

**MENDOCINO CITY COMMUNITY SERVICES DISTRICT**  
**Post Office Box 1029**  
**Mendocino, CA 95460**  
**Business Phone (707) 937-5790 Treatment Plant (707) 937-5751 Fax (707) 937-3837**

Minutes of January 27, 2014

The regular meeting was called to order at 7:00 p.m. in the business office of the Wastewater Treatment Plant. Present were Directors Kraynek, Waldman, Stubbs, Hauck and Schwartz. Also present were Superintendent Steve Acker and Jodi Mitchell.

1. Agenda – no changes, additions, or deletions
2. Minutes – December 16, 2013  
Corrections: Page 2, first paragraph after roll call vote, Line 3: ...the district would need over ~~16~~ **12** inches of rain by the end of January.....  
Page 4, Section b, Second Motion: to ~~waive~~ **introduce** the reading of Ordinance No. 2013-2  
Page 4, Section 10, Paragraph 5: .....Erik Olhoffer would **contact** him with the status....  
Page 4, Section 10, Paragraph 6. ....resistant black bags  
Page 5, Section 13, Government Code Section 54957: **Public Employment – District Superintendent MOTION** Hauck/Stubbs: To approve the minutes of December 16, 2013, as corrected.  
ROLL CALL VOTE: AYES: Directors Kraynek, Waldman, Stubbs, Hauck and Schwartz  
NOES: None  
ABSENT: None

Minutes of Special Meeting – January 9, 2014

Correction: The two Board actions in the report out of closed session should be reversed in their order of approval.

MOTION Hauck/Waldman: To approve the minutes of the Special Meeting of January 9, 2014, as corrected  
ROLL CALL VOTE: AYES: Directors Kraynek, Waldman, Stubbs, Hauck and Schwartz  
NOES: None  
ABSENT: None

Minutes of Special Meeting – January 14, 2014

MOTION Stubbs/Waldman: To approve the minutes of the Special Meeting of January 14, 2014 as written.  
ROLL CALL VOTE: AYES: Directors Kraynek, Waldman, Stubbs, Hauck and Schwartz  
NOES: None  
ABSENT: None

3. Correspondence  
A letter of appreciation was presented to the MCCSD, thanking District personnel, Steve Acker and Keith, Linden for their professional and knowledgeable help in providing mutual aid to the South Caspar Water District by using their high pressure jetter to clear their sewer line.
4. Public Comment  
Gretchen Imlay, Mendocino resident, attended the meeting to hear information about the water shortage conditions and inquire about a replacement well.
5. New Business
  - a. Presentation of Annual Audit 2012/2013  
President Schwartz introduced Rick Bowers, the District's new Auditor. Mr. Bowers presented the Independent Auditor's Report and Financial Statements ending June 30, 2013. Rick said that the audit went well. There were a few minor discrepancies with Accounts Payable and Receivable and some other year end adjustments were made. He indicated that staff was helpful during the auditing process.  
The Board discussed the District's deficit in the capital improvement funds for replacement of essential equipment, such as the sewer outfall line and collection system. Director Stubbs explained that the District was going to try to obtain a grant for the outfall repairs or replacement. He asked Mr. Bowers if he would review the existing asset list and depreciation schedule, and the five year budget projection including the CIP

Minutes of January 27, 2014

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as an administrative expense in the budget. The District hoped to use the information as a basis to show credible expenses for future rate increases for the district's services of sewer service and charge for Groundwater Management. Director Stubbs noted their existing assets list was higher than shown in the audit. Mr. Bowers noted that a \$200,000 adjustment was made to reclassify into equity the original Groundwater Management expenses not being depreciated, and the Audit did not include any re-valuing of the District's original contributed capital. Rick noted that the capital improvement funds were not restricted. Rick agreed to review the information and encouraged the District to expand their next year's Management's Discussion and Analysis letter to include the District's activities and any future plans. The Board will discuss Rick Bower's comments and analysis regarding capital improvements at the next meeting. Jodi will flag the Management's Discussion and Analysis letter for discussion by the Board in November.

b. Mendocino Film Festival – Agreement regarding the use of property located at 10705 Palette Drive for the 9<sup>th</sup> Annual Mendocino Film Festival

At the last meeting, correspondence was received from the Mendocino Film Festival requesting the use of property owned by MCCSD for the purpose of erecting a tent on the property for the exhibition of films as part of the 2014 Film Festival. Superintendent Acker reported that the Attorney had updated last year's agreement. The Board was impressed with the management of last year's event.

