

Minutes of the REGULAR Board Meeting for the
Scotia Community Services District
Thursday, June 20, 2019 at 5:30 P.M.

- A. **CALL TO ORDER/ ROLL CALL** The regular meeting of the Board of Directors of the Scotia Community Services District convened at 5:32 pm with the following Directors in attendance:

PLEDGE OF ALLEGIANCE

Diane Bristol, Director —Present

Paul Newmaker, President—Present

Scott Pitcairn, Director—Present

Susan Pryor, Director—Present

Nina Sellen, Director—Present

Staff Present: Leslie Marshall, GM; Steve Davidson, DE; Jennifer McDonald, BC

- B. **SETTING OF AGENDA** The Board may adopt/revise the order of the agenda as presented.

-NO CHANGES-

- C. **CONSENT CALENDAR**

1. Approval of Previous Meeting Minutes; May 16, 2019
2. Approval of May 1, 2019 – May 31, 2019 Check Registers
3. Approval of Planwest Partners Invoices May 2019/Times Standard Legal Notices Invoice

-NO PUBLIC COMMENT-

Motion: To approve the Consent Calendar

Motion: Sellen **Second:** Pitcairn

Motion Vote:

Ayes: (5) Bristol, Newmaker, Pitcairn, Pryor, Sellen, **Opposed:** 0, **Absent:** 0, **Abstained:** 0

Motion Carried? YES

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

GM Leslie Marshall updated the Board with the latest communications from Mike Borger of REC Solar regarding financing options for the Solar infrastructure tentatively proposed to be installed in the log pond. (Presentation on the subject from Mr. Borger occurred at the May 16, 2019 Regular Board meeting)

- Concerns regarding financing due to the young age of the district
- Power Purchase Agreement, the District's preference for financing, at this early stage is doable regardless of number of years the district maintains audited financials for.
- The rate of return required by the investor is a function of the district's credit, so our rates could be higher than we want.
- Director Bristol inquired if we are able to purchase electricity from the (HRC) Power Plant directly.
- GM responded that this is not a possibility as HRC can only sell the power from their grid

directly to PG&E. It is no longer an option for the Power Plant to sell their energy to any other entity.

- A member of the public inquired as to the possibility of applying for grants to help pay for the solar infrastructure as the Blue Lake Rancheria did for their solar infrastructure.
- GM replied that the only way a grant could help us is if we were taking the avenue of buying the solar infrastructure outright. This is not an avenue the district wants to take at this time. The reason being that with a PPA, the equipment is leased and therefore maintenance by REC Solar as opposed to the district. This would be a burden for the district as we only maintain 2 full time staff members.
- Director Bristol commented about the street light in front of her home stating that it stays illuminated until 10am. The concern being if all the streetlights were doing this it could be wasteful and costly.
- DE Davidson response indicated it likely may be a photo cell that needs replacing and we can look into it.

E. PUBLIC HEARING

1. Consider adoption of Resolution 2019-12 Scotia Community Services District Board of Directors to Adopt FY 2019-2020 Final Budget

General Manager's comments:

- Final budget has had no changes since the last meeting
- Budget's account numbers have been updated for continuity with Quickbooks
- 1.5% user fee rate increase (as detailed in the master fee schedule)
 - Director Bristol asked about the process at the end of the approved fee schedule (2021).
 - GM replied that the board will have two options: look at another rate increase or the rates will continue on in perpetuity.
- Planwest's 3-year contract (with 3% annual increase) proposal. The budget details a \$272,000 line item but it is actually coming in at \$261,156 due to rate and position changes.
- Personnel insurance rate increases with SDRMA (we have 3 plans with them) estimating an 11% increase this year.
 - Director Bristol inquired if this increase is an annual occurrence. GM replied that it can be due to the discretion of SDRMA's Board of Directors who approved one this year.
 - We participate in credit incentive programs to deduct costs off of our benefit premiums and other programs that help keep their rates reasonable.
- Director Pitcairn asked if the line item for the Winema theater roof replacement was going to continue to increase.
 - GM replied noting the cost of materials was higher than originally anticipated and the additional steps required for doing work on a historical structure (such as the historical assessment report) are the reasons behind the increase.
 - USDA does have public facilities grants for projects like ADA compliance but things like roofing are not easily attained.

