

MENDOCINO CITY COMMUNITY SERVICES DISTRICT

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Minutes of April 27, 2015

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

1. Agenda – Item 6 (e) Monthly Groundwater Management Report was moved to item 6 (c) in its order on the agenda.

2. Approval of Minutes – January 26, 2015

The approval of the minutes of January 26, 2015 had been carried over for two months for approval. Directors Hauck and Waldman were not present at the January 26th meeting, and could not approve the minutes. Attorney Jackson suggested that the two remaining Board members could entertain a motion to approve the minutes. If there was no controversy regarding the minutes then he suggested the two members vote after noting that the third Board member present at the January meeting was presently unavailable and would be provided an opportunity to respond to the minutes and motion to approve when he returned.

MOTION Hauck/Waldman To approve the minutes of January 26, 2015, in accordance with the procedure outlined by Attorney Jackson.

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

Minutes of April 6, 2015

Corrections: Page Two, Paragraph 3, line 8:members were biased

Page Two, Paragraph 5, line 2: Mendocino was never in a stage 4 crisis

Page Two Paragraph 11, Line 3: ...previously denied a Stage 4 Water Shortage triggered a Groundwater Extraction Permit Exclusion.....

Page 3 Section b, Closed Session, Paragraph 2, Line 2: Attorney James Jackson was provided direction...

Page 4, Section b, Line 3: ~~that the deposit~~ that the deposit and withdrawal of money

Page 5, Line 1: Drywood termite's infestation

MOTION Waldman/Hauck: To approve the minutes of April 6, 2015

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

3. Communications

4. Groundwater Management

a. Cancellation of Emergency Water Source Project

A request was received from the Mendocino Fire Protection District to respectfully cancel the Memorandum of Understanding executed by the MCCSD Board of Directors and the Mendocino Fire Protection District Board on June 30, 2014, regarding the potential to develop a water source on Fire District property at Grindle Park. The Mendocino Fire Protection District and the Fire Department Boards had reconsidered their long-range plans and decided to seek their own water source solutions

independent of the Community Services District. The MFPD and the MCCSD executed the document to cancel the MOU as referenced under item 8, and the MCCSD president signed the document to indicate the Board's acceptance.

✓
6/1/15

b. Application for Groundwater Extraction Permit
44835 Pine Street, APN 119-150-40 – Phil Engelbert

On July 29, 1996, the Board of Directors approved a Hydrological Study in support of a minor subdivision. Adequate water had been demonstrated in an amount not to exceed 1,670 gpd for APN 119-150-40. An application was received from Mr. Engelbert for development of a 3-bedroom single family residence.

MOTION Stubbs/Waldman: To approve the Groundwater Extraction Permit for APN119-150-40 at 44835 Pine Street with an allotment for a three-bedroom residence.

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

c. Groundwater Management Report

a. The District's estimated water supply availability for 2015 was based on cumulative rainfall since October 1, 2014 through March 31, 2015. Although the cumulative rainfall from October 1, 2014 through December 31, 2014 was adequate to declare a No Water Shortage Condition, spring rains were critical to avoid a Stage 2 or 3 Water Shortage this summer. By March 31, 2015, rainfall totaled 28.02 inches. The Table 3 shortage forecast in the Water Shortage Contingency Plan was for a Stage 2 Water Shortage during this dry season. The appropriate response from the District was to declare a Stage 2 Water Shortage, and it was the Superintendent's recommendation to formally declare a Stage 2 Water Shortage condition. Since March 31, there was <29 inches of cumulative rainfall since October 1, 2014 and less than 7 inches since February 1, 2015.

d. Resolution No. 2015-244 – Resolution of the MCCSD to Declare a Stage 2 Water Shortage Condition

Resolution No. 2015-244 was read and introduced.

Director Hauck inquired if the District had been made aware of the impacts of statewide restrictions. Director Schwartz noted that the snowpack was less than normal; however, this district was not affected by the Sierra's snow pack, so he was inclined to think that the recommendations may not apply to the North Coast.

Director Stubbs was concerned that the Hills Ranch Homeowners had planned to pressure wash buildings within their subdivision. The Superintendent noted that cleaning of structures was prohibited during all water shortage conditions, according to the Water Shortage Contingency Plan Ordinance. A Stage 2 Condition requested a voluntary 15% reduction. Director Stubbs thought there was an exception for public health or construction. It was noted that other contractors had hauled in their own water for pressure washing which was an option to Hills Ranch owners.

MOTION Hauck/Waldman To adopt Resolution No. 2015-244, Declaring a Stage 2 Water Shortage Condition.

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

e. Resolution No. 2015-245 – Resolution of the MCCSD to Adopt a Three-Step Meter Reading Policy

Superintendent Kelley provided Resolution 245 for Board consideration to revise the Three-step Water Meter Reading policy to make it clear that each developed property owner was responsible for submitting their monthly meter reading. The Resolution clarified that the property owner was responsible for submission of the monthly meter reading and not the person they use to collect the data.

MOTION Hauck/Waldman To waive the reading of Resolution No. 2015-245.

