

Minutes of the SPECIAL Board Meeting for the
Scotia Community Services District
Tuesday August 9, 2022 at 5:30 P.M.

A. CALL TO ORDER/ ROLL CALL/ PLEDGE OF ALLEGIANCE at 5:30 PM

Paul Newmaker, President – Present

Diane Black, Vice President – Present

Delia Ansted, Director – Present

Susan Pryor, Director – Present

Nina Sellen, Director – Present

Leslie Marshall, GM; Julie Hawkins, Board Clerk; Scott MacLeran, District Legal Counsel

Member of the Public: Kent Sawatzky

B. SETTING OF THE AGENDA

Continue Item G1b and Item G2a and Closed Session to the next regular meeting of the SCSD Board of Directors.

After Public Comment & Written Communication the Board chose to change the order of the agenda to hear Mr. Sawatzky's appeal hearing before the public hearing item. Those items are listed here in the meeting according to the order that they occurred during the meeting. Item F1a is prior

Motion: To Continue Items G1b, G2a, and Closed Session to the next Regular Meeting.

Motion: Black **Second:** Sellen

Motion Vote: Ayes Ansted, Black, Newmaker, Pryor Sellen **Opposed:** None **Absent:** None **Abstain:** None

C. PUBLIC COMMENT & WRITTEN COMMUNICATION –

No Written Communication Received.

Public Comments by Kent Sawatzky: Commented that the Public Hearing item was agendized to be decided before his appeal. Commented that he feels that there is a predetermined decision before hearing his appeal. Mr. Sawatzky commented that the Board may wish to restructure the order of the agenda. Mr. Sawatzky commented that he attends many public meetings. He continued that a problem he has identified is that staff is driving things and not giving information to boards and things, something he calls "tail-wagging". Mr. Sawatzky commented that there are four kinds of lies, the worst is the lie of omission. And when people don't give you the full truth on things, it's very hard for you to make good cognitive decisions. Will give examples during New Business Item 1a.

D. ADJOURN TO CLOSED SESSION - Tabled

1. Call to Order

2. Roll Call

3. Government Code §54956.9; Discuss anticipated litigation with District Legal Counsel

4. Closed session discussion

E. ADJOURN TO OPEN SESSION - Tabled

a. Report out of closed session

G. BUSINESS

New Business –

1. New Business -

a. Appeal Hearing for 151/153 Main Street

Based on comments by Mr. Sawatzky during the Public Comment & Written Communication item, Mr. McLeran advised the Board that they could revise the order of the agenda and hear Mr. Sawatzky's appeal prior to the public hearing. The Board decided to change the order of the agenda and hear item G1a before Public Hearing item F1a his appeal prior to holding the Public Hearing.

Appeal Hearing was opened by President Newmaker.

Board Clerk swore in General Manager Leslie Marshall, and Appellant Mr. Kent Sawatzky.

Ms. Marshall provided her statement by reading, in full, the staff report. (Staff report text included here, for attachments, please see the board packet available on the SCSD website.)

151/153 Main Street (APN 205-442-025) closed escrow on 7/17/2019. A new account was set up on 7/31/2019 for Kent Sawatzky, owner of record, and the first bill was sent to the property owner on 8/7/2019. No payments were received for 2 months, and service was shut off to the property on 10/10/2019 following noticing procedures (upon review of disconnect notice, it seems the disconnect date and notice date were transposed in error. The property was not disconnected until 10/10/2019, after notice was sent to owner), and multiple attempts by administrative staff to contact the property owner for payment. The property was billed a reconnection fee, and a late fee upon service shut-off. The next bill was sent to the property owner on 11/7/2019, which included the reconnection fee and late fee.

The first and only payment was received on 11/19/2019 in the amount of \$912.00, covering the balance of the account through 10/8/2019, short \$0.88. Service for 151/153 Main Street was shut off. Bills have been sent to the property owner every month thereafter and have never been returned to sender via USPS.

On January 16 & 22, 2020 staff emailed Mr. Sawatzky and provided him with a Master Fee Schedule and Service Agreement, asking him to provide one at that time. Mr. Sawatzky did not send over a signed service agreement, and still has failed to provide one to the District.

