

**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 March 31, 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, Mike Kelley, and Jodi Mitchell.

1. Agenda – no changes, additions, or deletions

2. Minutes –February 24, 2014

Director Schwartz noted the minutes were well done, with the exception of one apostrophe deletion in the last sentence on page 3. . . . .Supervisor’s

MOTION Hauck/Stubbs: To approve the minutes of February 24, 2014.

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

NOES: None

ABSENT: None

Minutes – March 17, 2014 Special Meeting

Correction: page 2, last bullet: monthly interest rate of ~~8.33%~~ **.83%** per month if carried over a period of time.

MOTION Hauck/Stubbs: To approve the minutes of the special meeting of March 17, 2014 as corrected.

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

NOES: None

ABSENT: None

ABSTAIN: Director Kraynek

3. Communications

Barbara Reed asked if the District could require low flow and water saving devices and rainwater collection, and asked if education was provided to conserve water. It was noted that low flow and water saving devices were required for any new development, and there were water saving tips and other information available on the District’s website.

Secretary Mitchell provided CA form 700 – Statement of Economic Interests, and asked the Board to please execute them, since they were due tomorrow at the office of the Mendocino County Clerk.

4. Groundwater Management

The District received a total of 19.5 inches to date. If by May 31<sup>st</sup>, 20 inches of rain has been recorded, the District could be in a stage 3 water condition range, and noted the rainfall looked encouraging. The well fields were measured on March 28<sup>th</sup>, and the groundwater had partially recovered. The Board of Directors declared a water shortage on February 24, 2014 based on low rainfall and the Water Shortage Contingency Plan, which suggested that the Water Shortage be reevaluated at the end of May, at the end of the rainy season.

A declaration of a Stage 4 Water Shortage by the MCCSD Board of Directors required all developed parcels with the MCCSD boundaries to obtain a Groundwater Extraction Permit. The letter announcing the Stage 4 Water Shortage was reviewed. The letters would be sent after the Board meeting, which would begin the process of GWEP’s for all developed properties without permits in the district. An application form would accompany the letter. The Groundwater Extraction Permit Ordinance No. 07-1 would be available on-line or upon request. The GWEP process had a number of steps that must be taken to complete the process.

Director Schwartz dispelled the belief that if the Board modified the declaration to a Stage 3, that permits would not be required. The declaration of a Stage 3 would have no affect on the GWE permits which were required upon the Stage 4 Water Shortage Emergency Condition declared in February. Director Stubbs had concerns regarding the moratorium on new development within existing Hills Ranch Subdivision. It was noted that the intent of the Stage 4 requirement was not to increase the demand on the aquifer and new development would represent new extraction.

24 water meters had been purchased and in stock. More water meters could be ordered on short notice as needed. The access data base for the meter readings was in process. The existing data had been entered into the data base. The formulas and reporting functions had not been completed.

Sixteen first violations letters were sent to owners for monthly non compliance for meter reading. Three readings were received.

b. Discussion Regarding Incentive Program and Implementation of Stage 4 GWE Permits

The Board reviewed the letters requesting the property owner to submit a Groundwater Extraction Permit. Director Hauck had made changes to the correspondence to soften the tone and hopefully enlist the cooperation of the community. The Board agreed to allow payment of the permit application fee of \$100 and the cost of the meter, if applicable, for up to one year, at zero percent interest. Leonard Dill, owner of property in the District asked how that was fair to all of the other property owners, who were required to obtain a GWEP and pay the \$100 fee upfront and the cost of their meter. The charge could be applied to the property owner's statement for sewer charges, which would allow a residence to pay the balance within 100 days with no penalty, or the Board had agreed to finance the charge up to one year at zero percent interest. David Pellandini noted the extra bookkeeping for the secretary to keep track of those situations, and disagreed with the free financing, which wasn't available to all the property owners who have already acquired a Groundwater Extraction Permit and who had been reading their water meter each month. The financing option would only be available during the first 30 days from the request of MCCSD to submit the application.

MOTION Hauck/Stubbs To adopt the letter to property owners requesting a Groundwater Extraction Permit, as amended, with distribution as soon as possible, and where appropriate, modify the other letter for those who already had a permit.

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

5. New Business

The Finance Committee provided an update of the capital financing review on March 31, 2014. The Eight Year Budget Projection listed three capital expenditures for 2014-2015; 1) Backwash Controls, 2) Blower and 3) Emergency Generator. Mike Kelley presented his report, dated March 29, 2014, regarding the 2014-2015 Equipment Replacement Plan. Mike noted that one important thing in 2014 was completing the sluice gate installation. Without the sluice gate operating, the overflow pond would not hold the wastewater the way it was designed, since the sluice gate leaked. That task was the final uncompleted part of the liner installation and needed to be finished to allow staff to inspect the clarifier in August or September of 2014. Prior to inspection of the clarifier, the District should obtain a bid on replacing the arms and brackets that hold the sweeps with stainless steel. Mike suggested that although the units were still operable, planning for and scheduling their replacement should start as soon as possible for the work to be completed by 2015. Initially, the replacement equipment should again be researched to determine current pricing. An engineering firm should be hired to size and confirm the replacement units were suitable for replacing the existing equipment. Project costs would determine the bidding process used by the District. It was not realistic to think any of the projects could be completed in 2014. Mike provided proposed projects, scheduling, and several additional maintenance and equipment tasks that should be completed during 2014-2015 for Board discussion. The order of replacement may need re-consideration, since the new blower would be installed where the current generator sets. Those two projects could be combined into one to minimize interruption to daily operations which would be affected by the construction. Mike and Steve would make arrangements to fix

