

MEMORANDUM OF UNDERSTANDING
BETWEEN THE MENDOCINO UNIFIED SCHOOL DISTRICT
AND
MENDOCINO CITY COMMUNITY SERVICES DISTRICT

The Memorandum of Understanding (MOU) is between the Mendocino Unified School District (MUSD) and the Mendocino City Community Services District (MCCSD) regarding a project involving the planning, design and construction of new potable water wells, water storage tanks, water treatment, and water system improvements on MUSD property. This MOU replaces the MOU approved by MUSD on September 9, 2022 and approved by MCCSD on October 3, 2022.

MCCSD is a California Community Services District formed pursuant to Government Code Section 61000 et seq., with responsibility for providing sanitary sewer service and treatment, groundwater management and street lighting within a district including the village of Mendocino. The MUSD is a K-12 school district that covers 420 square miles and serves the communities from Caspar on the north to Elk in the south and inland to Comptche.

The drought period of 2020-2022 was the worst multi-year drought in recorded State history. The ongoing drought highlighted the need for improved water security in the face of climate change and natural disasters. The MCCSD is the groundwater management authority within the service area boundary. It is responsible for the management of the Mendocino Headlands Aquifer to help prevent overdraft and maintain equitable access to groundwater for the residents, businesses, and property owners. MCCSD has a robust Groundwater Management Program and Water Shortage Contingency Plan. Even with these plans in place, some wells in the service area run dry each summer and others are not able to keep up with demand. The 2021 drought year exposed another weakness; MCCSD customers cannot depend on neighboring water districts to meet water demand short fall during dry periods. This has led to the need to create a local emergency water supply and storage for use during dry periods.

The MUSD is in the unique position of owning one of the most developed and expansive water systems within the MCCSD service area. MUSD owns, operates, and maintains two wells, 115,000 gallons of potable water storage in two tanks, a water treatment system, and a water distribution main that extends through most of the

MCCSD service area, east to west, and includes fire hydrants. MUSD was awarded a *Drinking Water State Revolving Fund (DWSRF)* grant to replace the two existing water tanks, replace the water treatment system, and bring an additional well online. The project is called the Water Supply and Storage Project.

MCCSD, in cooperation with MUSD, has obtained a California Department of Water Resources grant through the *Urban and Multibenefit Drought Relief (UMBDR) Grant* program to develop a Water Supply and Storage project to help serve the District's water needs during dry periods. This UMBDR grant funding is for the development of 500,000-gallons of potable water storage, and the drilling of up to 10 new groundwater wells.

MCCSD and MUSD have had discussions and agreed to cooperate in the development of a water supply and storage on MUSD owned property that combines both DWSRF and UMBDR grant funding sources to deliver one project. The project combines the storage volume, and incorporates the new wells, treatment building and site improvements. This approach is proposed because combining the funds into one project maximizes the available funding and leverages economy of scale. MUSD's existing water system infrastructure is already being improved and the presence of groundwater on the MUSD property is known. Combining project funding also reduces the total number of water tanks and the project footprint.

This project is supported by the Mendocino County fifth District Supervisor, California State political leaders, local residents, and local businesses.

MCCSD and MUSD therefore agree to the following:

1. MUSD will make available its real property for the purpose of constructing up to ten (10) new potable water wells and incorporating them and 500,000 gallons of additional potable water storage into the MUSD Water Supply and Storage Project.
2. MUSD was designated by the State Water Resources Control Board as the Lead Agency under the California Environmental Quality Act (CEQA). MUSD previously completed an Initial Study (IS)/Mitigated Negative Declaration (MND) for the MUSD funded Water Supply and Storage project. It is mutually agreed that MUSD will remain the lead agency for the combined project.
3. Equitable access to water during periods of drought will be mutually determined between MUSD and MCCSD once all MUSD potable water needs are met.

4. For any water accessed by MCCSD, MCCSD shall be responsible for the proportionate cost of water pumping and treatment, as well as proportionate costs to maintain wells, storage, and water quality.
5. MCCSD and MUSD will coordinate to have a hydro-geologic study, well siting study, geotechnical investigation, survey, updated environmental documents, permitting, and update the Water Supply and Storage Project design for the additional potable water wells, 500,000 gallons of additional storage, and related improvements.
6. The hydro-geologic study and well siting study will inform the design and locations of the wells. The wells will be constructed in accordance with the MCCSD Groundwater Management Plan, specifically Ordinance 2020-01. This includes notification of surrounding properties, and a 72-hour pump test as part of a hydro-geologic study during construction. If the wells produce a sufficient quantity of water and the hydro-geologic study concludes that water may be extracted without negatively impacting neighboring well groundwater levels, the wells will be developed for potable water production.
7. In the event adequate water is not found as a result of drilling the new wells, an alternative well site(s) may be explored. Similarly, if hydrological testing shows that the water cannot be extracted without negatively impacting neighboring wells, including MUSD's existing wells, alternative well sites may be investigated or a well operations plan developed.
8. In the event adequate water is not found as a result of drilling the new wells, MUSD shall retain the right to use the wells drilled on its property for whatever purpose the hydrological testing identifies as appropriate, subject to state requirements, and MCCSD shall have no further financial commitment to the wells.
9. Water will be treated by the MUSD water treatment system. MCCSD staff will have unrestricted access to the treatment system. Operation and maintenance of the treatment system to ensure health and safety of the water will remain the responsibility of MUSD as part of their State permitted public water system.
10. MUSD will grant MCCSD an access and utility easement onto MUSD property, as determined to be necessary, for the construction, maintenance, service, and use of the storage tanks, wells, and treatment system.

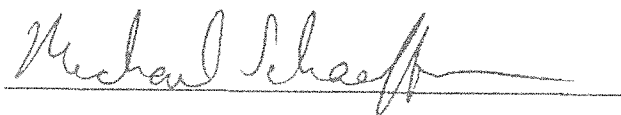
11. Once constructed and operational, MCCSD will operate and maintain the new wells. MCCSD will be responsible for all costs associated with maintenance, use, and replacement of the wells, and proportionate cost of operation and maintenance of the tanks and water treatment system, for any water accessed by MCCSD.
12. MCCSD and MUSD will make sure water is accessible to the Fire Departments as needed for emergency fire suppression.
13. Changes to the UMBDR grant funded improvements are at the discretion of MCCSD, the grant recipient, and require approval of the California Department of Water Resources, the grant provider.
14. Changes to the DWSRF grant funded improvements are at the discretion of MUSD, the grant recipient, and require approval of the State Water Board Division of Financial Assistance, the grant provider.
15. Changes to the project that may affect MUSD will be subject to MUSD approval.
16. This MOU may be modified by MCCSD and MUSD in a subsequent memorandum signed by both parties.

This MOU is hereby accepted by MCCSD and MUSD effective April 20, 2023 at Mendocino, California.

Mendocino City Community Services District


By: Dennak Murphy, Board President

Mendocino Unified School District



By: Michael Schaeffer, Board President