On 6/24/2020, Staff spoke with customer, states he will come into office in the next few weeks to discuss balance. No customer agreement hard copy found, nor returned to the District. Researching to send to collections or lien. On 6/30/2020, staff emailed account details over to legal counsel. As of 07/15/2020, no contact with customer. Account forwarded to legal for solution. 07/20/2020 Staff called customer, left message. Advised customer account is with legal to potentially lien the property and in effect all real property would be liened. Advised to contact us today as he has not responded to any other measures. 08/03/2020, per legal counsel, they are drafting a letter.

01/12/2021 there was a meter read error on the account, adjusted meter reading from 20451 - 20431 to 20431 – 20431. Water Adjustment of \$-2,819.44, and sewer adjustment of \$-4,369.13 was placed on the account.

The March 11, 2021 bill was sent out with a written note of “certified letter pending” for 151/153 Main Street. On March 10, 2021 staff emailed District legal counsel again regarding the account and putting together a lien process to follow. Both times staff reached out to legal counsel regarding the account it was put on hold due to COVID-19 pandemic related issues, including the CA Governor’s Shut -off Moratorium. As Mr. Sawatzky had requested his service stay locked off, service was not restored to the property during this time.

On 7/7/2021 Staff called Mr. Sawatzky again and left a message regarding his account. On 7/14/2021 Mr. Sawatzky came to the office to speak with staff about the bills and reestablishing service to his property, stating he did not believe that he was obligated to pay the current balance owed, or would pay “in protest” and would be consulting his legal counsel on the matter, and have his lawyer contact District legal counsel. He also confirmed receipt of all bills at this time. In further

phone conversations with Mr. Sawatzky, he requested to see the District's Ordinances, which staff referred him to the District's website scotiacsd.com to view. Mr. Sawatzky left a message with District Legal Counsel on 8/4/2021, to staff's knowledge no progress was made.

The CA COVID-19 Moratorium was lifted February 1, 2022, and notices regarding arrearage payment plans and tax roll liens, per SB155 were sent to all outstanding customers on 2/2/2022. Mr. Sawatzky responded on 3/3/2022 with the letter attached (Attachment A). He did not elect to enter into a repayment plan, as required by law, nor did he pay any of his account balance with the District, and as such the full property balance is eligible to be placed on the upcoming tax roll as a lien to the property in June 2022.

At this time, payment plans have been offered on three occasions to Mr. Sawatzky, the first in February 2022 upon the initial notice to the account for SB998, a second time on May 31, 2022, and a third time upon Mr. Sawatzky's request for an updated payment plan on July 21, 2022. None of these payment plans have been entered into at this time. The latter two payment plans are attached for record.

From staff's understanding, Mr. Sawatzky would like to appeal his account for what is owed. *Mr. Sawatzky was heard initially at the May 26, 2022 regular Board Meeting, and asked for a re-hearing to have further opportunity to appeal the account.*

How fees/charges work at Scotia CSD: base vs. usage

For user fees (water and wastewater), base rates are billed monthly as a property related service to all property owners within the District. Consumption Charges are billed monthly based on actual metered usage, on top of the base rate. Both charges cover operations/maintenance costs, capital reserve allocation and loan repayments. Additional treatment charges for sewer, BOD (biological oxygen demand) and TSS (total suspended solids) (i.e., the physical stuff in the wastewater to be treated out) are charged monthly as well.

Benefit Assessments (parks and rec, streets and lighting, storm drainage) are billed annually as a property-tax like assessment, charged through the District billing, instead of the County Tax Roll.