the sluice gate, and Mike would start planning for the blower and generator replacement. Mike would work with Sam Waldman regarding P. G. & E incentives.

Mike Kelley reported on the Drought Ad Hoc Committee Meeting, which was held in Ukiah with Mendocino County Supervisors Brown and Hamburg. A number of agencies affected by the drought were in attendance as well as County and State agencies involved with drought preparedness, management and funding assistance. The meeting concentrated on municipal water system drought issues and assistance.

The USDA Rural Repair and Rehabilitation Loan and Grant (Section 504) Program offered grants and loans to residents in rural area and small communities with populations under 25,000. That may be a program that could help property owners in Mendocino to replace private wells and water systems.

The upcoming Round 3 North Coast Integrated Regional Water Management Plan grant funding may be an opportunity to re-submit a Mendocino Groundwater Quality Assessment project proposal.

According to Mr. Kelley, it was clear that the MCCSD was much better prepared for the drought than other nearby agencies. Most do not have Water Shortage Contingency Plans, water system storage was inadequate, and some that rely on groundwater do not have a groundwater monitoring program.

The next Ad Hoc meeting was scheduled for April 16<sup>th</sup> at 951 Low Gap Road, Ukiah, and it was possible to attend by conference call.

6. Old Business

7. Attorney's Report

8. District Superintendent's Report

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

The February self-monitoring online report was sent in to the Water Quality Control Board. There was no sanitary sewer overflow in February.

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

The connector on the top belt of the filter press partially came apart. The break was repaired so the press could keep operating. A new set of belts were ordered and would be installed.

The discharge valve on the 50 hp blower failed. The rubber seal hardened and cracked. The valve was replaced. This was an indication of the general condition of the blowers.

There was no water transferred to the High School in February or March.

Mike Maley would be contacted about the Groundwater Model Update status.

The projects and priorities list was; 1) overflow pond pipe valve inspection, 2) clarifier inspection, 3) aeration blower replacement and upgrade, 4) back wash controls replacement, and 5) generator replacement.

9. Committee Updates

a. Report of Committee for Capital Financing Review

The Committee for Capital Financing Review presented their report as of 3/25/14. In order to ensure that adequate financial resources were on hand to meet future capital expenditure needs, the MCCSD Board, in its meeting of May 28, 2013, decided to conduct a review of its overall capital financing needs and resources. Directors Stubbs and Hauck were formed as an Ad Hoc committee to conduct the review and the work program which was endorsed by the Board. The committee recommended that 1) the review be used as the basis for budgeting for 2014/2015 and subsequently, 2) the amounts allocated to the equipment replacement and capital improvement funds be increased gradually to \$264,000 in 2020 (the amount necessary to fund all the cost of replacement of short-lived assets, and half the cost of replacement of long-term assets, i.e. those with a useful lifetime of 30 years or more, including the replacement of the sewerage outfall, 3) consider possible changes in revenue items as necessary to implement that goal, commencing in 2015, and 4) adopt a target of borrowing not more than 50% of the cost of replacing and improving long term assets. The committee also concluded that MCCSD should conduct a more thorough review of selected revenue sources, including the right of use fee, contract agreements with the parks and school, and interest on investments. MCCSD should plan to

adjust the right of use fee to be consistent with the capital funding history and concepts discussed. The District should apply the capitalization policy approved by the Board to this year's budget. This would increase the maintenance budget substantially, and decrease the capital investment budget moderately, and the District may eliminate the distinction between capital improvement and equipment replacement for purpose of budgeting and reporting. The District should set in motion a public relations campaign aimed at developing community support for the revenue increase needed to fund the CIP and eventually, the outfall replacement.

Sam Kraynek excused himself at 10:35 p.m. and left the meeting.

10. District Secretary's Report

a. Monthly Register of Cash Disbursement

MOTION To approve the monthly register of cash disbursements for payment of checks #11693 to 11732.

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

b. Update on Delinquent Accounts and Certificate of Liens

The Board reviewed the update on delinquent accounts and Certificate of Liens.

11. Matters from Board Members

Director Hauck reported that he had been assigned the task of purchasing the Secretary's recognition award for long-term service and the Board agreed on an amount of \$300-\$400.00. The secretary thanked the Board and said that she would be waiting patiently.

The meeting adjourned at 11:10 p.m.

Respectfully submitted,

Jodi Mitchell, Secretary