MOTION Kraynek/Waldman: To approve the Agreement between the MCCSD and the Mendocino Film Festival regarding the use of property owned by MCCSD located at 10705 Palette Drive.

ROLL CALL VOTE: AYES: Directors Kraynek, Waldman, Stubbs, Hauck and Schwartz  
NOES: None  
ABSENT: None

6. Groundwater Management

a. Groundwater Management Report

The Board reviewed the Mendocino rainfall. 2.98 inches of rainfall had been recorded since October 1, which was 7% of the annual average rainfall. The average cumulative rainfall by January 31<sup>st</sup> was 21.83 inches. There has only been 13% of the normal January 31<sup>st</sup> rainfall. Criteria for declaration of stage 4 suggested that if less than 8" had fallen since 1/31 of the October 1 rain year, then, a Stage 4 water shortage condition should be declared. The 24 monitoring well field averaged 21.86 feet on 12/31/13, and 21.20 feet on January 24<sup>th</sup>, which indicated there was no recharge to the aquifer.

Superintendent Acker gave a PowerPoint presentation regarding the MCCSD Water Shortage Response Plan, which was developed by the Ad Hoc Water Shortage Response Plan committee and staff to design a strategy for enacting and enforcing a Stage 4 Water Shortage and outlined in the January 2014 Groundwater Management Report dated 1/23/14.

Ed O'Brien, Mendocino resident and former MCCSD Director, encouraged the Board to move as soon as possible to implement the Stage 4 water shortage condition and all of the implications involved.

The Board would schedule a special meeting to notify the public of the Stage 4 requirements and declare the Stage 4 Water Shortage Condition.

b. Request for Hydrological Study Approval Renewal

A Hydrological Study for future development of the parcel located at 10475 Hills Road was approved on January 30, 2006, with conditions, for an allotment for future development not to exceed 200 gallons per day. The Hydrological Study Approval had been extended in 2008, 2010, and 2012. The current property owner made an application for a Hydrological Study Approval Extension for a period of two years. A hydrological Study approval shall automatically expire by its own terms if the applicant does not apply for a GWEP within two years of the Hydrological Study Approval. The MCCSD Board of Directors may extend the hydrological study approval for an additional period of two years if it was determined that the conclusions of the hydrological study were still valid.

MOTION Waldman/Kraynek: To accept the Request for a Hydrological Study Approval Extension for a period of two years for APN 119-120-67.

ROLL CALL VOTE: AYES: Directors Kraynek, Waldman, Stubbs, Hauck and Schwartz  
NOES: None  
ABSENT: None

7. Old Business

a. Ordinance No. 2013-01 – Adoption of Ordinance No. 2013-01 Establishing a Policy for Reimbursement of Director Expenses

On December 16, 2013, Ordinance No. 2013-01 was introduced.

MOTION Waldman/Kraynek: To waive the reading of Ordinance 2013-01.

ROLL CALL VOTE: AYES: Directors Kraynek, Waldman, Stubbs, Hauck and Schwartz  
NOES: None  
ABSENT: None

MOTION Waldman/Kraynek: To accept the policy for reimbursement of Director Expenses as outlined in Ordinance 2013-01.

ROLL CALL VOTE: AYES: Directors Kraynek, Waldman, Stubbs, Hauck and Schwartz  
NOES: None  
ABSENT: None

b. Ordinance No. 2013-02 – Adoption of Ordinance No. 2013-02 Establishing a Policy to Recover the Cost to Process Violations of District Ordinances

On December 16, 2013, Ordinance No. 2013-02 was introduced.

MOTION Kraynek/Waldman: To waive the reading of Ordinance No. 2013-02.

ROLL CALL VOTE: AYES: Directors Kraynek, Waldman, Stubbs, Hauck and Schwartz  
NOES: None  
ABSENT: None

MOTION Kraynek/Waldman: To adopt Ordinance No. 2013-02 to Recover the Cost to Process Violations of District Ordinances.

