Memorandum of Understanding, to be executed and entered into by and between the ENTITY and the Authority, in the form presented at this meeting and on file with the ENTITY's Secretary, is hereby approved. The ENTITY's Governing Body and/or Authorized Officers ("The Authorized Officers") are hereby authorized and directed, for and in the name and on behalf of the ENTITY, to execute and deliver to the Authority the Memorandum of Understanding.

Section 3. Program Participation. The ENTITY's Governing Body approves participating in the Special District Risk Management Authority's Health Benefits Program.

Section 4. Other Actions. The Authorized Officers of the ENTITY are each hereby authorized and directed to execute and deliver any and all documents which are necessary in order to consummate the transactions authorized hereby and all such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 5. Effective Date. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 19th day of July, 2018 by the following vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
ENTITY Secretary

## MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (HEREAFTER "MEMORANDUM") IS ENTERED INTO BY AND BETWEEN THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY (HEREAFTER "SDRMA") AND THE PARTICIPATING PUBLIC ENTITY (HEREAFTER "ENTITY") WHO IS SIGNATORY TO THIS MEMORANDUM.

**WHEREAS**, on August 1, 2006, SDRMA was appointed administrator for the purpose of enrolling small public entities typically having 250 or less employees into the CSAC - Excess Insurance Authority Health's ("CSAC-EIA Health") Small Group Health Benefits Program (hereinafter "PROGRAM"); and

**WHEREAS**, the terms and conditions of the PROGRAM as well as benefit coverage, rates, assessments, and premiums are governed by CSAC-EIA Health Committee for the PROGRAM (the "COMMITTEE") and not SDRMA; and.

**WHEREAS**, ENTITY desires to enroll and participate in the PROGRAM.

**NOW THEREFORE**, SDRMA and ENTITY agree as follows:

1. **PURPOSE.** ENTITY is signatory to this MEMORANDUM for the express purpose of enrolling in the PROGRAM.
2. **ENTRY INTO PROGRAM.** ENTITY shall enroll in the PROGRAM by making application through SDRMA which shall be subject to approval by the PROGRAM's Underwriter and governing documents and in accordance with applicable eligibility guidelines.
3. **MAINTENANCE OF EFFORT.** PROGRAM is designed to provide an alternative health benefit solution to all participants of the ENTITY including active employees, retired employees (optional), dependents (optional) and public officials (optional). ENTITY public officials may participate in the PROGRAM only if they are currently being covered and their own ENTITY's enabling act, plans and policies allow it. ENTITY must contribute at least the minimum percentage required by the eligibility requirements
4. **PREMIUMS.** ENTITY understands that premiums and rates for the PROGRAM are set by the COMMITTEE. ENTITY will remit monthly premiums based upon rates established for each category of participants and the census of covered employees, public officials, dependents and retirees.

Rates for the ENTITY and each category of participant will be determined by the COMMITTEE designated for the PROGRAM based upon advice from its consultants and/or a consulting Benefits Actuary and insurance carriers. In addition, SDRMA adds an administrative fee to premiums and rates set by the COMMITTEE for costs associated with administering the PROGRAM. Rates may vary depending upon factors including, but not limited to, demographic characteristics, loss experience of all public entities participating in the PROGRAM and differences in benefits provided (plan design), if any.

- a. SDRMA will administrate a billing to ENTITY each month, with payments due by the date specified by SDRMA. Payments received after the specified date will accrue penalties. Premiums are based on a full month and there are no partial months or prorated premiums.
- b. ENTITY must send notification of termination of benefits for a covered employee or dependent to SDRMA within 31 days of the date of termination. Benefits will be terminated the last day of the month in which the termination occurred. If the termination notice is received after 31 days of the date of termination, the request must be approved by the PROGRAM to terminate coverage. All requests may not be approved; therefore participants may need to wait for open enrollment to elect the change (termination). If the termination is due to an employee terminating employment, if not approved to retroactively terminate coverage, coverage will be terminated prospectively at the end of the month.

