

Minutes of the REGULAR Board Meeting for the
Scotia Community Services District
Thursday, August 15, 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; 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; July 18, 2019
2. Approval of July 1, 2019 – July 31, 2019 Check Registers
3. Approval of Planwest Partners Invoices July 2019
4. FY Year End Financial Statement for FY 18/19

-NO PUBLIC COMMENT-

Motion: To approve the Consent Calendar

Motion: Bristol **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**

-NO PUBLIC COMMENT-

GM discussed the letter she issued to the State Water Quality Control Board regarding NPDES permit renewal and upcoming inspection.

The district is currently operating on the old permit (issued to TOS) as a co-permittee with HRC. The SCSD is seeking to be under our own permit which is the nature of the letter.

- E. PUBLIC HEARING**

1. Benefit Assessment Annual Reports

- The SCSD went through a Prop. 218 process in 2016 and set in place a 5-year rate schedule with an annual 1.5% cost of living increase built in. The 5th year is a fixed rate in perpetuity

unless the district goes out for an increase.

- P&L for the last FY show a positive net income, in other words, all the income from this is put towards projects.
- All historic and non-historic lighting in Scotia are SCSD responsibility.
- All alleyways and Mill Lane in Scotia are SCSD responsibility.
- Winema Theater, Fireman's Park community forest, museum, baseball field, & soccer field are our assets under Parks & Rec.
- There are several capital improvement projects for the Parks Rec including but not limited to ADA upgrades and re-roofing of the theater.

-PUBLIC COMMENT-(Pertaining to all 3 assessments listed below)

The grant process was briefly discussed pertaining to the USDA and types of projects they will fund. Programmatic projects are often funded through them (i.e. a kid's community theater program), but generally not projects for infrastructure improvements (i.e. the reroofing of the theater).

a. Storm Drainage

Motion: To approve the Storm Drainage Benefit Assessment and rate schedule

Motion: Pitcairn Second: Pryor

Motion Vote:

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

Motion Carried? YES

b. Streets and Street Lighting

Motion: To approve the Streets and Street Lighting Benefit Assessment and rate schedule

Motion: Sellen Second: Newmaker

Motion Vote:

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

Motion Carried? YES

c. Parks & Recreation

Motion: To approve the Parks & Recreation Benefit Assessment and rate schedule

Motion: Pryor Second: Newmaker

Motion Vote:

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

Motion Carried? YES

F. BUSINESS

1. New Business

a. Receive a presentation from Jeff Land of Brandis Tallman on opportunities for debt restructuring and district improvement funding

- 1.17 million estimated cost for all the Capital Improvement Projects the SCSD is looking to complete.
- Interest rates have dropped since we last looked at this lender's opportunity (last February).
- Brandis Tallman is a municipal bond underwriting firm—they specialize in working with CSD's and public utility agencies.
- To provide funding up front for all of our improvement projects instead of trying to finance them one at a time.
- Public agencies are very limited in the types of funding they can pursue.
- Current term sheet for the SCSD is on the table so long as we are willing to have a banking relationship with Umpqua to the tune of a half million dollars.
- 6-8-week process to close financing of this nature once kick-off is initiated. A lease agreement and resolution to then be presented to the board which then locks in finance amount and interest rate.

-PUBLIC COMMENT-

- Is this type of finance similar to a mortgage?
- Jeff Land; no, it is not because our community service district is what is known as a debt limit entity under the California Constitution, in order for us to do any sort of finance you must structure it as a lease to counter party, specifically a non-profit. In this case the expected counter party is the California Special Districts Association (CSDA). Our facilities are put up as assets for collateral and lease that property to CSDA.

Motion: To direct administrative staff to proceed with pursuing opportunities for debt restructuring and district improvement funding through Brandis Tallman

Motion: Pitcairn **Second:** Sellen

Motion Vote:

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

Motion Carried? YES

b. Adopt resolution 2019-17: A Resolution of the Scotia Community Services District Approving the Form and Authorizing the Execution of a Memorandum of Understanding.

NO PUBLIC COMMENT-

Motion: To adopt Resolution 2019-17: A Resolution of the Scotia Community Services District Approving the Form and Authorizing the Execution of a Memorandum of Understanding.