ROLL CALL VOTE: AYES: Directors Kraynek, Waldman, Stubbs, Hauck and Schwartz  
NOES: None  
ABSENT: None

8. Attorney's Report

9. District Superintendent's Report

During the month of December, the treatment plant operated normally. Plant personnel performed routine plant maintenance.

The December self-monitoring online report was sent in to the Water Quality Control Board. There were no sanitary sewer overflow in December and the "no spill" certification for December was posted online.

Staff took their regular monthly safety meeting. The Safety Officer also conducted the monthly safety inspection of the plant.

Geologic had completed the Quality Control report for the pond liner. A copy of the report would be submitted to the Water Quality Control Board.

On January 22, 2014, Charles Bingham was contacted about the report on his inspection of the Fenton Sludge Dryer. There had been no response as of January 23. Steve said the oil transfer circulation pump had a leaky seal, which was a relatively minor repair and didn't involve any major components of the dryer.

No recycled water was transferred to the High School in December. MCCSD was transferring water to the High School in January.

An agreement had been executed with Kennedy/Jenks to prepare the Ground Water Model Update. Mike Maley from Kennedy/Jenks said that he would be ready to present the model update in March or April.

SHN would be contacted to request an application for a technical assistance grant available from California Development Block Grants or USDA to do a conceptual design study for outfall repair or replacement. Director Stubbs inquired about the outfall application deadlines. He asked when the MCCSD would have the conceptual design study, and he wanted to make sure the District was moving forward in a timely manner to apply for the grants when they were available for the outfall feasibility study. The Superintendent was asked to contact SHN regarding the feasibility study/outfall grant application deadlines, and eligibility requirements, and have that information available for the next meeting.

A new Windows 7 computer was purchased to replace the obsolete Windows 2000 lab computer. The new machine has been integrated into the office network.

The GIS data was updated to include all the parcels with Groundwater Extraction Permits (GWEP) Excel spreadsheets were produced listing all the parcels without GWEP's and with GWEP's.

Director Schwartz asked what Steve's timetable was for sluice gate valve repairs for an existing leak and repairs to the clarifier. The Board asked Steve to set up as a priority in August or September.

10. Committee Updates

a. The Work Program for Capital financing Review was discussed with the Auditor.

b. The Groundwater Management Ad Hoc Committee report was included in Groundwater management discussion.

11. District Secretary's Report

a. Monthly Register of Cash Disbursement

MOTION Kraynek/Hauck: To accept the register of cash disbursements for checks #10600-#11600, noting that check #11595 and #11600 were void.

ROLL CALL VOTE: AYES: Directors Kraynek, Waldman, Stubbs, Hauck and Schwartz  
NOES: None  
ABSENT: None

b. Update on Delinquent Sewer Accounts and Certificate of Liens

The Board was updated on delinquent sewer accounts and certificates of liens.

c. Quarterly report of income and expenses ending December 31, 2013

The Board of Directors reviewed the quarterly report of income and expenses for the period of October through December 2013. Total operating revenue to date was \$347,536 and operating expenses were \$263,103, leaving an operating net income to date of \$84,432. Non operating income was \$59,093, leaving a district margin of \$143,525 or 51% of the budgeted District margin.

Capital Improvements for October through December were \$15,329, and Equipment Replacement expenses were \$9,775.

The balance in the Capital Improvement fund, from savings interest, right of use, and user fees is currently at a deficit of <\$185,532.31>. The balance in the equipment replacement fund is \$772,414.29.

12. Closed Session

The Board of Directors convened to closed session per Government Code Section 54957(b)-Public Employment – District Superintendent.

The open session was reconvened, and the report of action taken in closed session was:

MOTION Hauck/Waldman To adopt the Employment Contract for Services with Michael J. Kelley as District Superintendent of MCCSD.

ROLL CALL VOTE: AYES: Directors Kraynek, Waldman, Stubbs, Hauck and Schwartz  
NOES: None  
ABSENT: None

MOTION Kraynek/Waldman To offer a longevity bonus to the Secretary as recognition for over 30 years of service to the MCCSD.

ROLL CALL VOTE: AYES: Directors Kraynek, Waldman, Stubbs, Hauck and Schwartz  
NOES: None  
ABSENT: None

The meeting adjourned at 10:00 p.m.

Respectfully submitted,

Jodi Mitchell, Secretary