5. **BENEFITS.** Benefits provided to ENTITY participants shall be as set forth in ENTITY's Plan Summary for the PROGRAM and as agreed upon between the ENTITY and its recognized employee organizations as applicable. Not all plan offerings will be available to ENTITY, and plans requested by ENTITY must be submitted to PROGRAM underwriter for approval.
6. **COVERAGE DOCUMENTS.** Except as otherwise provided herein, CSAC-EIA Health documents outlining the coverage provided, including terms and conditions of coverage, are controlling with respect to the coverage of the PROGRAM.
7. **PROGRAM FUNDING.** It is the intent of this MEMORANDUM to provide for a fully funded PROGRAM by any or all of the following: pooling risk; purchasing individual stop loss coverage to protect the pool from large claims; and purchasing aggregate stop loss coverage.
8. **ASSESSMENTS.** Should the PROGRAM not be adequately funded for any reason, pro-rata assessments to the ENTITY may be utilized to ensure the approved funding level for applicable policy periods. Any assessments which are deemed necessary to ensure approved funding levels shall be made upon the determination and approval of the COMMITTEE in accordance with the following:
  - a. Assessments/dividends will be used sparingly. Generally, any over/under funding will be factored into renewal rates.
  - b. If a dividend/assessment is declared, allocation will be based upon each ENTITY's proportional share of total premiums paid for the preceding 3 years. An ENTITY must be a current participant to receive a dividend, except upon termination of the PROGRAM and distribution of assets.
  - c. ENTITY will be liable for assessments for 12 months following withdrawal from the PROGRAM.
  - d. Fund equity will be evaluated on a total PROGRAM-wide basis as opposed to each year standing on its own.
9. **WITHDRAWAL.** ENTITY may withdraw subject to the following condition: ENTITY shall notify SDRMA and the PROGRAM in writing of its intent to withdraw at least 90 days prior to their requested withdrawal date. ENTITY may rescind its notice of intent to withdraw. Once ENTITY withdraws from the PROGRAM, there is a 3-year waiting period to come back into the PROGRAM, and the ENTITY will be subject to underwriting approval again.
10. **LIAISON WITH SDRMA.** Each ENTITY shall maintain staff to act as liaison with the SDRMA and between the ENTITY and the SDRMA's designated PROGRAM representative.
11. **GOVERNING LAW.** This MEMORANDUM shall be governed in accordance with the laws of the State of California.
12. **VENUE.** Venue for any dispute or enforcement shall be in Sacramento, California.
13. **ATTORNEY FEES.** The prevailing party in any dispute shall be entitled to an award of reasonable attorney fees.
14. **COMPLETE AGREEMENT.** This MEMORANDUM together with the related PROGRAM documents constitutes the full and complete agreement of the ENTITY.
15. **SEVERABILITY.** Should any provision of this MEMORANDUM be judicially determined to be void or unenforceable, such determination shall not affect any remaining provision.
16. **AMENDMENT OF MEMORANDUM.** This MEMORANDUM may be amended by the SDRMA Board of Directors and such amendments are subject to approval of ENTITY's signatory to this MEMORANDUM.

Any ENTITY who fails or refuses to execute an amendment to this MEMORANDUM shall be deemed to have withdrawn from the PROGRAM on the next annual renewal date.

17. EFFECTIVE DATE. This MEMORANDUM shall become effective upon the signing of this MEMORANDUM by the ENTITY and Chief Executive Officer or Board President of SDRMA.
18. EXECUTION IN COUNTERPARTS. This MEMORANDUM may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

In Witness Whereof, the undersigned have executed the MEMORANDUM as of the date set forth below.

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Special District Risk  
Management Authority

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Scotia Community Services District

## **Scotia Community Services District Staff Report**

DATE: July 19, 2018  
TO: Scotia Community Services District Board of Directors  
FROM: Leslie Marshall, General Manager, Steve Tyler, Asst. General Manager  
SUBJECT: Consider Adopting Resolution 2018-12: Amending Resolution 2017-13 A Resolution of the Board of Directors of the Scotia Community Services District (SCSD) Authorizing the Adoption of the PARS Defined Contribution Plan Administered by Public Agency Retirement Services (PARS), To Reflect the Effective Date of September 1, 2018.

