

MENDOCINO CITY COMMUNITY SERVICES DISTRICT
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Minutes of April 30, 2018

Regular Meeting was called to order by President Schwartz at 7:00 p.m. in the business office at the Wastewater Treatment Plant. Present were Directors Kerstein, Rice, Hauck, and Schwartz. District Superintendent Mike Kelley and Secretary Jodi Mitchell were present.

1. Agenda – No changes were made to the agenda.
2. Approval of Minutes March 26, 2018
Corrections: Page 3, Paragraph 4: Following the declaration of the Stage 4 Water Shortage in 2014
Page 4, Paragraph 1, Line 4: ... appealed to the ~~Ninth Circuit~~ First District Court of Appeals...
Page 4, Section 9, Paragraph 2, Line 4, ... muffin monster grinder...
Page 4, Section 9, Paragraph 6, Line 2: They also approved installation of Cree replacement streetlights, which were 2,700 kelvin LED's
Page 5, Closed Session, Add: The report out of closed session was to give the Secretary a wage increase.

Motion Hauck/Kerstein To approve the Minutes of March 26, 2018, subject to the identified corrections and insertions.

ROLL CALL VOTE AYES: Directors Kerstein, Rice, Hauck and Schwartz
NOES: None
ABSENT: None
ABSTAIN: None

3. Communications

4. Public Comment

John Wetzler asked about the possibility the District collecting attorney's fees if MCCSD prevailed in the appeal of Gomes vs. MCCSD. Superintendent Kelley explained that California Government Code prevented Governmental Agencies from collecting Attorney Fees, and which was the reason for the proposed increase in the charge for Groundwater Management.

5. Old Business

- a. Introduction of Ordinance No. 2018-2 – Groundwater Extraction Permit

At the last meeting, the Board waived the reading of Groundwater Extraction Permit Ordinance 2018-2 and the proposed Ordinance was reviewed. A change was made to allow the Superintendent to administratively issue a Groundwater Extraction Permit under Section 4(b), without requiring an applicant to submit a hydrological study if the proposed change resulted in a limited increase in the water demand. Section 4 (b) was an exception to the Hydrological Study Requirement. As a condition of approval for an exception to the hydrological study requirement the applicant agreed not to exceed the water use allotment for existing use.

MOTION Hauck/Rice: To introduce Ordinance 2018-2 Groundwater Extraction Permit for consideration and approval at the next meeting.

ROLL CALL VOTE AYES: Directors Kerstein, Rice, Hauck and Schwartz
NOES: None
ABSENT: None
ABSTAIN: None

- b. Approval of Fiscal Year Budget 2018/2019

At the last meeting the Board of Directors reviewed the proposed 2018/19 fiscal year budget.

The 2018-2019 Budget was revised from the last meeting to shift the \$86,730/year loan payment for the Plant Upgrade Project from capital improvement and equipment replacement paid by user fees. The District's CPA confirmed that the re-allocation of funds was acceptable. A separate Excel spreadsheet would be added to the monthly secretary's report to track project income and expenses for the plant improvement project.

Total projected operating revenue for 2018-2019 was \$832,101 and operating expenses were \$676,857, leaving a net operating income of \$155,244. Non-Operating revenue was \$90,404, leaving a district margin of \$245,648. Cash items were \$245,618, which included loan payment on the biosolids dryer, loan payment on Plant Upgrades and capital improvement and equipment replacement funds. Concerns raised at the last meeting were resolved.

MOTION Hauck/Rice To approve the 2018/2019 Budget as presented.
ROLL CALL VOTE AYES: Directors Kerstein, Rice, Hauck and Schwartz
NOES: None
ABSENT: None
ABSTAIN: None

6. Groundwater Management

a. Application for Groundwater Extraction Permit Application Approval Extension
45081 Calpella Street, APN 119-234-09

An application was submitted by the owners of property located at 45081 Calpella Street to extend their Groundwater Extraction Permit Application Approval for a period of two years. On May 22, 2006, the Board of Directors approved a Groundwater Extraction Permit Application for a two-bedroom residence and a 700 sq. ft. commercial retail store, gallery or office. The applicant had two years to complete the GWEP Process. Since the commercial development of the project had not been completed, the approval had been extended every two years.

MOTION Rice/Kerstein To approve the Groundwater Extraction Permit Application Approval Extension for APN 119-234-06, 45081 Calpella Street for a period of 2-years for the pending 700 sq. ft. retail use.
ROLL CALL VOTE AYES: Directors Kerstein, Rice, Hauck and Schwartz
NOES: None
ABSENT: None
ABSTAIN: None

b. Monthly Groundwater Management Report

October 1, 2017 was the beginning of the 2017/2018 rain year. Average precipitation in April was 2.90 inches. By April 19, 2018, Mendocino received 7.83 inches of rainfall. The cumulative average rainfall at the end of April was normally ~~31.53~~ inches. For this rain year, MCCSD had recorded 31.17 inches of precipitation. On April 19, 2018, the District had 90% of normal precipitation for this time of year and 77.5% of total average annual precipitation.

