

MENDOCINO CITY COMMUNITY SERVICES DISTRICT

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December 16, 2013

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

1. Agenda – no changes, additions, or deletions

2. Minutes – November 6, 2013

Correction page 2, Section 5 (a), line 3. ~~Rex~~ Loren Rex

Correction page 2, Section 5 (a), last line...a chain linked fence

3. Correspondence

A letter was received from Alex Fields, V.P Operations for the Mendocino Film Festival. The correspondence outlined plans for the 9th Annual Film Festival activities, and they requested to raise their tent on the parcel owned by MCCSD at 10705 Palette Drive as they did in 2013.

Discussion of the Agreement would be on next month's meeting agenda for approval.

4. Public Comment

5. Election of Officers and Committee Appointments

Since it was an election year for the District, the Board had the option of electing new officers and appointing new committees.

MOTION Hauck/Waldman: To keep the officers and the committees the same.

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

NOES: None

ABSENT: None

6. Groundwater Management

a. Monthly Groundwater Management Report

The District received a total of 2.39 inches of rainfall since the 2013/2014 rain year began on October 1st. The average cumulative rainfall through November is 7.44 inches. The 2012/2013 rain year had 32.24 inches of rain. This was 80% of the normal rainfall.

The Stage 2 Water Shortage was declared in the District on April 29, 2013 and remained in effect based on the August 31, 23.6 foot average depth to water of the 5 indicator wells. On December 2nd, the average depth to water was measured at 26.0 feet in the 5 indicator wells, which indicated an increase to a Stage 3 Water Shortage. The District's Water Shortage Contingency Plan recommended modifying the water shortage stage to 3, which was considered a severe drought emergency. The plan required temporary conservation measures for a Stage 3 Water Shortage; 1) limited rationing; 20% reduction in allotments, 2) temporary moratorium on issuance of Groundwater Extraction Permits that required a hydrological study, 3) prohibition on aquifer pump tests, 4) landscape watering by garden hose or use of a drip irrigation system between the hours of 7:00 p.m. and 10:00 a.m., only, 5) washing vehicles permit only by means of a "bucket and sponge," and a hose with a shutoff nozzle, 6) hosing down of porches, sidewalks, driveways, and other hard surfaces is prohibited, 7) no person shall use water through a hose to clean the exterior of buildings, and 8) restaurants shall not serve water to restaurant customers, except upon request of the customer.

The water shortage stage would be re-evaluated by the five indicator wells average depth to water on December 31st. If the average depth to water is greater than 29 feet in the five indicator wells on December 31st the water shortage stage would increase to a stage 4. The depth to water average for the 24 well fields was 21.24 on December 2, 2013. That was about 7 feet lower than last year at this time.

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Mendocino had received 11.66 inches of total rain fall from January 2013 through November 2013. The average rainfall for January through November is 32.11 inches. The 2012 and 2013 rain years were below average years. Based on the Water Shortage Contingency Plan, if the District received an additional 16.61 inches of rainfall by January 31, 2014, Mendocino would be in a no water shortage condition.

A Press Release had been prepared for notification to the Mendocino Beacon of the Stage 3 Water Shortage Emergency Condition. The District's plan would require temporary conservation measures for a Stage 3 Water Shortage. The Board suggested that the press release also be provided to the local radio stations; KZYY, the SKUNK, and KOZT. Notification would also be included in the January 1st billing statements to all customers within the District boundaries.

b. Resolution No. 2013-230- To Declare a Stage 3 Water Shortage
Emergency Condition

MOTION Kraynek/Hauck: To waive the reading of Resolution No. 2013-230.