-NO PUBLIC COMMENT-

Motion: To adopt Resolution 2019-12 Scotia Community Services District Board of Directors to Adopt FY 2019-2020 Final Budget

Motion: Bristol **Second:** Pitcairn

Motion Vote:

Ayes: (5) Bristol, Newmaker, Pitcairn, Pryor, Sellen, **Opposed:** 0, **Absent:** 0, **Abstained:** 0

Motion Carried? YES

F. BUSINESS

1. New Business –

a. . Consider approval of Planwest Staffing contract

- Vanessa Blodgett, Senior Planner and a Partner of Planwest Partners, Inc. was in attendance to introduce herself and represent the Planwest Contract.
- Director Bristol reviewed the staff roles listed in the contract with the GM
- The contract is a 3-year with contract with a 3% annual increase.
- The extension of services is very similar to the year's past with the exception of minor staffing changes and insurance for acquired Planwest company car.

Motion: To approve Extension Eight of Agreement Between the Scotia Community Services District and Planwest Partners Inc. for professional services

Motion: Pryor **Second:** Newmaker

Motion Vote:

Ayes: (5) Bristol, Newmaker, Pitcairn, Pryor, Sellen, **Opposed:** 0, **Absent:** 0, **Abstained:** 0

Motion Carried? YES

b. Informational briefing form Chuck Swanson of SHN (Consulting Engineers and Geologists) re: USDA Grant Funding Options

- SHN is currently under contract with the SCSD to pursue grant funding for the replacement of the water treatment plant through the state water board.
- Delays with state water board- it is a long process with them.
- SEARCH Grant through the USDA; Special Evaluation and Assistance for Rural Communities and Households is a \$30,000 grant to help develop the preliminary engineering reports that provides the basis for the engineering evaluation that begins the design process assists with acquisition construction money for the project.
- GM noted the public noticing that was done as required by the USDA and that she would bring a scope of work (The SCSD Water Treatment Plant Replacement Preliminary Engineering Report Proposal) from SHN to the next regular board meeting in July.

-PUBLIC COMMENT-

- A community member asked about the plan for rebuilding the water plant and how it might

affect the water rates

- GM responded that the process of rebuilding this is built into the water rates and they do not anticipate it affecting those rates.

This item was informational only and no action was taken.

c. Consider adoption of Resolution 2019-13 Revising the Master Fee Schedule

- Master Fee Schedule is revised every year.
- Language was added from the Service Agreement regarding monthly billing cycles and penalties to the Master Fee Schedule for consistency.

-NO PUBLIC COMMENT-

Motion: To adopt Resolution 2019-13: A Resolution of the Scotia Community Services District Board of Directors Revising the SCSD FY 2019/2020 Master Fee Schedule

Motion: Pitcairn Second: Bristol

Motion Vote:

Ayes: (5) Bristol, Newmaker, Pitcairn, Pryor, Sellen, Opposed: 0, Absent: 0, Abstained: 0

Motion Carried? YES

d. Consider adoption of Resolution 2019-14 Revising the SCSD Public Records Policy

- Part of the annual review.
- Steve Tyler worked with legal counsel to revise very minor changes to the Public Records Policy regarding specificity of requests.
- Everything the SCSD does is open to the public review, with the exception of personnel files.

-PUBLIC COMMENT-

- A community member asked how long we keep public records.
- Different state standards for different documents 3, 5, or 7 years.
- Director Bristol asked if we remove files from the website when the required time is fulfilled.
- GM responded that we likely will not be removing any past documents from the website.

Motion: To adopt Resolution 2019-14 A Resolution of the Board of Directors of the Scotia Community Services District to revise the SCSD Public Records Policy

Motion: Pryor Second: Pitcairn

Motion Vote:

Ayes: (5) Bristol, Newmaker, Pitcairn, Pryor, Sellen, Opposed: 0, Absent: 0, Abstained: 0

Motion Carried? YES

e. Approve SDRMA Insurance Invoice for Payment

- We received our annual property and liability invoice from SDRMA. It requires Board approval as it is over the GM's limit of \$25,000 (\$58,482.34)
- This is an 11% increase, but we also get a 5% discount for carrying multiple policies with them as well as for doing various trainings (detailed in their Credit Incentive Program CIP)).
- Director Bristol asked about our (liability) insurance coverage at the museum plaza to which the GM responded that we are indeed covered at all our properties.

-NO PUBLIC COMMENT-

Motion: To Approve SDRMA Insurance Invoice for Payment.

Motion: Pitcairn **Second:** Newmaker

Motion Vote:

Ayes: (5) Bristol, Newmaker, Pitcairn, Pryor, Sellen, **Opposed:** 0, **Absent:** 0, **Abstained:** 0

Motion Carried? YES

f. Consider submitting a ballot for the SDRMA Board of Directors vacancy

- Option for the SCSD to vote in the election
- DE Davidson recommended voting for the local candidate Patrick O'Rourke because having local representation would be beneficial for the district.
- Board clerk will mark the ballot and return to SDRMA on behalf of the Board.