This information is more thoroughly explained in each District Ordinance, available on the Scotia CSD website: scotiacsd.com

Citations for record, per Scotia CSD Ordinances and Policies incorporated by reference:

Water Ordinance 2022-3: Sections 3.01-3.03 (applications, payment for previous service); Chapter 6 Billing; Chapter 7 Discontinuance of Service; Chapter 8 Collection by Suit

Wastewater Ordinance 2021-6: Sections Chapter 9 – Wastewater Charges And Fees; Chapter 10 – Billing And Collecting; Chapter 11 – Alternative Billing Process To Bill On County Tax Roll

Parks & Recreation Ordinance 2021-5: Chapter 10 – Benefit Assessment Interpretation And Appeals

Streets and Lighting Ordinance 2021-7: Chapter 7 – Benefit Assessment Interpretation And Appeal

Storm Drainage Ordinance 2021-4: Chapter 4 – Benefit Assessment Interpretation And Appeals

2021/2022 Master Fee Schedule: http://scotiacsd.com/wp-content/uploads/2021/09/Master-Fee-FY-21-22-Schedule-Edits_Final-8.19.21.pdf

Current Rates: <http://scotiacsd.com/wp-content/uploads/2021/07/SCSD-Rates-2016-2022.pdf>

FISCAL IMPACT:

Per the Customer History Report for 151/153 Main Street (Attachment B), as of 5/11/2022, the current outstanding balance for 151/153 Main Street is: \$28,337.61

Deposit: \$100.00
Account Fee: \$35.00
Water: \$5,099.76 - \$ 2,819.44 (adjustment) = \$2,280.32
Sewer: \$7,119.40 - \$ 4,369.13 (adjustment) = \$2,750.27
BOD (sewer): \$196.24
TSS (sewer): \$293.54
Parks & Recreation: \$636.49
Streets & Lighting: \$168.79
Storm Drainage: \$71.08
Reconnection Fee: \$40.00
Subtotal for Services: \$6,571.73
Payment 11/19/2019 \$912.00
New Subtotal for services: \$5,659.73
Late Fees: \$22,677.88
Total Outstanding Account Balance 28,337.61

Per the Customer History Report for 151/153 Main Street (Attachment B), as of 8/2/2022, the current outstanding balance for 151/153 Main Street is: \$38,107.69

Deposit: \$100.00
Account Fee: \$35.00
Water: \$5,240.11 - \$-2,819.44 (adjustment) = \$2,420.67
Sewer: \$7,287.30 - \$-4,369.13 (adjustment) = \$2,918.17
BOD (sewer): \$208.37
TSS (sewer): \$311.66
Parks & Recreation: \$636.49
Streets & Lighting: \$168.79
Storm Drainage: \$71.08
Reconnection Fee: \$40.00
Subtotal for Services: \$6,910.23
Payment 11/19/2019 -\$912.00
New Subtotal for services: \$5,998.23

Late Fees: \$32,109.46
Total Outstanding Account Balance \$ 38,107.69

Mr. Sawatzky was given an opportunity to question Ms. Marshall.

-Mr. Sawatzky commented on the payment plan stating that in it it says a debt acknowledgement, that the customer agrees, or acknowledges that they owes the CSD an amount and he states that he cannot agree to that. He cannot enter into a payment plan unless there is an agreement that does not acknowledge that.

-Mr. Sawatzky responds to Ms. Marshall's comment that "Mr. Sawatzky left a message for legal counsel on 8/4/2021. To staff's knowledge, no progress was made." Mr. Sawatzky responded stating, wouldn't a more correct statement say that we have no record that Mr. Sawatzky's communication was returned. It implies that we had a conversation or we entered in something and couldn't agree. Ms. Marshall asserted that her statement in the staff report reflects her understanding that no progress was made on the account following Mr. Sawatzky's email to legal counsel. Mr. Sawatzky followed up by saying while it is true that no progress was made, it does not exemplify the statement that that no communication was made. And no communication was returned to me from your legal counsel. Mr. Sawatzky believes that to be an error in the staff report. Current

legal counsel Mr. McLeran was not legal counsel at the time stated and does not have knowledge of communications. Ms. Marshall also does not have record of the communications between Mr. Sawatzky and District's legal counsel.

-Mr. Sawatzky states that he received 90 pages of documents. He states he did not request all of the District's Ordinances, all he requested was Ordinances or documents that showed that he actually owed the District money. Mr. Sawatzky stated that the documents, had certain things underlined regarding the COVID payment plan, which he doesn't believe he falls under. Mr. Sawatzky asked, "Did you underline anything in that ordinance that would show that I was being forced to or required to enter into a contract with you and to make payments during this time period?"