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

NOES: None

ABSENT: None

MOTION Hauck/Stubbs: To approve Resolution No. 2013-230 – Resolution of the
MCCSD to Declare a Stage 3 Water Shortage Emergency
Condition

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

NOES: None

ABSENT: None

Edward O'Brien, former MCCSD Board member, attended the meeting to express serious concerns regarding the implementation of a Stage 4 Water Shortage Condition. According to the groundwater report, the district would need over 16 inches of rain by the end of January to remain in a Stage 3 Water Shortage Condition. The Water Shortage Contingency Plan would require a Stage 4 Water Shortage Condition, which would ration all customers within the District boundaries, and mandatory Groundwater Extraction Permits for all customers who do not already have a Groundwater Extraction Permit. Mr. O'Brien thought the Board should be prepared to notify the community, if this should occur, and determine how the MCCSD would implement a Stage 4 Water Shortage Emergency Condition. Superintendent Acker would inquire with the attorney about implementation of a Stage 4 Water Shortage Emergency Condition.

The Water Management Committee, Directors Stubbs and Hauck, would meet with the Superintendent on December 27th at 9 a.m. to discuss the Water Shortage Contingency Plan, and the necessary steps towards planning for a Stage 4 Water Shortage Condition.

The Board discussed the complexity of public response to a Stage 4, and also discussed the Mendocino Groundwater Model. Mike Maley from Kennedy/Jenks said it was a good time to update the Groundwater Model because the District was in a third year of below normal rainfall. Steve Acker provided Mike Kelley's opinion that new development and groundwater extraction permits were contingent on groundwater conditions and availability. Drought contingency plans may be affected by the findings as well, and the model update provided a chance to look at the sustained yield of the aquifer. Since a \$10,000 expense had been included in the 2013/2014 budget, the Board agreed that staff should contact Kennedy Jenks to update the Groundwater Model.

Ed O'Brien apologized for missing public comment, and asked to make a couple of comments.

He said that a commercial property in Mendocino was billed for sewer service, based on the total square footage of their retail space. They did not have a water meter or a Groundwater Extraction Permit Approval. The property owner contacted the District and declared that some of the existing retail space was used for storage, and asked that their sewer bill be lowered accordingly. Then, following the sale of real property, the new owner was required to make an application for a groundwater extraction permit and claimed the entire space as retail. Mr. O'Brien thought it was incorrect for the District to approve the declared "storage" as "retail space" without requiring a hydrological study for the increase in water demand, and urged the Board to review their policy. As a separate issue, Ed also noted that as a result of

the Town Plan, there may be inn units that exist within the District with no legal County right to operate. Based on the new Town Plan requirements, there may be for example, a 5 unit inn which has established 4 inn units with MCCSD. Would the owner be required to prove water for one additional unit, or the total number of units?

c. Requests for Hydrological Study Approval Renewal

1. Formerly 45260 William Street (no address), APN 119-215-04 Isenberg

A request was made 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 Groundwater Extraction Permit within two years of the Hydrological Study Approval.

Based on the aquifer test data and the conclusions of the Hydrological study, future development on the parcel shall not exceed 420 gallons per day.

MOTION Waldman/Kraynek To approve the Hydrological Study Application Approval Extension as requested for APN 119-215-04.

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

2. 10770 Calypso Lane, APN 119-090-46

In December of 2005, a Hydrological Study was approved with conditions of approval. The Hydrological Study Approval has been renewed every two years. A request was made for approval of a Hydrological Study Extension for a period of two years.

MOTION Hauck/Waldman To approve the Application for a Hydrological Study Approval Extension for APN 119-090-46

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

7. Old Business

a. Update on Geo-Logic Report for Finalizing the Pond Project

The report from Geo-Logic had not been received. Steve spoke with Geo-Logic and they had asked how many copies of the report the District needed. Steve will follow up with a telephone call. The Board agreed it was important to complete the Pond Liner process as soon as possible.

8. New Business

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

Ordinance No. 2013-1 was written to establish a policy for reimbursement of Director Expenses. The Ordinance would use the rate established by the Internal Revenue Service for mileage reimbursement, and State Standards for meals, accommodations, when required, and related expenses. A written request for reimbursement would be required.

MOTION Kraynek/Waldman To waive the reading of Ordinance No. 2013-01.