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### **RECOMMENDATION:**

The Administrative staff recommends that the SCSD Board consider Adopting Resolution 2018-12: Amending Resolution 2017-13 A Resolution of the Board of Directors of the Scotia Community Services District (SCSD) Authorizing the Adoption of the PARS Defined Contribution Plan Administered by Public Agency Retirement Services (PARS), To Reflect the Effective Date of September 1, 2018.

### **ACTION:**

Adopt Resolution 2018-12.

### **DISCUSSION:**

Resolution 2018-12 Amends Resolution 2017-13 A Resolution of the Board of Directors of the Scotia Community Services District (SCSD) Authorizing the Adoption of the PARS Defined Contribution Plan Administered by Public Agency Retirement Services (PARS), To Reflect the Effective Date of September 1, 2018.

Resolution 2017-13 adopted the PARS Trust, including the PARS Plan, as part of the SCSD (District) retirement program, appoints the District Manager as the District's Plan Administrator, authorizes her/him to execute all PARS documents and to take whatever additional actions required to administer the District's PARS Plan.

This resolution amends only the Effective Date as September 1, 2018.

### **FISCAL IMPACT:**

None

### **ATTACHMENTS:**

Resolution 2018-12



**RESOLUTION NO. 2018-12**  
**AMENDING RESOLUTION 2017-13 A RESOLUTION OF THE BOARD OF**  
**DIRECTORS OF THE SCOTIA COMMUNITY SERVICES DISTRICT**  
**AUTHORIZING THE ADOPTION OF THE PARS DEFINED CONTRIBUTION PLAN**  
**ADMINISTERED BY PUBLIC AGENCY RETIREMENT SERVICES (PARS) TO**  
**REFLECT THE EFFECTIVE DATE OF SEPTEMBER 1, 2018.**

**WHEREAS** it is determined to be in the best interest of the Scotia Community Services District (the “District”) and its employees to provide a defined contribution program to eligible employees;

**WHEREAS** the District is eligible to be a member of the Public Agency Retirement System (PARS) Trust, which has made available a defined contribution plan qualifying under the relevant sections of the Internal Revenue Code and the California Government Code.

NOW THEREFORE, BE IT RESOLVED THAT:

1. The Board of Directors (the “Board”) hereby adopts the PARS Trust, including the PARS Defined Contribution Plan, as part of the District’s retirement program, effective September 1, 2018,
2. The Board hereby appoints PARS as Trust Administrator, U.S. Bank National Association as Trustee, and John Hancock Life Insurance Company as Custodian/Recordkeeper for the PARS Defined Contribution Plan;
3. The Board hereby appoints the General Manager, or his/her successor or his/her designee as the District’s Plan Administrator for the PARS Defined Contribution Plan and Trust; and
4. The District's Plan Administrator is hereby authorized to execute the PARS legal and administrative documents on behalf of the District and to take whatever additional actions are necessary to maintain the District’s participation in PARS and to maintain compliance of any relevant regulation issued or as may be issued; therefore, authorizing him/her to take whatever additional actions are required to administer the District’s PARS plan(s).

AYES:

NOES:

ABSENT:

ABSTAIN:

COUNTY OF HUMBOLDT, STATE OF CALIFORNIA

\_\_\_\_\_, the General Manager (In absence of Clerk) of the Scotia Community Services District hereby certifies that the above foregoing resolution was duly and regularly adopted by said District at a regular meeting thereof held on the 19<sup>th</sup> of July 2018 and passed by a majority vote of said Board.

IN WITNESS WHEREOF I have hereunto set my hand and seal this July 19, 2018.

\_\_\_\_\_  
General Manager (In absence of Clerk)

## **Scotia Community Services District Staff Report**

DATE: July 19, 2018  
TO: Scotia CSD Board of Directors  
FROM: Leslie Marshall, General Manager  
SUBJECT: Water and Wastewater Grants Resolutions to begin applications

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### **RECOMMENDATION:**

Staff recommends the Board of Directors consider and adopt Resolutions: 2018-13, 2018-14, 2018-15, and 2018-16 (titles below).