Ms. Marshall responded by saying that the ordinances specifically line out that every customer must enter into a customer payment agreement with the district to receive service. The Ordinances also lay out the monthly billing process. The wastewater ordinance begins on page 29, chapter 9 and chapter 10, and water ordinance chapters six, seven and eight lay out the billing for the district and how those charges are levied against customers.

-Mr. Sawatzky identified section 3.01 regarding applications and he would like to underline the word "may." A property owner or their agent may apply for regular water service at the district office by completing an application form. Paying a non-refundable processing fee, and providing the security deposit. The fee and security deposit amount can be acquired at the district office or on the district website. The amounts are set by resolution by the board. The deposit shall be applied to the account's credit after 12 months with a good payment record. Mr. Sawatzky continued by saying "So when you say I must do something here, your own section 3.0 says I may do something here. Do you understand maybe you should have shall in there rather than may?" Ms. Marshall responds by saying that service applications are required by the District and she will make a note of updating the Ordinance language as suggested by Mr. Sawatzky. Mr. Sawatzky states "So you can see how somebody in my nature might read that differently than what you're reading."

-Mr. Sawatzky continues that in section 3.02 Application Agreement states that the completion of an application will signify the customer's willingness and intention to comply with this and other ordinances or regulations relating to the regular water services to make payment for all fees, costs and expenses associated with provision of water service. Mr. Sawatzky states that this is all predicated by a "may". And continues by saying "And then it's also showing that this agreement, this contract, is entered into and at that such time the commitment to go ahead and do that is done. And that's how I read that if you read that yesterday, please let me know. But I never did sign a contract. Is that correct?"

Ms. Marshall responds stating that the District does not have the current hard copy of the service agreement for Mr. Sawatzky is account. It was relayed to me by past administrative staff that the copy was misplaced. And we have been unable to replace it with Mr. Sawatzky is my understanding.

Mr. Sawatzky stated what he believed to be in the staff report that the application wasn't signed so there was nothing to look for. Ms. Marshall states that the follow-up agreements were not signed by the appellant. Staff has attempted to get a signed agreement from Mr. Sawatzky multiple times Mr. Sawatzky confirmed and said that was for the reasons he has stated above.

-Mr. Sawatzky moves on to his next question regarding the documents sent to him. This has to do with notice hearing, final determination of charges, filing a report with the county recorder on or before August 10th. This is directly in the process that you will be doing, or possibly doing after this particular item (Referring to the Public Hearing Item). Mr. Sawatzky refers to Section 11.10 Liens and recites that section of the ordinance. He continues saying that he would have to go back to the schedule but that the District would have had an obligation to file the first year when the balance was around \$777.

Ms. Marshall states that the District has not moved to lien properties in prior fiscal years. And the most recent fiscal year was impacted by the Covid19 pandemic and the moratorium, which exacerbated those balances from the previous two fiscal years. Mr. Sawatzky and Ms. Marshall discussed which page the full account balance

was. Mr. Sawatzky stated that he could not see it in his packet.

Mr. Sawatzky discusses Section 10.10 regarding disconnection which he read aloud. He continued saying that's actually the method of collecting the charges that the District said he owed, to disconnect him and then those charges were paid. He continued saying "According to your statement, you haven't used this process, which actually was required by your ordinance to be used in prior years." Mr. Sawatzky then briefly explained the unclean hands doctrine and that it may apply in these proceedings as this is a "semi-court process." Mr. Sawatzky went on to explain that if the lien had been placed the first March following the opening of the account, he would have had an opportunity to appeal then and there wouldn't be as many service charges assessed to the account. Ms. Marshall and Mr. Sawatzky discussed briefly. Mr. Sawatzky went on to say "I think between the fact that the attorney never got back to me, I was never provided and still have not been provided an exact ordinance that says how I have to pay. Instead, I've actually provided information today to you that say 'may' and a few things that I really feel that you may wish to consider. And you may wish, I have no problem, I'd like to have a determination today and make a settlement. On the other hand, you may wish to go ahead and you may wish to table this and have it as a closed session at your next meeting and go there and not move forward online, or the other three people because they may be in the same situation as far as your next agenda. That is just a suggestion" Mr. Sawatzky asked Ms. Marshall if she felt that would be appropriate under the circumstances.

