

1. CALL TO ORDER by Chair Ronco at 5:30

Roll call by General Manager Tait - all directors present - Item 4 was moved ahead of item 3 at request of Chair Ronco

2. Public Expression on non-agenda items - no comments from the public

3. INFORMATIONAL PRESENTATION REGARDING PACKAGE PLANT OPTIONS.

This item was moved to follow item 4. Presentation by PACE supply corporation. Oral and power point presentation regarding package plants, how they work and their advantages and disadvantages. Questions by both Board members and members of the public occurred.

4. CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL: Board went into closed session at 5:33 and came out of closed session at 5:46 - stating that closed session would be continued after the completion of the remainder of the agenda.

5. Public Expression of Agendized Items: occurred regarding items 3, 9, 10, 11, 12, 13

6. CONSENT CALENDAR: Although there were no consent calendar items, the board made the standard motion to approve the consent calendar.

7. REPORT OF PAYMENTS

- P&L Statement for June 2017
- Check Register for June 2017

Motion made by Director Page and Seconded by Director Marshall - motion approved 5-0

8. APPROVAL OF BOARD MEETING MINUTES

- June 15, 2017 Regular Meeting

Meeting date corrected to the continued meeting date of June 21. Motion to approve by Director Page, seconded by Director McNerlin. Motion approved 5-0

9. BAR SCREEN INTALLATION PROJECT

Discussion regarding bid received from City for installation of "bar screen" at Wastewater Treatment Plant. Directors commented that cost was significantly more than originally told, but current bid lower than original bids by about \$20,000. Comments from City staff regarding cost and that time to accept bid was extended. City has already approved accepting bid.

Motion by Director Page to accept the bid, seconded by Director McNerlin. Motion approved 5-0

10. DISCUSSION AND DIRECTION REGARDING FINANCIAL AUDITS

District's legal counsel, D. Losak, informed the Board that there has not been a completed audit since possibly fiscal years 2007-2008. Mr. Losak informed them that the reason for this is that the City has not provided adequate data to the District's financial contractor nor with the auditor's when they have requested information. City staff disputed this accusation and claimed that they have cooperated fully.

Direction was given to General Manager Tait to work with a CPA or other qualified financial person to obtain either audits or compilations for the missing years. It may be required to receive a confirmation statement from the CPA that best efforts to close incomplete annual audits has been achieved.

11. BUDGET: DISCUSSION OF CITY'S UNILATERAL ACTION AUTHORIZING CAPITAL IMPROVEMENTS IN EXCESS OF \$100,000 WITHOUT DISTRICT APPROVAL, INCLUDING INSTALLATION OF A BAR SCREEN AND AUTHORIZING THE EXPENDITURE OF \$2.8 MILLION DOLLARS FOR UPGRADES TO THE WASTEWATER TREATMENT PLANT

Director McNerlin commented that the issue of the "bar screen" was addressed in item 9 and therefore did not need to be addressed again. The other Board members agreed. District counsel Losak informed the Board that at its June 21, 2017 meeting, the Ukiah City Council adopted an amendment to the fiscal year 2017-18 budget for the Wastewater Treatment Plant for engineering/design work related to the City's Recycled Water Project. Sage Sanciacimo informed the Board that the City was not asking for the District to contribute to the cost for the proposed work.

12. DISCUSSION AND POSSIBLE ACTION REGARDING CITY'S FAILURE TO FOLLOW THE BUDGET PROCESS AS REQUIRED BY THE PARTICIPATION AGREEMENT AMENDMENT ONE

District Counsel Losak informed the Board that the City had passed its budget, including a budget for the wastewater system at the City Council's meeting on June 21, 2017. The City provided the budget to the District during the public comment section of its June 21, 2017 meeting, and informed the District Board the City would be considering and likely adopting the budget that evening. According to Mr. Losak the City has not followed the process for adopting a joint budget for several years, and has refused to provide information the District needs to determine what the District's share of operations and maintenance of the system should be.

Sage Sangiacomo, Ukiah City Manager, disagreed with Mr. Losak and claimed it was the District that has not followed the budget process and the City has provided all information requested.

The Board directed the General Manager to meet with the City Manager to address outstanding issues related to the current budget, and to come to an agreement for the budget process in the future. The Board also authorized the General Manager to initiate the budget dispute process set forth in the Participation Agreement, Amendment 1.

13. CONSIDERATION OF NEW TECHNOLOGY PROFESSIONAL SERVICES PROVIDER

General Manager Joe Tait informed the Board that the District was having serious issues with its information technology, including e-mail and web server. After a short discussion, Director Page moved to authorize Mr. Tait to purchase necessary information technology and service, seconded by Director Marshall. After further discussion, Director Page modified his initial motion to include a dollar limit of \$5,000.00. The amended motion was seconded by Director Marshall and approved 5-0

14. DISCUSSION AND POSSIBLE ACTION OF TRANSFERING DISTRICT CHECKING ACCOUNT TO A DIFFERENT FINANCIAL INSTITUTION

Chairman Ronco and General Manager Tait informed the Board of difficulties they were having transferring signature authority from former Manager McMichael to Mr. Tait. The current bank changed its position several times regarding who needed to be present to make the change, forcing the Manager and the Chair to go to the bank on multiple occasions, and they were still unable to make the requested changes.

The General Manager asked for authority to investigate options for banking services with local entities, and to open an account at the one he deems best situated to work with the District. Director Page moved that the General Manager be given the authority requested, motion as seconded by Director Marshall and passed 5-0.

15. ANNOUNCEMENTS/OTHER BUSINESS/MATTERS FROM STAFF

- a. Reports/Matters from Staff
- b. Letters Received or Sent
- c. Set the Next Regular Meeting – August 17, 2017

General Manager Tait gave updates on his tour of the City's Wastewater Treatment Plant, various meetings, and activities at the office.

RESUMPTION OF CLOSED SESSION

The Board, Manager, and legal representatives reassembled in closed session. There was nothing to report from closed session with the exception of a possible special meeting to be held on August 3, 2017.

Adjourned at 9:45