### **ACTION:**

Adopt the following:

- Resolution No. 2018-13: A Resolution of The Board of Directors of The Scotia Community Services District Authorizing the General Manager to Sign and File For, And on Behalf of the SCSD, A Financial Assistance Application for A Financing Agreement from The State Water Resources Control Board for The Planning, Design, And Construction of The Scotia CSD Wastewater Treatment Facility Replacement Project
- Resolution No. 2018-14: A Resolution of The Board of Directors of The Scotia Community Services District Pledging Revenues and Funds from User Fees from The Wastewater Enterprise Fund for Repayment of Financing for The Scotia Community Services District Wastewater Treatment Facility Replacement Project.
- Resolution No. 2018-15: A Resolution of The Board of Directors of The Scotia Community Services District Authorizing the General Manager to Sign and File for Financial Assistance Application for A Financing Agreement from The State Water Resources Control Board for The Planning, Design, And Construction of The Scotia CSD Water Treatment Facility Replacement Project
- Resolution No. 2018-16: A Resolution of The Board of Directors of The Scotia Community Services District Pledging Revenues and Funds from User Fees from The Water Enterprise Fund for Repayment of Financing for The Scotia Community Services District Water Treatment Facility Replacement Project

### **DISCUSSION:**

Resolutions 2018-13 & 2018-15 authorize the General Manager to Sign and File for Financial Assistance Applications on behalf of the SCSD from The State Water Resources Control Board for the Planning, Design, and Construction of The Scotia CSD Wastewater

Treatment Facility Replacement *and* Water Treatment Facility Replacement Projects, respectively

Resolutions 2018-14 & 2018-16 Authorize Pledging Revenues and Funds from User Fees for Repayment of Financing for the Wastewater Treatment Facility Replacement Project from The Wastewater Enterprise Fund, and User Fees from the Water Enterprise Fund for the Water Treatment Facility Replacement Project.

SCSD is working with SHN to apply for grant funding for both the water (Drinking Water State Revolving Fund (DWSRF)) and wastewater (Clean Water State Revolving Fund (CWSRF)) plant replacement projects. The initial application pages have been submitted, along with proof of ownership and the metering compliance certification. The District will be following up soon with the requested financial information. Costs are typically reimbursable from the date these initial forms are submitted, but it is possible costs incurred up to this point could also be included.

**FISCAL IMPACT:**

Cost estimates to prepare:

- drinking water state revolving fund (DWSRF) planning grant application for the WTP will be approximately \$8,500
- clean water state revolving fund (CWSRF) planning grant application will be approximately \$6,500.

**RESOLUTION NO. 2018-13**  
**A RESOLUTION OF THE BOARD OF DIRECTORS**  
**OF THE SCOTIA COMMUNITY SERVICES DISTRICT**  
**AUTHORIZING THE GENERAL MANAGER TO SIGN AND FILE FOR, AND ON**  
**BEHALF OF THE SCSD, A FINANCIAL ASSISTANCE APPLICATION FOR A**  
**FINANCING AGREEMENT FROM THE STATE WATER RESOURCES CONTROL**  
**BOARD FOR THE PLANNING, DESIGN, AND CONSTRUCTION OF THE SCOTIA**  
**CSD WASTEWATER TREATMENT FACILITY REPLACEMENT PROJECT**

**WHEREAS**, Scotia Community Services District (the “Entity”) owns and operates the Wastewater Treatment Facility (WWTF) and collections system within the subdivided and transferred phases of the subdivision; and

**WHEREAS**, Scotia Community Services District with the assistance of SHN Engineering has submitted an application for grant funding to complete project planning, design, and construction; and

**WHEREAS**, Scotia Community Services District must designate an Authorized Representative or designee to sign and file, for and on behalf of the Entity for a Financial Assistance Application,

**THEREFORE, BE IT RESOLVED**, by the Board of Directors of the Scotia Community Services District (the “Entity”), as follows:

The General Manager (the “Authorized Representative”) or designee is hereby authorized and directed to sign and file, for and on behalf of the Entity, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of the Scotia Community Services District Wastewater Treatment Facility Replacement (the “Project”).

This Authorized Representative, or his/her designee, is designated to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto.

The Authorized Representative, or his/her designee, is designated to represent the Entity in carrying out the Entity’s responsibilities under the financing agreement, including certifying disbursement requests on behalf of the Entity and compliance with applicable state and federal laws.

Section 1: This resolution shall be effective upon adoption.