District Legal Counsel advised that because the question is not directly related to her statement and possibly hypothetical, she would not be obligated to answer the question. Mr. Sawatzky confirmed that Ms. Marshall declined to answer. Ms. Marshall stated that she was unsure as to how to answer the question at this time.

Mr. Sawatzky continued saying that it was not a hypothetical question and that she may want to make a recommendation to the board based upon the testimony that she has given them and that he (Mr. Sawatzky) has given here, that it might be in the board's best interest to consider this and take a little bit of time. Mr. Sawatzky stated that the last thing he wants to do is have to engage in litigation. He stated that he is very good at settling things out without going to that. He continued saying "I feel quite confident with the testimony and the administrative record that we've developed here today, it would be well worth your time to consider some other options. And that was my question for you. And by advice of counsel, it sounds like you declined to answer that."

-District Legal Counsel, Mr. McLeran, addressed President Newmaker to clarify the proceedings in light of Mr. Sawatzky's line of questioning presented during his questioning of Ms. Marshall's testimony. Mr. McLeran explained that the purpose of the hearing is to provide Mr. Sawatzky with an opportunity to present evidence to the board to refute charges that have incurred and that are being sought to be recovered, and potentially liened. To the extent that Mr. Sawatzky believes that the district has not followed appropriate policies, he certainly can present that in his case. Right now the portion of the hearing is Mr. Sawatzky questioning Miss Marshall on her testimony. He is free during his case, which we will proceed to next, to present any evidence to the board he believes is relevant to his case and why he believes if in fact, he does that the district has not followed its own policies with regard to collection of fees and charges.

Mr. Sawatzky stated that he just had one additional question about Ms. Marshall's testimony, depending on the answer. He continued, "My understanding is that COVID has to do with your lack of ability to shut off an existing account. I see nothing in the COVID thing that indicates that an account that was shut off before this would come under any reason why your prior attorney couldn't have sent out a lien letter or something during that time period. So do you feel that this that my particular case is directly under the jurisdiction of the COVID thing or not?"

Ms. Marshall responded saying that Mr. Sawatzky is correct in that COVID made it so that the District was unable to shut-off customers or pursue balances during that time period and spanning multiple fiscal years. It's my understanding that because of the rapidly changing laws that were coming into effect via the Water Board, the governor and the other divisions that oversee the rest of the balances on the account, that when this SB 998, came out to address these specific nuanced situations. That's where the district came forward to offer the

payment plans to offer these options to our customers to move forward these balances. And that time, those payment plans had a 30 day window to which customers could enter into those payment plans or effectively the properties would be liened after that moratorium period.

Mr. Sawatzky followed up by asking about other cases in the District and if any of them were in a similar situation where they had their water turned off and they requested it not be turned on prior to COVID?

Ms. Marshall responded by stating that there was a shut-off moratorium and any customer with a shut-off had to have service restored unless they specifically requested not to restore service- as is the case with Mr. Sawatzky. When the moratorium ended, customers were provided the opportunity to enter into payment plans, or their property would be liened. Those were the two options.

-Mr. Sawatzky stated that he has asked enough questions of Ms. Marshall at this time and will wait to be instructed as to when he can make his case.

-President Newmaker instructed Mr. Sawatzky to make his case.

-Mr. Sawatzky states that he has largely stated his case in his questioning of Ms. Marshall's testimony. He continued by saying that I believe none of us would be in this situation, had your district under your prior legal counsel and your prior Executive Director followed the guidelines that you were required to, and it was a "shall", and there are "mays" and "shalls" and "maybes" but the policy stated that you had an obligation at that time to file a lien with the county every year. If this were to go to court you may find that your failure to do so was basically the unclean hands which eliminate your case totally. This would be up to a judge, so you never know, I don't want to have to go there with you folks. I have also stated as far as the contract and the arrangement goes, I think it was quite clear that this was a "may" do and the contract and the obligations did not occur until we signed the agreement.