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

MOTION Kraynek/Stubbs To introduce Ordinance No. 2013-01 establishing a policy for reimbursement of Director expenses.

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

The Ordinance will be on next month's agenda for adoption.

b. Ordinance No. 2013-2 – Establishing a Policy to Recover the Cost to Process violations of District Ordinances

Ordinance No. 2013-2 was written to establish a policy to recover the cost to process violations of District Ordinances. The Ordinance shall require violators to pay the actual cost to the District to process violations. A cost was established based on attorney fees, and staff time in the amount of \$205.00 for each violation.

MOTION Kraynek/Waldman To waive the reading of Ordinance No. 2013-2.

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

MOTION Hauck/Kraynek To waive the reading of Ordinance No. 2013-2.

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

The Ordinance will be on next month's agenda for adoption.

9. Attorney's Report

Correspondence was provided with an update regarding the former Reed Property owned by the District – 10705 Palette Drive. At this point it appeared that the District had a good chance of success in obtaining the rezoning of this property as a Mendocino Town Plan amendment.

10. District Superintendent's Report

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

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

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

Matson Construction completed the fence on the North and East sides of the overflow pond on November 13.

Geologic emailed MCCSD on November 19th, and said that they were making progress on the QAQC report. Steve talked to Geologic on 12/11. They said that Erik Olhoffer would contact him with the status of the report.

Sand bags were filled and deployed in the pond liner to keep the liner from lifting because of wind. Permanent ultraviolet resistant black bas have been acquired. They would be put into place.

On 12/10, Charles Bingham was contacted about the report on his inspection of the Fenton Sludge Dryer. He was waiting on the results of the heat transfer oil test. The report should be available the week of 12/16.

80,000 gallons of water were transferred to the High School in November.

Superintendent Acker spoke with Tom Herman from SHN about the outfall. There were several approaches that could be taken to repair or replace the outfall. One approach would be to line the existing pipe with an epoxy liner. Another was to replace the whole line using horizontal drilling at an estimated cost of \$2M. The first step to outfall repair or replacement would be a conceptual design study, and the cost would be approximately \$15 - \$20,000. There were technical assistance grants available from California Development Block Grants or USDA. Directors Stubbs inquired if there were any plans to seek funding for the outfall. The Board agreed to move forward with a conceptual design study. The Board would discuss the status of grant applications at the next meeting.

Finalizing the pond liner project and the Fenton Sludge Dryer report would be on the next month's agenda.

11. Committee Update

a. Work Program for Capital Financing Review

Task I – MCCSD’s Asset List and Capital Expenditure Program

The Water Management Committee, Directors Stubbs and Hauck, prepared two spreadsheets for the Board’s review that would be a useful tool to incorporate the CIP costs into the budget. The Capital Improvement Plan (CIP) 2013 Costs outlined all MCCSD existing assets, their useful life, and an inflation factor to provide an annual reserve as a CIP line item expense into the 5-year budget projection. Director Stubbs touched on the Right of Use charge which inhibited land use changes but did not raise enough money for the intended use of capital replacement. He was of the opinion that the most efficient and effective way to raise capital improvement funds would be through the user charge. The Committee was commended for their progress and the Board would need to further discuss this issue. The information would be sent to the Auditor for his comments.

12. District Secretary’s Report

a. Monthly Register of Cash Disbursements

President Schwartz noted that check #11595 represented the final payoff for the 1975 Sewer Obligation Bonds.

MOTION Kraynek/Hauck To approve disbursements for checks #11556 - #11599, noting no checks were void.

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

NOES: None

ABSENT: None

b. Update on Delinquent Accounts and Certificates of Liens

The Board of Directors reviewed the update on delinquent accounts and certificates of liens.

13. Closed Session

The regular meeting adjourned to a Closed Session in accordance with Government Code Section 54957.

Report out of Closed Session

The regular meeting was reconvened, and it was reported that No action was taken pending additional study.

The regular meeting adjourned at 11:30 p.m.

Respectfully submitted,

Jodi Mitchell, Secretary