

MENDOCINO CITY COMMUNITY SERVICES DISTRICT
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Minutes of November 22, 2011

Special Meeting was called to order at 8:30 a.m. in the business office at the Wastewater Treatment Plant. Present were Directors Kraynek, Waldman, Schwartz and O'Brien. Jodi Mitchell was present. Steve Acker was not present.

1. Public Comment

2. Communications

Director O'Brien mentioned that David Russell was elected in 1971 and served on the MCCSD Board until 1989. Ed O'Brien said David would be greatly missed by the entire community and also, the firehouse crew. Jodi invited the Board members to sign a sympathy card for Jane Russell and her family.

3. Old Business

a. Agreement between Mendocino City CSD and Monte and Barbara Reed
Concerning Real property located at 10705 Palette Drive, APN 119-140-31

The Board of Directors reviewed an Agreement between the MCCSD and Monte and Barbara Reed. The Reed's were the owners of the property and the MCCSD had expressed an interest in acquiring the property for public use. The agreement was intended for both parties to agree to move forward and take the next step towards condemnation of property by power of eminent domain; a public hearing to adopt a resolution of necessity.

Mr. Reed requested that condition #2 be removed, and he would issue a check payable to MCCSD for \$2,500.00, the cost of the appraisal. The Board was not comfortable with a payment in lieu of the agreement condition and they wanted to keep a paper trail of the appraisal process. Mr. Reed withdrew his request and provided a \$2,500 check for reimbursement for the cost of the appraisal of the property.

It was unclear to the Board if there would be a property tax burden to the District when the transfer of title was made and the property was reappraised. Mr. Reed indicated that the property taxes were approximately \$300 per year, and that the laundry building paid their share of those taxes. Attorney Jackson thought the taxes would be reasonable for the free land.

The Board discussed the existing easement with the Hill House and the relationship between the laundry building lease, and tax and insurance liabilities. Jackson verified that their lease had nothing to do with the MCCSD. Because it was grandfathered in, the District couldn't impose on that easement. The District would need to accept all the easements as they existed.

Other than taxation questions, the Board was comfortable with the agreement as written.

MOTION Schwartz/Kraynek: To accept the agreement between MCCSD
and Monte and Barbara Reed.

ROLL CALL VOTE AYES: Kraynek, Waldman, Schwartz and O'Brien
NOES: None
ABSENT: None

b. Review Cost Estimate and Retain a Licensed Appraiser to Determine the Fair
Market Value of the Property

A cost estimate was provided by a Certified General Appraiser, George Dutton, Dutton Appraisals & Consulting. The proposal for professional services would be to provide a narrative appraisal report on the real property as of the inspection date. The appraisal report would

provide an estimated value for the 2-acre property. The fee for the report was \$2,500 with a completion time of two weeks from date of engagement and or inspection of the property. Mr. Dutton had scheduled his inspection on November 29, 2011. The report would be prepared in accordance with Uniform Standards of Professional Appraisal Practices.

MOTION Schwartz/Kraynek: To agree to pay for the appraisal at the estimated cost of \$2,500.00 for property at 10705 Palette Drive, APN 119-140-31.

ROLL CALL VOTE AYES: Kraynek, Waldman, Schwartz and O'Brien
NOES: None
ABSENT: None

The November regular monthly meeting was re-scheduled from Monday the 28th to Tuesday, November 29, 2011.

Due to the Christmas Holiday, the December monthly meeting scheduled for the 26th was changed and the December monthly meeting and the Public Hearing for the Resolution of Necessity for condemnation by Eminent Domain would be scheduled for Monday, December 19, 2011 and would be held at the Mendocino Community Center, if the facility was available.

Secretary Mitchell noted that the remaining Board members had 60 days to make an appointment to the unexpired term of Ed O'Brien. Ed announced his resignation date effective December 2, 2011, and the appointment of a new director would be scheduled at the January 30th meeting. The Board suggested a public service announcement be provided to KZYX, the Coast, and Skunk (formerly KMFB) to notice the vacancy.

The meeting adjourned.

Respectfully submitted,

Jodi Mitchell, Secretary