Dated: July 19, 2018

APPROVED:

ATTEST:

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Rick Walsh, Board President, Scotia CSD

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General Manager, Scotia CSD

# CLERK'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2018-13, passed and adopted at a regular meeting of the Board of Directors of the Scotia Community Services District, County of Humboldt, State of California, he July 19, 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

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General Manager, Scotia CSD (In absence of Clerk)

**RESOLUTION NO. 2018-14**  
**A RESOLUTION OF THE BOARD OF DIRECTORS**  
**OF THE SCOTIA COMMUNITY SERVICES DISTRICT**  
**PLEDGING REVENUES AND FUNDS FROM USER FEES FROM THE**  
**WASTEWATER ENTERPRISE FUND FOR REPAYMENT OF FINANCING FOR THE**  
**SCOTIA COMMUNITY SERVICES DISTRICT WASTEWATER TREATMENT**  
**FACILITY REPLACEMENT PROJECT**

**WHEREAS,** Scotia Community Services District (the “Entity”) owns and operates the Wastewater Treatment Facility (WWTF) and collections system within the subdivided and transferred phases of the subdivision; and

**WHEREAS,** the Wastewater Treatment Facility was constructed in 1954 and has not undergone any significant upgrades since start-up; and

**WHEREAS,** a Detailed Engineering Analysis of the WWTF was completed by SHN in 2016 that recommended significant improvements and upgrades to meet permitting requirements for the 20-year planning period; and

**WHEREAS,** Scotia Community Services District with the assistance of SHN Engineering has submitted an application for grant funding to complete project planning, design, and construction; and

**WHEREAS,** additional funding will be pursued in the form of loans and financing from the Clean Water State Revolving Fund and/or Water Recycling Funding Program financing that must be repaid,

**THEREFORE, LET IT BE RESOLVED,** the Scotia Community Services District (the “Entity”) hereby dedicates and pledges user fees from the Wastewater Enterprise Fund to payment of any and all Clean Water State Revolving Fund and/or Water Recycling Funding Program financing for the Scotia Community Services District Wastewater Treatment Facility Replacement (the “Project”). The Entity commits to collecting such revenues and maintaining such fund(s) throughout the term of such financing and until the Entity has satisfied its repayment obligation thereunder unless modification or change is approved in writing by the State Water Resources Control Board. So long as the financing agreement(s) are outstanding, the Entity’s pledge hereunder shall constitute a lien in favor of the State Water Resources Control Board on the foregoing fund(s) and revenue(s) without any further action necessary. So long as the financing agreement(s) are outstanding, the Entity commits to maintaining the fund(s) and revenue(s) at levels sufficient to meet its obligations under the financing agreement(s).

Section 1: This resolution shall be effective upon adoption.

Dated: July 19, 2018

APPROVED:

ATTEST:

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Rick Walsh, Board President, Scotia CSD

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General Manager, Scotia CSD

### CLERK'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2018-14, passed and adopted at a regular meeting of the Board of Directors of the Scotia Community Services District, County of Humboldt, State of California, on July 19, 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

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General Manager, Scotia CSD (In absence of Clerk)

**RESOLUTION NO. 2018-15**  
**A RESOLUTION OF THE BOARD OF DIRECTORS**  
**OF THE SCOTIA COMMUNITY SERVICES DISTRICT**  
**AUTHORIZING THE GENERAL MANAGER TO SIGN AND FILE FOR FINANCIAL**  
**ASSISTANCE APPLICATION FOR A FINANCING AGREEMENT FROM THE STATE**  
**WATER RESOURCES CONTROL BOARD FOR THE PLANNING, DESIGN, AND**  
**CONSTRUCTION OF THE SCOTIA CSD WATER TREATMENT FACILITY**  
**REPLACEMENT PROJECT**

**WHEREAS**, Scotia Community Services District (the “Entity”) owns and operates the Water Treatment Facility (WTF) and distribution system which supplies domestic water to residents of the Scotia Community Services District; and

**WHEREAS**, Scotia Community Services District with the assistance of SHN Engineering has submitted an application for grant funding to conduct: the preliminary planning investigations, alternatives analysis, preliminary cost estimating, preliminary permitting and special studies and preliminary engineering for replacement of the existing WTF; and