The District was still in a No Water Shortage condition. The next Water Shortage evaluation was based on the rainfall measured on May 31, 2018. A Water Shortage determination would be made at May regular Board meeting to be held on May 29th. The Superintendent would make a recommendation to the Board based on the District's Water Shortage Stage Criteria.

If there were more than 32 inches of rainfall at the end of May, the District would remain in a No Water Shortage condition. On May 31st, there could be a possibility of a Stage 1 Water Shortage declaration.

The Depth-To-Water measurements in the District's 24 monitoring wells on April 19, 2018 was 11.43 ft. Above average rainfall in April helped to significantly recharge the local aquifer.

7. New Business

a. Jones Hall, a Professional Law Corporation
Agreement for Legal Services (Wastewater System Improvement Project)

Jones Hall, A Professional Law Corporation, provided an Agreement for Legal Services in connection with the planned loan funding from USDA Rural Development for the Districts proposed wastewater system improvement project. The District would evidence the USDA loan financing through a certificate of participation supported by an installment sale agreement for approximately \$2.1 million. Jones Hall had

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participated in over 20 financings as bond council to small municipalities. Their compensation of \$40,500 would be entirely contingent upon the successful issuance of the bonds or certificates of participation and would be payable from the proceeds of the bonds or certificates of participation. They offered to attend the District Board meeting where the financing resolution was adopted, as part of their scope of service.

MOTION Hauck/Kerstein To approve the Jones Hall Agreement for Legal Services (Wastewater System Improvement Project).

ROLL CALL VOTE AYES: Directors Kerstein, Rice, Hauck and Schwartz
NOES: None
ABSENT: None
ABSTAIN: None

8. Attorney's Report

9. District Superintendent's Report

Operators performed routine repair and maintenance at the wastewater treatment plant during April 2018.

Following 6.3 inches of rainfall on April 5 – 6, 2018, plant flows hydraulically overloaded the treatment plant. Operators temporarily diverted influent flow to the emergency overflow to lower the flow into the plant.

There were no MCCSD collection system sanitary sewer overflows during March 2018.

The District did not transfer recycled water to the High School in April.

The Mendocino Historical Review Board (MHRB) approved the underground chlorine contact and recycled water tanks and the new plant operations building's architecture at their March 5, 2018 meeting. The plant upgrade and recycled water expansion Coastal Development Permit and the treatment plant Modified Use Permit were submitted to County Planning and Building. The Planning and Building Department sent the permit applications out to other agencies on March 29, 2018 for comments.

On April 5th, MCCSD met with State Parks, Mendocino Volunteer Fire Department and SHN Engineering to discuss plans to expand the recycled water fire hydrant system down to Main Street to the Ford House. This would provide fire water for a significant portion of the downtown area of Mendocino. The new public restrooms at the Ford House would use recycled water for toilet flushing, which would help conserve potable groundwater.

The Safety Officer conducted the monthly safety inspection of the plant and safety meeting on April 18, 2018. The safety meeting was on Ergonomics – Break the RMI habit (Repetitive Motion Injury).

Superintendent noted the MCCSD was scheduled on the May 9th Agenda of the Archeological Commission to review the results of the SHN Environmental Study. Superintendent Kelley planned to attend that meeting.

Mike Kelley reported that he and Board member Mike Otto Rice attended a recycled water training in Ukiah, and it was discovered they could potentially utilize the old water line between the High School and the underground tank at the ballfield at Friendship Park. The line would need to be located. The Board urged Staff to look into this as soon as possible.

10. Committee Updates

11. District Secretary's Report

a. Monthly Register of Cash Disbursements

MOTION Kerstein/Hauck To approve disbursements for checks #13802-13852, and on line CalPERS, State and Federal Tax Deposits, and noting no checks were void.

ROLL CALL VOTE AYES: Directors Kerstein, Rice, Hauck and Schwartz
NOES: None
ABSENT: None
ABSTAIN: None

b. Update on Delinquent Sewer Accounts and Certificate of Liens

The Board of Directors reviewed the delinquent sewer accounts and Certificate of Liens. The Board was pleased that Crown Hall's delinquency was paid which avoided disconnection proceedings.

c. Quarterly Report of Income and Expenses ending March 31, 2018

The Fiscal Year 3rd quarterly report was presented. Total operating income was \$568,562, and operating expenses were \$515,562, leaving a net income for the period of \$53,000. Non-Operating Income (County Tax Revenue and Interest) was \$62,217 and cash items (loan payment on biosolids dryer, and capital improvement and equipment replacement) were \$209,825, leaving a negative cash margin of \$<94,608> for the Year to Date.

12. Matters from Board Members

Director Hauck had been thinking about the extent of legal fees incurred by Gomes vs. MCCSD and asked whether the District could explore the assistance of an organization, such as the ACLU, to help fund the legal process for the Gomes appeals. Would there be an agency willing to assist a government agency recognizing water as a civil liberty for the good of the entire community. Director Hauck offered to contact Attorney Jackson and report at the next meeting, and the Board agreed.

The meeting adjourned at 8:10 p.m.

Respectfully submitted,



Jodi Mitchell
District Secretary