I feel like quite a bit of the reason we are hear is because I did not receive a returned phone call and I did not get the copy of an Ordinance. And I still do not have a copy of an ordinance that's underlined that says anything that indicates that I shall have to pay even though I've asked to be disconnected. And even though I've asked not to be reconnected and join the process until later. So I highly recommend that you consider taking some time and consult with your legal counsel, before making your decision. And I'm happy to have you go into a closed session at this time if you feel that's desirable. But I highly recommend that you do use the competent counsel, it sounds like you do have to work with. Unfortunately my counsel has been very ill so I am doing this part on my own. I really don't want to go to the next level with this. I also would caution you that if some of the same processes were used for your other people on the next agenda item, that you should go ahead and get a report out from your staff, showing that none of these people go back in arrears, where they should have had each first Monday in March, had billed and run through as per your process. So it just a little bit disconcerting, you know, to be here at this time, when there really was no reason, you know, if your policies had been followed, and if I I'd had communication with your counsel, which of course you you've gone through changes, I do understand that. But there was, in my opinion was no reason why your counsel couldn't return my phone call and underline or just sent me one single ordinance or one page, which I have yet to see that enables us to do what's been done here. So I find this to be billing, the process seems to be more or less a ploy to run up a bill on somebody. And I really don't think that's the reputation that Scotia Community Services District wants to have out there. I think maybe it's in your best interest to do what's right and fair. And I'm happy to either at this time, or in the future, negotiate a reasonable settlement in this thing, rather than what I feel under the circumstances unreasonable. And I'm more than happy at this time, if it's appropriate to have comments from you. And if it was appropriate to have a little bit of back and forth for clarity, then that would be appreciated. But that's of course, up to your procedures. I think that summarizes where I'm at on the thing. Thank you

Mr. Sawatzky followed up with a question about fees from the prior meeting when the appeal hearing was tabled.

-Mr. McLeran suggested that the board hear any public comment on this item.

-Mr. President asked for public comment. None was made.

-The board discussed. Director Sellen stated that she doesn't understand what difference it would make to if the lien was placed earlier, saying wouldn't you still have a base fee and penalties accumulating on that? She doesn't know what difference it would make.

-Mr. Sawatzky responds that it is the compound fees that make a difference.

-Director Sellen responds that there would still be a balance owed and not being paid because the property is not sold. So the money is not being collected even if you put on a lien. Ms. Marshall replied that there is not guarantee that the county would be paid either and then they would begin to accrue their own interest. Director Sellen asked if we can collect on a lien before a property is sold. Ms. Marshall confirms that if Mr. Sawatzky paid the balance, the lien would be removed. Director Sellen states that she doesn't understand what the difference being connected, unconnected, and reconnected means, that doesn't change the base rate, correct? Ms. Marshall confirms that these are property related fees. And in addition to that, we have a state definition of inactive versus active service connections. Active service connections include connections that are made on even disconnected services, but connections that are still physically connected to the system. Therefore, meters that have not been removed, are still considered active service connections within the district. And unless there's been a meter physically removed from this property that means that it is still serviceable to the house, regardless of whether it's been locked off for non-payment, or inactive and serviceable and paid in full property connection. Director Sellen asked Ms. Marshall to confirm that the meter has not been removed. Ms. Marshall confirms that it has not been removed and it is still an active connection. Director Sellen confirms that this wouldn't change the base fee then.

-Director Pryor stated that if the bill was paid every month, he wouldn't have all these late fees and if he didn't feel he owed something he could have requested an adjustment rather than letting them continue to build and build and build why do we need to forgive that when he just failed to do the right thing?

-President Newmaker stated that it was unlikely that Mr. Sawatzky would enter into a payment plan without admissions by the District and the District was not planning to do so, that they would move forward with a decision.

-President Newmaker moved to adopt Resolution 2022- 9 A Resolution Of The Scotia Community Services District Board Of Directors Making Findings And Denying The Appeal Filed By Kent Sawatzky Regarding Delinquent Account Status. No further discussion or public comment.