**WHEREAS**, Scotia Community Services District must designate an Authorized Representative or designee to sign and file, for and on behalf of the Entity for a Financial Assistance Application,

**THEREFORE, BE IT RESOLVED**, by the Board of Directors of the Scotia Community Services District (the “Entity”), as follows:

The General Manager (the “Authorized Representative”) or designee is hereby authorized and directed to sign and file, for and on behalf of the Entity, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board to conduct the preliminary planning investigations, alternatives analysis, preliminary cost estimating, preliminary permitting and special studies, and preliminary engineering for replacement of the existing Scotia Community Services District Water Treatment Facility (the “Project”).

This Authorized Representative, or his/her designee, is designated to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto.

The Authorized Representative, or his/her designee, is designated to represent the Entity in carrying out the Entity’s responsibilities under the financing agreement, including certifying disbursement requests on behalf of the Entity and compliance with applicable state and federal laws.

Section 1: This resolution shall be effective upon adoption.

Dated: July 19, 2018

APPROVED:

ATTEST:

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Rick Walsh, Board President, Scotia CSD

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General Manager, Scotia CSD



### CLERK'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2018-15, passed and adopted at a regular meeting of the Board of Directors of the Scotia Community Services District, County of Humboldt, State of California, on July 19, 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

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General Manager, Scotia CSD (In absence of Clerk)

**RESOLUTION NO. 2018-16**  
**A RESOLUTION OF THE BOARD OF DIRECTORS**  
**OF THE SCOTIA COMMUNITY SERVICES DISTRICT**  
**PLEDGING REVENUES AND FUNDS FROM USER FEES FROM THE WATER**  
**ENTERPRISE FUND FOR REPAYMENT OF FINANCING FOR THE SCOTIA**  
**COMMUNITY SERVICES DISTRICT WATER TREATMENT FACILITY**  
**REPLACEMENT PROJECT**

**WHEREAS**, Scotia Community Services District (the “Entity”) owns and operates the Water Treatment Facility (WTF) and distribution system which supplies domestic water to residents of the Scotia Community Services District; and

**WHEREAS**, the Water Treatment Facility was constructed in 1966; and

**WHEREAS**, a Detailed Engineering Analysis of the WTF was completed by SHN Engineering & Geologists, INC in 2016 that recommended improvements and upgrades to maintain compliance with applicable regulations and consumer confidence, and improvements necessary for long-term viability; and

**WHEREAS**, Scotia Community Services District with the assistance of SHN Engineering & Geologists, INC has submitted an application for grant funding to conduct: the preliminary planning investigations, alternatives analysis, preliminary cost estimating, preliminary permitting and special studies and preliminary engineering for replacement of the existing WTF; and

**WHEREAS**, additional funding will be pursued in the form of loans and financing from the Drinking Water State Revolving Fund and/or Water Recycling Funding Program financing that must be repaid,

**THEREFORE, BE IT RESOLVED**, the Scotia Community Services District hereby dedicates and pledges user fees from the Water Enterprise Fund to payment of any and all Drinking Water State Revolving Fund and/or Water Recycling Funding Program financing for the Scotia Community Services District Water Treatment Facility Replacement Project (the “Project”). The Entity commits to collecting such revenues and maintaining such fund(s) throughout the term of such financing and until the Entity has satisfied its repayment obligation thereunder unless modification or change is approved in writing by the State Water Resources Control Board. So long as the financing agreement(s) are outstanding, the Entity’s pledge hereunder shall constitute a lien in favor of the State Water Resources Control Board on the foregoing fund(s) and revenue(s) without any further action necessary. So long as the financing agreement(s) are outstanding, the Entity commits to maintaining the fund(s) and revenue(s) at levels sufficient to meet its obligations under the financing agreement(s).

Section 1: This resolution shall be effective upon adoption.

Dated: July 19, 2018

APPROVED:

ATTEST:

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Rick Walsh, Board President, Scotia CSD

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General Manager, Scotia CSD

### CLERK'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2018-16, passed and adopted at a regular meeting of the Board of Directors of the Scotia Community Services District, County of Humboldt, State of California, on July 19, 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

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General Manager, Scotia CSD (In absence of Clerk)