

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

Minutes of February 6, 2012

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

1. Minutes

November 29, 2011

Since Edward O'Brien was no longer on the Board and Director Kraynek was not present at the November 29th meeting, there was not a quorum available to take action on the minutes. Director Waldman and Schwartz, both present at that meeting, accepted the minutes as presented, noting the absence of a quorum to approve the minutes.

December 19, 2011

Corrections: Page 2, Section 7, Line 5:without charge to the District. ~~In exchange for personal reasons of their own.~~ The only way for the District to acquire **and use** the property was by condemnation.....

A sentence was added to Paragraph one of Section 7. **Legal Counsel prepared, and provided to the Board a proposed Resolution of Necessity, which was incorporated by reference.**

Page 2, last paragraph, line 6,not the District's intent to ~~impede~~ **infringe** on the existing.....

MOTION Hauck/Kraynek: To approve the minutes of December 19, 2011, as amended.

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

January 6, 2012

Correction: Heading: Present were Directors Kraynek, Waldman, Schwartz and ~~O'Brien~~ Hauck.

MOTION Kraynek/Waldman To approve the minutes of January 6, 2012, as amended.

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

2. Correspondence

Correspondence dated February 6, 2012 was received from Robert Kerstein, President of the Board of Directors of the Point of View Mutual Water Company. Mr. Kerstein reiterated and confirmed the points that he and Mr. Chet Anderson made at the public hearing held on December 19, 2011. The Board reviewed the correspondence and the contents of the communication were duly noted and incorporated into the public record, as requested. The Board was open to discussing the issues raised, at an appropriate time, and any discussion would be put on a future agenda for discussion.

3. Public Comment

4. a. Wendy Boise, CPA/Auditor, MCCSD Audited Financial Statements for Fiscal year 2010/2011

Wendy Boise presented the Audited Financial Statements, for the fiscal year ending June 30, 2011. Wendy noted that the District was doing a nice job of maintaining and controlling expenses with the resources available. She encouraged the District and the new Superintendent to continue updating and reviewing the analysis of the equipment and infrastructure replacement plan and to make every possible effort to meet the anticipated funding requirements. In her opinion, it was imperative that the District review the five year plan regularly to see if the reserves were keeping up with the needs. Interest earning rates continued to be dismal. She recommended that the District be mindful of the rules involving investments permitted by special districts. Also, she recommended that the Board should consider the development of a written capitalization policy, to guide the decisions surrounding the treatment of certain expenditures in the accounting system. Another suggestion was to have Jodi set up on line banking so that a member of the Board could have access to the District's checking account and review. Sam Kraynek said he would not be able to review the statement each month, but he agreed to have a copy of the Bank statement mailed to him, and he would review it periodically.

The issue of a capital improvement plan for the District will be discussed prior to the upcoming adoption of the budget. Directors Hauck and Stubbs would meet with the superintendent mid-April to review the District's capital improvement plan, and the issue would be discussed at the April meeting.

MOTION Kraynek/Waldman: To accept the audit as presented.

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

NOES: None

ABSENT: None

b. Review and Approval of Auditing Services for the years ended June 30, 2012, 2013, and 2014

MOTION Hauck/Kraynek: To approve the contract with Wendy Boise as identified in her proposal dated January 31, 2012.

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

NOES: None

ABSENT: None

The agenda items 6 a and 6 b were rearranged in their order.

5. a. Application for Groundwater Extraction Permit Green LLC, 10483 Lansing Street, APN 119-150-07

Richard Green, owner of property located at 10483 Lansing Street had changed the use on his property prior to notification to the District. Any change of use or expansion of existing use required that the property owner submit a Groundwater Extraction Permit and make application for sewer Change of Use. Mr. Green informed the Board that he relocated an established hair salon on Lansing Street around the corner into a different location on Ukiah Street, on the same parcel. Director Kraynek recused himself since he worked for the owner of one of the business within Mr. Green's complex. It was explained that a Right of Use fee was charged to all persons that connect to the sewer system or expand existing uses or change the use of properties previously connected to the sewer system. The conversion from the established hair salon to a commercial retail represented a decrease in the water demand. The conversion from an existing commercial retail to an expanded hair salon represented an increase in the water

demand. According to the Water Use Standard the changes represented an overall increase in the water demand of 1.02 ESD's. He told the Board that this was a prohibitive charge **and** was a huge problem for property owners as well as new businesses in town. He said something was wrong when the MCCSD charged him \$9,300 for a hair salon. He said this was a huge economic impact to the property owner as well as the hair salon owner, since this cost would be passed to his tenant. He thought the charges as outlined in Ordinance 07-2 were wrong and they would negatively affect and prohibit new businesses from opening in town. Mr. Green said that if we applied that charge to anyone who moves a business into a slightly larger building, there would be no new businesses in Mendocino. It was explained that income derived from right of use ~~were~~ **was** used for capital improvement of the treatment plant, and the connection fee schedule was based on the recommendations in a Connection Fee Study. Mr. Green indicated that he didn't care about the numbers, and said that if the Board didn't understand what he was saying, then they were from a different planet.

Director Hauck ~~noted that the District's charge was to see that MCCSD operated fairly and in the best interest of the district and the community~~ **asked if the connection/Right of Use Fee was in the best interest of the district and the community.**

Superintendent Acker noted that the square footage of the work area was increased in the new salon and the work area would be the unit as the basis for calculation of right of use and monthly sewer service fees. Mr. Green offered to provide a floor plan and measure and label the proposed use. Board members asked for Mike Kelley's input regarding the criteria for connection fees.

