

Minutes of the REGULAR Board Meeting for the
Scotia Community Services District
Thursday, February 20, 2020 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 with the following directors in attendance:

Diane Black, Vice President – Present

Paul Newmaker, President– Present

Scott Pitcairn, Director – Present

Susan Pryor, Director – Present

Nina Sellen, Director – Present

Staff Present: Leslie Marshall, General Manager, Raquel Menanno, Acting Board Clerk

B. SETTING OF AGENDA

—No changes—

C. CONSENT CALENDAR

1. **Approval of Previous Meeting Minutes:** January 16, 2020

2. **Approval of Check Registers:** January 1 – January 31, 2020

3. **Approval of Planwest Partners Invoice:** January 2020

Public Comment —None—

Motion: To Approve Consent Calendar

Motion: Newmaker **Second:** Pryor

Motion Vote: Ayes (5) Black, Newmaker, Pitcairn, Pryor, Sellen Opposed: 0 Absent: 0 Abstain: 0

D. PUBLIC COMMENT & WRITTEN COMMUNICATION

—No changes—

E. Public Hearing

— None—

F. ADJOURN TO CLOSED SESSION

1. Call to Order

2. Roll Call

3. Conference with legal counsel regarding potential litigation

4. Closed session discussion

G. ADJOURN TO OPEN SESSION

1. Report out of Closed Session

—No Action taken. Direction from legal counsel to staff was given—

H. BUSINESS

1. New Business –

a. Draft Audit Presentation by Keith Borges of Anderson, Lucas, Somerville, and Borges

- 2nd audit for the district and we are now onto a regular fiscal year schedule completed for year ending June 30th, 2019.
- Audit itself is the processors (the independent auditor's) unqualified opinion (the kind we require) and report while the financial statements themselves are the District's representation.
- The financial statements as they are represented in the report present the financial position and results of operations for District for the last fiscal year.
- We are now on a required governmental schedule indicating the District's budgetary to actual classifications within the operations as our financials are now broken down in a manner that makes this possible for the first year.
- Management Discussion and Analysis is not included this year which is typical of small districts. It is an additional 5-6 pages that we may get into in the coming years.
- Some of the numbers in the operational numbers are the same as last year. The financial statements will relate to phase 2 section of 1.6 million in sewer line infrastructure upgraded by the Town of Scotia and annual depreciation numbers but unrelated to operations.
- Special Districts are required to present government wide financial statements, the entire operations of our District on a full accrual basis including enterprise activities, water and sewer funds, assessments etc.
- Further detailed explanations of exhibits within the reports.
- Gross operating income slightly down from last years, but the prior years' financials encompassed 13 months of reporting in comparison to this year, the now regularly cycling 12-month FY audit schedule.
- Expenses right in line from this year to last year.
- Overall total net position increased about 2 million dollars and cash flow increased about 600 K.
- Filed our first State Controller's Report. Also, this year we will also file an annual compensation report for public information with positions and indicating how much money is making (coming in April) for Transparent California.
- Auditor mentioned our financial records and reporting are filed with an organized system and were easy to interpret and audit.

Public Comment —None—

—No action taken. Final audit will be presented for adoption by resolution at the March 19, 2020 regular SCSD meeting—

b. Local Limits Study presented by the Chuck Swanson of SHN Engineering

- A Local Limits Study is a wastewater study to understand the capacity of the wastewater treatment plant and establish what concentrations and mass loading can be introduced without causing violations or interruptions to the system.

- The further goal of the Local Limits is to help set up a pretreatment program for our pretreatment permits to industrial users.
- Maximum allowable headworks loading (MAHL) (headworks is influent into the treatment plant) maximum amount coming from sewer without causing a disruption.
- Maximum allowable industrial loading is the difference between residential loading and the MAHL that you can then allot to the industrial users.
- There were confounding factors due to unique circumstances to our plant and NPDES permit.

Public Comment —None—

—No action— Item was informational only.

c. First read and consider adoption of Ordinance 2020-1 Title IX, Claims Ordinance: An Ordinance of the Scotia Community Services District Regulating the Filing of Claims Against the District Which are Exempt from the Government Claims Act

- Puts a statute of limitations on how long the claims not covered by the Government Claims Act

Public Comment

- Why is the district doing this now?
- GM response is that we were suggested this ordinance be in place in a Board training on liability that was covered in January.

No action — Second reading and adoption by resolution will be presented at the March 19, 2020 Regular SCSD Board meeting.

d. Adopt Resolution 2020-1: A Resolution of the Scotia Community Services District Authorizing the Local Agency Formation Commission to Take Proceedings for Divestiture of Power to Provide Fire Protection Services by Scotia Community Services District

- Resolution to divest the SCSD of power to provide fire services as the annexation of fire services is annexed by Rio Dell Fire Protection District
- The Board of Directors discussed the history and logistics of the fire services in Scotia.