Motion: To adopt Resolution 2022- 9 A Resolution Of The Scotia Community Services District Board Of Directors Making Findings And Denying The Appeal Filed By Kent Sawatzky Regarding Delinquent Account Status

Motion: Newmaker **Second:** Ansted

Motion Vote: Ayes Ansted, Black, Newmaker, Pryor Sellen **Opposed:** None **Absent:** None **Abstain:** None

F. PUBLIC HEARING –

1. Adopt Resolution 2022-13 A Resolution of the Scotia Community Services District Board of Directors to Approve the Tax Rolls for Fiscal Year 2022/23.

Based on comments by Mr. Sawatzky during the Public Comment & Written Communication item, Mr. McLeran advised the Board that they could revise the order of the agenda and hear Mr. Sawatzky's appeal prior to the public hearing. The Board decided to change the order of the agenda and hear item G1a before Public Hearing item F1a his appeal prior to holding the Public Hearing.

President Newmaker opened the public hearing and GM reviewed staff report. GM reported on

changes to an account. Property 205442014 has entered into a payment plan and the new amount to be liened is \$2,334.35. We will adopt the resolution with changes.

Public Comment: Mr. Sawatzky stated “I would like to caution the board, I understand that as soon as a lien is placed on their property there will be a ding on the credit score and you want to make sure you’re doing something based on facts. You also may find that this would preclude them from selling other properties. And it actually can have quite significant financial impact on somebody, would it be determined through litigation that these liens were placed in error, you might find yourself liable for very large sums of money. So I would just like to caution the board regarding that. And of course, in reference to my case, the board may find that it is probably best to go ahead and consider, I think it goes under anticipated litigation, on your agenda next meeting regarding the two actions that you have taken here today's meeting. So that's my suggestion on that. And you just might want to be a little bit careful, a little bit slow. Some of you may not understand the consequences of these kinds of things, as far as they can be quite significant for a small district like yourself. Thank you for my opportunity to speak.”

No additional discussion or public comment.

Motion: Adopt Resolution No. 2022-13: A Resolution of The Scotia Community Services District Board of Directors to Approve the Tax Rolls for Fiscal Year 2022-2023 on Real Property Located Within the District for Unpaid Delinquent Charges with changes.

Motion: Pryor **Second:** Black

Motion Vote: Ayes Ansted, Black, Newmaker, Pryor Sellen **Opposed:** None **Absent:** None **Abstain:** None

President Newmaker Closed Public Hearing Closed

Meeting unadjourned at 6:38 PM and public hearing reopened for the board to consider a motion regarding BOD and TSS fees that were found to be related to consumption and therefore should not be applied to APN APN 205-442-025-000. This changes the amount that will be liened on this property. Mr. Sawatzky was called to inform him that the board would be called back to order to make a decision on this item. The BOD charges of \$202.10 and \$305.39 for TSS would be waived through June 30, 2022.

Motion: To Waive the BOD & TSS Fees for APN 205-442-025-000 as of June 30, 2022.

Motion: Newmaker **Second:** Pryor

Motion Vote: Ayes Ansted, Black, Newmaker, Pryor Sellen **Opposed:** None **Absent:** None **Abstain:** None

Public Hearing Closed at 6:46PM

- b. Adopt Resolution 2022-14 A Resolution of the Scotia Community Services District Approving Water Shut-off Policy for Non-Payment of Residential Water Service.

Tabled to next regular meeting.

2. Old Business –

- a. Review Conflict of Interest Code and Consider Adopting Resolution 2022 – 11 Amending Resolution 2020-10 Conflict of Interest Code Policy

Tabled to next regular meeting

F. REPORTS – None

G. BOARD TRAINING: None

H. ADJOURNMENT at 6:30 PM Meeting reopend at 6:38 PM and Readjourned at 6:46PM

All participants were notified that meeting was reopened for the public hearing item and were present and available to provide relevant public comment.

Approved:

Paul Newmaker

Paul Newmaker, President

Board of Directors

Scotia Community Services District

8/18/22

Date

Attest:

Julie Hawkins
Board Clerk for Julie Hawkins

Scotia Community Services District

8/18/2022

Date