The application for Groundwater Extraction Permit was deferred to the next meeting, pending receipt of an accurate floor plan for the proposed use.

b. Application for Hydrological Study Renewal
Steven Schumer, 10475 Hills Road, APN 119-120-67

On January 30, 2006, a Hydrological Study was approved for parcel 119-120-67 for future development, not to exceed 200 gallons per day. Since a Groundwater Extraction Permit had not been submitted for the new development, the Board of Directors reviewed the application to extend a hydrological study approval for an additional period of two years.

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

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

c. Monthly Groundwater Management Report

The monthly meter reading compliance report was reviewed. Eleven #1 violation letters were sent. Two properties were delinquent in submitting their meter reading for December and would be contacted.

The rainfall data was reviewed.

d. Resolution 2012-221 to Declare a Stage 1 Water Shortage Emergency Condition

The District adopted a Water Shortage Contingency Plan in 2007 to extend the water supply for the community during drought conditions. The major goals of the Plan were to establish criteria for declaring a water shortage through four stages of alert and action, identify appropriate conservation measures and response actions for all property owners for each water shortage alert stage.

Total rainfall for January was 17.02 inches. The average rainfall through January was 22.57 inches, therefore, falls within the range of 14-19 inches for a Stage 1 Water Shortage. The 2010/11 rain year total rainfall was 46.93 inches, which was above the annual average of 40.25 inches. There was no water shortage in the previous period so there was no carryover.

Based on the rainfall data it was recommended that the MCCSD Board of Directors declare a Stage 1 Water Shortage, which is a conservation alert due to a mild shortage. A stage 1 alert called for voluntary water conservation with 10% use reduction, a prohibition of water waste and display of conservation information by hotels and restaurants. In cases of overuse, a warning letter on the need for water conservation would be issued. Penalties on blatant water wastage after the first warning could be issued.

MOTION Kraynek/Waldman: To waive the reading of Resolution No. 2012-221.

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

NOES: None

ABSENT: None

MOTION Kraynek/Waldman: To adopt Resolution No. 2012-221, a Resolution of the MCCSD to Declare a Stage 1 Water Shortage Emergency condition.

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

NOES: None

ABSENT: None

e. Discussion of Groundwater Model Update 2012

Superintendent Acker inquired if the Board wanted Kennedy and Jenks to do the annual update on the Groundwater Model. Last year, a report was done by Kennedy and Jenks related to the overflow pond liner. The Groundwater Model was not updated. The Board agreed that, unless the issue was urgent, they would like to defer the update. Staff would inquire if the cost was the same.

6. Old Business

a. Update on Property Line Encroachment-MCCSD Boundary Line

Rob Kane from State Parks set up a meeting on January 26th to with Tomas Dertner and Steve Acker to discuss the property line encroachment. At the meeting were Rob Kane and Loren Rex, representing the California State Parks, Tomas and Erin Dertner and Steve Acker. They discussed the encroachment of the residence and propane tank onto MCCSD plant property and possible solutions to the problem. Since MCCSD has an easement from the State Parks for the treatment plant, the solution of the problem would be between State Parks and the Dertners. The property boundaries were reviewed, and a couple of options were discussed. The idea of adjusting the boundary line on the Kelley Street property was favored by the State Park. A PDF of the Welty Survey was emailed to the Dertners and to Rob Kane.

b. Overflow Pond Liner Design – Proposal for Final Design of a Liner and Under Drain System for the Overflow Pond at MCCSD’s Wastewater Treatment Plant

A Proposal from Kennedy/Jenks Consultants, dated November 21, 2011, was provided to the Board, regarding the Final Design of the Overflow Pond Liner. The proposed scope of services for engineering design and permit support services were presented along with project background, schedule, budget, terms and conditions. They would submit a separate proposal for construction support services to MCCSD at a later date, once the scope of system improvements and a plan for construction observation were finalized. **Sam Waldman asked whether the design fee to construction cost ration was reasonable.**

The Board asked for clarification regarding the design cost, and bidding and support tasks, and suggested that Mike Kelley be used as a consultant for the bidding and permitting support tasks. The issue was deferred to next month's meeting.

7. Attorney's Report

8. District Superintendent's Report

a. Monthly Report

During the month of January, the treatment plant operated normally. Plant personnel performed routine plant maintenance and equipment repair.

A resample for manganese for Redwood Landfill came in under the maximum allowed and the District has been approved for the 2012 disposal of the sludge. The Recology's disposal site tests were made, and the District was within their limits. This was a backup to Redwood Landfill. The sludge will continue to be transported to Redwood Landfill.

December self-monitoring online reports were sent to Water Quality. MCCSD has been approved for electronic filing of monthly reports.

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

Kennedy Jenks sent a cost estimate for the final design of the Pond Liner. Task 1 Design was \$58,000. Task 2 Support Tasks was \$35,000. The total was \$103,000. The preliminary design budget was \$48,000. The actual budget spent was \$29,861 leaving \$18,139. Kennedy/Jenks needed approval to proceed.

Parts had been ordered for the pump installation. The digester was emptied to assess the existing pump and general conditions. There was a meeting with Mike Kelley and staff to plan the project.

b. Public Notice of Availability of MCCSD Annual Reports – 2011:

RWQCB Annual Self-Monitoring Report

MCCSD Collection System Report

MCCSD Source control Report

MCCSD Solids Handling Report

9. District Secretary's Report

a. Monthly Register of Cash Disbursements

MOTION Kraynek/Walden: To approve disbursements for checks # 10558-10644,
Noting Checks #10511 and 10577 were void.

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

NOES: None

ABSENT: None

b. Quarterly Report of Revenue and Expenses ending December 31, 2011

No discussion.

10. Matters from Board Members

President Schwartz asked the secretary to acknowledge Mr. Kerstein's correspondence and provide him with a copy of the letter.

The meeting adjourned.

Respectfully submitted,

Jodi Mitchell
Secretary