Public Comment —None—

Motion: Adopt Resolution 2020-1: A Resolution of the Scotia Community Services District Authorizing The Local Agency Formation Commission to Take Proceedings For Divestiture of Power to Provide Fire Protection Services by Scotia Community Services District

Motion: _____ Black _____ **Second:** _____ Newmaker _____

Motion Vote: Ayes-(5) Black, Newmaker, Pitcairn, Pryor, Sellen **Opposed:** 0 **Absent:** 0 **Abstain:** 0

e. Mid-Year FY 2019-2020 Budget Review

- Mid-year budget to actuals
- 50% of the budget is presented to generate the mid-year projections
- GM discussed finer details of budgets within the various classes
- Actuals are above in testing and monitoring for all the lab testing for the Local Limits Study.

GM will be petitioning the Board for a budget amendment.

- Utilities and communications are also higher than should be due to the large purchase for the cameras and monitoring fees, AT&T phone service have tripled.
- Insurance costs have increased by 11% in the last year, as expected.
- Electrical continues to be an excessive cost.
- Treated water revenues are slightly above projections.
- New fencing costs and anticipated upgrades in Parks and Rec at the museum plaza, Winema theater roof, ball field ADA upgrades.
- Capital outlay purchases included a utility line locator and the new service truck.
- A balance sheet shows current actual cash assets and valuations for the vehicles, buildings, log pond, accumulated depreciation of everything we own.

Public Comment —None—

No Action —Informational only, proposed budget amendment next month—

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:**
2. **Board Director Reports:**
3. **General Manager's Report:**

Parks & Rec

Winema Theater

- Lease back agreement is coming up due with the Town of Scotia.
- Health and safety concerns have come to light in addition to the other repairs that are needed i.e. sound system, roof replacement, and bathrooms etc. have been known problems.
- Additionally, there have been pest issues with bats and rats and costs associated with bat and rat prevention you must seal the building which is cost prohibitive seeing that the county must sign off on County permitting and approval due to the historical designation.
- Recommendation is going to be to close the theater for the time being.

Carpenter's Shop

- Roof needs replacement and we are soliciting bids from local contractors including the task of asbestos abatement.

Museum Plaza

- Discussed along with the mid-year budget review.
- District would like to commission a metal sculpture piece by local artist Dan McCauley.
- We are currently trying to solicit a masonry bid to get the plaza in shape to remove the temporary fencing.

Baseball Field

- Eel River Kings want to develop a 5-year long term lease agreement and will come before the Board soon.

Soccer Field

- County is requiring installation of ADA asphalt or concrete pad adjacent (by way of a concrete path) to an ADA parking spot before North Coast Paintball can operate their business.
- We are trying to get ahold of our engineer to develop design plans to submit to the county.

Wastewater

- Clarifier insurance money should be coming in and Clearstream plans on doing the repair job next July or August.
- NPDES permit meeting is happening next Thursday with HRC and the State Water Board.
- Two new gates have been installed at the WWTP.

Water

- New river pumps test start will be Friday 2/21/2020.
- New fence adjacent to ball field and running to the river pumps.
- Still looking into back-up generator.
- Corridor project done except for the area running up to the freeway and the river pumps.

Storm Drainage

- TOS discovered co-mingled discharge in our storm drainage (near Fireman's Park) it was grey and dark coming from HRC. This information to the State

Administration

- Brandis Tallman money is in the bank
- We now will have another set of Umpqua Bank Statements to review
- Job description for the 2nd Operator needs to be drafted.

4. **Special Counsel's Report:**

—None—

5. **Engineer's Report:**

—None—

6. **Fire Chief's Status Report:**

- 2019 fire chiefs report was read by GM detailing dispatch numbers for the SVFD as well as mutual responses, man hours, and fundraising information.

7. **Board Clerk Report:** CSDA Board of Directors Call for Nominations, Seat C for 2021-2023 Term, LAFCo Request for Nominations for District Members to serve on LAFCo & Form 700's.

- CSDA Nominations; Board does not want to make any nominations
- LAFCo nominations; Board does not want to make any nominations
- Passed out Form 700s

ADJOURNMENT at 7:37 PM by Paul Newmaker

Next Regular Meeting of the SCSD will be March 19, 2020 at 5:30 PM. A Special meeting may be held prior to that.

Approved:

Paul Newmaker

Paul Newmaker, President

Board of Directors

Scotia Community Services District

3/19/2020

Date

Attest:

Jennifer McDonald

Board Clerk

Scotia Community Services District

3/19/2020

Date