

BIG LAGOON COMMUNITY SERVICES

UNAPPROVED MINUTES of the BLCSD Special Board Meeting

Sunday July 28, 2024 at 10 AM - Big Lagoon Elementary School Gymnasium

Chair's Call to Order (Staff)

The special board meeting of the BLCSD convened at 10:01 AM.

Board in attendance: Louise Minor, Treasurer; Chuck King, Director; Catherine Munsee, Director. Staff in attendance: Dick Maier, Accountant; Dana Hope, Community Liaison; Mara Friedman, Secretary

OLD BUSINESS

1. Approve minutes from meetings of March 16, March 23 and March 30.

Regarding the 3/23 Minutes, 'Code of Conduct ' was discussed. Staff recommended 'Meeting Agreements' not be adopted.

MOTION made to approve the 3/16/24, 3/23/24 & 3/30/24 Minutes as distributed.

Motion: Chuck, Second: Louise - Motion Approved: 3 ayes, 0 nays

NEW BUSINESS

Public Comment

Four community members present.

1. Approve proposed amendments to the BLCSD By-Laws - Dana

Staff recommendation to amend exiting by-law #9.

MOTION made to approve the proposed amendment.

Motion: Chuck, Second: Louise - Motion Approved: 3 ayes, 0 nays

2. Review what has taken place since last meeting. - Dick

a. Gmail to MCSD April 2

b. Estimated Costs for MCSD Assisting Big Lagoon (BLCSD) with their Operation May 24

Staff met with McKinleyville CSD and provided information for their 4/3/24 board meeting.

Staff attended the MCSD board meeting and presented on behalf of BLCSD. MCSD staff

provided estimated annual total cost of \$66,156.51, which includes billing as well as selected water operator tasks.

3. Analysis and Financial impact of MCSD Estimated Costs – Dick

a. Per customer costs under various conditions

b. What if we don't move forward with MCSD

BLCSD has always operated with an entirely volunteer staff. Dick explained our needs and how these estimated costs were arrived at and stated that we are just at the beginning stages of negotiations with MCSD. We are still responsible for all needed repairs, as well as insurance.

He added that we currently have apprx. \$114,519 in our BLCSD account and the district generates apprx. \$8,942.04 per year. He stated that in Scenarios 1 & 2 (no volunteers), if BLCSD does not increase the rates, the district will go bankrupt in 3 years. In Scenarios 3 & 4, the district will avoid bankruptcy for a longer period of time. For now, the district is considering a hybrid model 'Fee for Service' with MCSD, where we would remain a separate entity. Within 5 years the district will either continue functioning as is or possibly merge with another CSD. Potentially our bi-monthly water bill could be more than \$500 if a merger occurs. Board would like to explore the possibility of MCSD completely absorbing BLCSD and also expressed the importance of maintaining as much as possible in our cash reserve to handle future emergencies. Staff discussed the current crisis with Trinidad's water system and their significant rate increases as a result.

4. Approve moving forward in a Good Faith Negotiation with McKinleyville Community Service District (MCSD)– Dick

MOTION made to move forward allowing Staff to negotiate in good faith with MCSD, with the caveat to ask MCSD if they would be interested in absorbing BLCSD, and if so, what would the cost be?

Motion: Louise Second: Chuck - Motion Approved: 3 ayes, 0 nays

5. Water Operation - Gus

Dana presented Gus's report. There was a zoom meeting with BLCSD and DWR. BLCSD was one of only three entities to be awarded a grant. DWR will be providing the following at no cost: a leak detection study, a rate study, 26 toilets, 32 showerheads and 32 aerators (including installation). Staff reported that our 40 year-old pump has died. District will purchase a new pump. The first bid received was an estimate of \$4500 to replace the pump.

Adjourn

Dick adjourned the meeting at 11:32 AM.

Submitted by Mara Friedman, Board Secretary