Motion: Bristol **Second:** Pitcairn

Motion Vote:

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

Motion Carried? YES

c. Approve and Sign Memorandum of Understanding (MOU) between the SCSD and Special District Risk Management Authority (SDRMA) for purpose of continued enrollment in Small Group Health Benefits Program

-NO PUBLIC COMMENT-

Motion: To Approve and Sign Memorandum of Understanding (MOU) between the SCSD and Special District Risk Management Authority (SDRMA) for purpose of continued enrollment in Small Group Health Benefits Program.

Motion: Pitcairn **Second:** Newmaker

Motion Vote:

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

Motion Carried? YES

d. Waive Facility Use Fees for Fortuna Union High School for the Redwood Region Resource Rally on September 26, 2019.

- An annual event that takes place at Fireman's Park that invites up to 300 students from various regions around California that who are interested in forestry (and related industry) for future professional development.

-NO PUBLIC COMMENT-

Motion: To Waive Facility Use Fees for Fortuna Union High School for the Redwood Region Resource Rally on September 26, 2019.

Motion: Pryor **Second:** Sellen

Motion Vote:

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

Motion Carried? YES

2. Old Business

-none-

G. 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:**

- Morgan Dodson's 22 Trees Project update
- Corridor Project (infrastructure replacement from the river intake to WTP) approximately 75% done.
- Sand and silt are being pumped out of the river near the river pump so they can fully install the pump into the river gallery.

- Soccer field, we just received the agreement with Scotia Union School who will use the soccer field with no facility use fees in exchange for field maintenance.
 - Rio Dell School is also in communication with us to set up a similar arrangement.
 - Engaging with SHN to set up a pre-treatment program which would set our own limits for discharge into our wastewater system. This would give us the ability to monitor and enforce high BOD, TSS, or pH's coming from commercial entities and as well supports the effort of the splitting off of our NPDES permit.
 - We missed the window for the SEARCH grant for this year, but will likely be getting the 30,000-grant for the next FY.
 - Lead Abatement update; Fred Runner with Friends of No. 9 is hoping we will contract with DCI Builder's for repair of the county ADA sidewalk damaged by the crane removing the Heisler Engine from the Museum Plaza. He is also asserting that the lead levels are not their responsibility of Friends of No. 9, they were not above the legal threshold, and called into question the credentials of the engineering firm who conducted the sampling. (They are, actually).
 - Working to hire a temp to help with the work load to take a few things off of the administrative workload while current staff is finishing degree requirements.
 - Sherriff and adult services removed some illegal campers from the community forest that have been there for quite a long time. The individuals were then directed to the application process for the near completed special needs housing project in Rio Dell being constructed by Danco Builders for permanent supportive housing.
4. **District Counsel's Report:** none
 5. **Engineer's Report:** none
 6. **Fire Chief's Report:** none
 7. **Board Clerk's Report:** SDRMA has a loss prevention reimbursement program that we received \$1000 refund for various safety equipment the district has purchased.

Board Training: CSDA's Conflict of Interest Webinar

-NO PUBLIC COMMENT-

Motion: To Postpone the Board Training Webinar, CSDA's Conflict of Interest

Motion: Bristol **Second:** Pitcairn

Motion Vote:

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

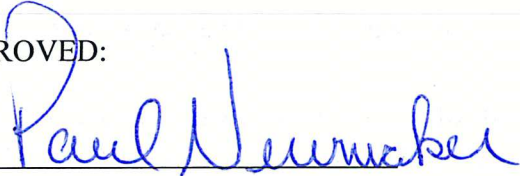
Motion Carried? YES

H. ADJOURNMENT at 7:10 PM by President Newmaker

Next regular meeting of the SCS D will be held on September 19, 2019 at 5:30 PM. A special meeting may be held prior to that.

These minutes were approved by the Board of Directors of the Scotia Community Services District on September 19, 2019 at its duly-noticed regular meeting in Scotia, CA.

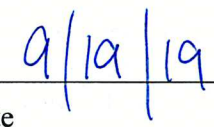
APPROVED:



Paul Newmaker, President

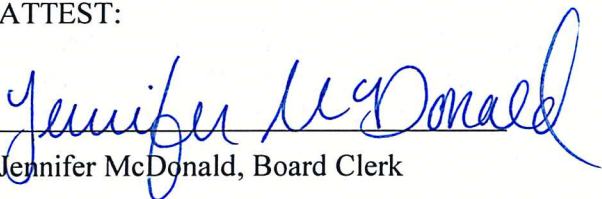
Board of Directors

Scotia Community Services District



Date

ATTEST:



Jennifer McDonald, Board Clerk

Scotia Community Services District



Date