Motion: To Vote for candidate Patrick O'Rourke for the SDRMA Board of Directors vacancy

Motion: Bristol **Second:** Newmaker

Motion Vote:

Ayes: (5) Bristol, Newmaker, Pitcairn, Pryor, Sellen, **Opposed:** 0, **Absent:** 0, **Abstained:** 0

Motion Carried? YES

2. Old Business –

a. Consider HRC gravel extraction proposal

- GM reviewed all the documents submitted to the SCSD from HRC and tentatively approved a single year extraction.
- HRC had requested stockpiling the gravel on the SCSD property which would have to have been removed by March 31st.
- All permits and plans are not current tot the SCSD. They all reference TOS ownership and prior to asset transfer to the SCSD.
- Staff would like to see this postponed before any agreements are reached.
- DE Steve Davidson drafted a memorandum detailing conditions that he recommend the SCSD detail should they choose to proceed.
- Director Sellen asked about requisite permits and if they currently have them. GM replied that at this time they do not have current permits

Motion: To continue staff negotiations with HRC for their gravel extraction proposal.

Motion: Pryor **Second:** Pitcairn

Motion Vote:

Ayes: (5) Bristol, Newmaker, Pitcairn, Pryor, Sellen, **Opposed:** 0, **Absent:** 0, **Abstained:** 0

Motion Carried? YES

b. Museum Plaza

i. Lead abatement; review additional proposals for lead abatement

- We received estimates from Wahlund and Paulson for lead abatement
- Encapsulation was by far the most costly and is not feasible.
- Discussions surrounding TOS and their potential liability since the asset transfer agreement stated that assets be “free and clear”.

Review Only: NO ACTION

Direction to staff to proceed in negotiations with Friends of No. 9 and TOS to possibly share in the cost of lead remediation.

ii. Board review of letter sent to Friends of No. 9

- Fred Runner received our letter from our legal counsel.
- He has been responsive to us and is in discussion with Ken Freed with the county regarding the ADA sidewalk repair.

Review Only: NO ACTION

c. Review legal counsel’s response on behalf of SCSD Board to Humboldt Wind Energy’s Project DEIR.

- The board reviewed the official response on behalf of the SCSD Board of Directors to the County of Humboldt regarding the Humboldt Wind Energy Project Proposal.
- GM encouraged the board to attend planning commission meetings to further have their voices heard if they have strong opinions regarding the project.

E. REPORTS

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

- 1. President’s Report:** none
- 2. Board Director Reports:** none
- 3. General Manager’s Report:**

Water

- Waiting on new river pumps (TOS infrastructure improvements in the Corridor Project)
- Concrete extension on top of the current gallery is complete.

Wastewater

- Additional repairs made to the primary clarifier. Old fence is continuing to come down.

Parks & Rec

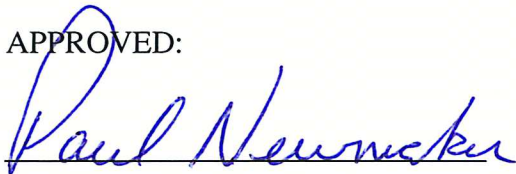
- Automated gate was being manipulated to keep it open, so we had Humboldt Fence come down and relocate the emergency shut off switch to prevent that.
 - Cameras are being installed at all the Parks and Rec facilities.
 - All plumbing, pipe supplies, testing supplies etc. have been moved from the Pipe Shop into the Carpenter's Shop.
 - Corridor Project is moving forward.
4. **Special Counsel's Report:** none
 5. **Engineer's Report:** none
 6. **Fire Chief's Status Report:** none
 7. **Board Clerk Report:** none

Board Training: None

F. ADJOURNMENT by Paul Newmaker at 8:07pm

These minutes were approved by the Board of Directors of the Scotia Community Services District on July 18, 2019 at its duly-noticed regular meeting in Scotia, CA.

APPROVED:



Paul Newmaker, President

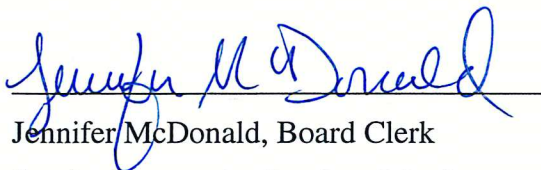
Board of Directors

Scotia Community Services District



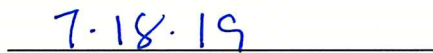
Date

ATTEST:



Jennifer McDonald, Board Clerk

Scotia Community Services District



Date