ROLL CALL VOTE: AYES: Directors Waldman, Stubbs, Hauck and Schwartz

NOES: None

ABSENT: Director Kraynek

ABSTAIN: None

Director Stubbs noted that since there was a Memorandum of Understanding between the Hills Ranch Owner's Association, the Hills Ranch Mutual Water Company, and the MCCSD, he thought the Water Company should be notified first, instead of corresponding with the property owners. The violation 1 letters that were sent to Hills Ranch Homeowners created ambiguity and confusion among the property owners. Superintendent Kelley responded that many property owners currently have their meters read by a friend, relative, neighbor, private firm, renter, or property management; however it was the responsibility of the property owner to ultimately provide that information to the MCCSD.

The Board discussed the verbiage to allow a water Company to submit the report on behalf of the property owners, however, staff reiterated that it was the legal responsibility of the property owner to submit the data. The issue was referred to Attorney Jackson for his opinion.

5. New Business

a. Adoption of Fiscal Year Budget 2015/2016

Mike Kelley provided a Memorandum and a power point presentation regarding the proposed budget for the 2015/2016 fiscal year. The proposed budget, which was reviewed on April 6, 2015, indicated there would be an approximate \$91,000 sewer revenue deficit, and to fund expenses in the Wastewater and General Administration Departments, a monthly sewer rate increase would be necessary. The \$91,000 revenue needed to balance the budget would come from three sources; 1) modification of User Category Index to account for all residential loading for \$39,953.76 per year, 2) an across the board sewer fee increase to all users - \$44,753.24 per year, and 3) additional use of Ad Valorem tax revenue \$6,311. The baseline monthly sewer charge per ESD was currently \$46.85 per month. Following adoption of the proposed rate increase, the baseline monthly sewer charge would be raised \$3.75 per month to \$50.60.

Mr. Kelley explained there were 1,036.55 ESD's (Equivalent Single Family Dwellings) of plant loading from all users in the district. Currently, all residences were charged for 1 ESD of sewer loading, regardless of the size of the residence. The number of bedrooms per residence would be used to calculate residential loading, following adoption of the new sewer rates. The modification in how residential rates were calculated would ensure all users within that user group were charged the same dollar per gallon to treat residential wastewater.

Based on the results of Proposition 218 Ballots, an Ordinance for the rate increase would be introduced and adopted, and the new rate would go into effect on October 1, 2015.

MOTION Hauck/Waldman: To adopt the 2015/2016 Fiscal Year Budget.

ROLL CALL VOTE: AYES: Directors Waldman, Stubbs, Hauck and Schwartz

NOES: None

ABSENT: Director Kraynek

ABSTAIN: None

b. Approve Notification to Property Owners of Public Hearing to Propose Adoption of Monthly Sewer Charge Increase

Superintendent Kelley provided the Board of Directors with 1) Notice of Public Hearing, 2) Copy of Exhibit B – User Category Index to change the baseline rate from \$46.85 to \$50.60 and determine loading for residential based on the number of bedrooms, and 3) Proposition 218 Rate Increase frequently asked questions.

MOTION: Hauck/Waldman: To approve the notification of a Public Hearing to advise property owners of the proposed amendment to the monthly sewer service charges Ordinance.

ROLL CALL VOTE: AYES: Directors Waldman, Stubbs, Hauck and Schwartz

NOES: None

ABSENT: Director Kraynek

ABSTAIN: None

c. Auditor's Report June 30, 2014

The Board of Directors reviewed the MCCSD Independent Auditor's Report and Financial Statements ending June 30, 2014, prepared by Rick Bowers, CPA.

6. Old Business

7. Attorney's Report

8. District Superintendent's Report

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

Operator Ed Allen was still on unpaid medical leave. Ed dropped by the office on April 15th and said he would return to work around mid-June.

The March monthly and quarterly self-monitoring online reports were sent in to the State Water Control Board.

There were no sanitary sewer overflows in March 2015.

On March 18, 2015, Mendo Lake Termite Control inspected the District buildings. The report noted mainly dry rot and fungus damage to the exterior siding. Dry wood termites were located in the dryer building restroom. Six contractors were contacted for bids to repair the damage. As of April 17, 2015, several did not respond and the rest were unavailable.

There were no recycled water transfers to the High School in March 2015.

The Acting Safety Officer also conducted the monthly safety inspection of the plant.

9. Committee Updates

10. Secretary's Report

a. Monthly Register of Cash Disbursements

MOTION Hauck/Stubbs: To approve checks #12238-#12283, noting checks #12181 and #12258 were void.

ROLL CALL VOTE: AYES: Directors Waldman, Stubbs, Hauck and Schwartz

NOES: None

ABSENT: Director Kraynek

ABSTAIN: None

11. Matters from Board Members

Due to the Memorial Day Holiday on May 25, 2015, the Board rescheduled the MCCSD regular monthly meeting one week later on June 1, 2015.

At that meeting, superintendent hoped to have the revisions to the Personnel Policies for the Board's review.

The meeting adjourned at 10:00 p.m.

Respectfully submitted,


Jodi Mitchell, Secretary