**KEYES COMMUNITY SERVICES DISTRICT**

**BOARD OF DIRECTORS**

**SPECIAL MINUTES**

**Date: Tuesday, December 19, 2017**

**Time: 1:00 p.m. or as follows**

Attorney Andy Pinasco stated that for the record this is a serial meeting that is sub sequent to the special meeting of December 19, 2017. We will be foregoing any roll call, public comment on non-agenda items and flag salute. We will be beginning with item 6 on the special meeting agenda.

1. **Call to Order.**
2. **Pledge of Allegiance.**
3. **Roll Call.**
4. **Public Comment on Non-Agenda Items.**
5. **Consent Agenda.**

**NONE**

1. **DISCUSSION/POSSIBLE ACTION ITEMS**
2. **Discussion and Possible Action to accept the License Agreement with A.L. Gilbert regarding the Laydown Yard.**

General Manager Garza explained to the Board that Clark Bro’s needs to have some property to place their trailers and material on so they are trying to lease some property from A.L. Gilbert. A. L. Gilbert came back with a license agreement that they want Keyes Community Services Dist. to sign in order for Clark Bro’s to enter into an agreement with them. General Manager Garza spoke with legal counsel and they advised not to sign it with the way that it is presented. Andy has been working with Mehdi and Clark Bro’s to see how we can get around this and let them get started. Andy referenced page 11 that has a guarantee provision that the District would be required to guarantee Clark Bros for licensing, indemnity and so on. Andy and Mehdi spoke with Clark Bro’s to see if they could provide some type of insurance that would not obligate the District for any future liability. The amount of future liability is speculative. Clark Bro’s has said that they can provide this although we have not seen this document. What Legal has proposed is that we accept the licensing agreement subject to Clark Bro’s providing an insurance policy satisfying the guarantee obligation of the District. Director Landers asked what A.L. Gilbert wants us to be obligated for. General Manager Garza explained that A.L. Gilbert wants to make sure that if Clark Bro’s insurance was not covering a liability that the District would cover it. Vice President Bernal asked how long they are wanting us to cover this. Andy said that it will be 18 months from the start of construction. This agreement is not obligating the District to pay any money unless Clark Bro’s can’t pay the licensing fee which they have said they will pay the entire fee upfront. This is why we came up with the idea of an insurance policy that if Clark Bro’s went away and A.L. Gilbert came looking to the District for any type of compensation that the insurance policy would cover any obligation that the District would have. Director Robertson askedif Clark Bro’s produces this insurance policy this would mean that the District would not be held liable. Andy said this is correct. Director Robertson asked if it was the recommendation of both staff and council to execute this subject to the insurance being provided by Clark Bro’s. He was told yes. Director Landers asked where would we stand if Clark Bro’s did not follow through with their part? Andy explained that there would be no license executed and the District would be obligated to nothing. If the license agreement is not signed Clark Bro’s will need to find somewhere else to set up their trailers and another place to put their materials. There was a motion made to approve the license agreement between A.L. Gilbert and Clark Bro’s to use the site adjacent to the District’s treatment project for its laydown yard and onsite offices subject to Clark Bro’s providing insurance that would substantially comply with coverage of any obligation. The District would otherwise be providing a guarantee for Clark Bro’s. The District will also delegate General Manager Garza to sign and execute all and any documents necessary for the District and Clark Bro’s to enter into the license agreement with A.L. Gilbert by Director Landers and a second by Vice President Bernal. Director Landers(M), Vice President Bernal(S), Director Landers(AYE), Director Jones(AYE) and Director Robertson(AYE).

1. **Items from General Manager.**

NONE.

1. **Staff Comments.**

NONE.

1. **Director Comments**

NONE.

1. **Adjournment**

There was a motion made to adjourn at 1:36 pm by Director Robertson and a second by Director Jones. Director Robertson(M), Director Jones(S), Vice President Bernal(AYE), Director Alexander(AYE) and Director Landers(AYE).

**Minutes taken by: Michelle Harris**

**Minutes typed by: Michelle Harris**