

MENDOCINO CITY COMMUNITY SERVICES DISTRICT

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Minutes of January 25, 2016

The regular meeting was called to order by Vice President Kraynek at 7:00 p.m. in the business office at the Wastewater Treatment Plant. Present were Directors Kerstein, Stubbs, Hauck, and Kraynek. Director Schwartz was absent. Also, present were District Superintendent Mike Kelley, Attorney James Jackson and Secretary Jodi Mitchell.

1. Agenda – The February Agenda would include the election of officers and committee appointments when all Board members would be present.

2. Minutes – December 28, 2015

MOTION Hauck/Stubbs: To approve the minutes of December 28, as presented.

ROLL CALL VOTE: AYES: Directors Kerstein, Stubbs, Hauck and Kraynek

NOES: None

ABSENT: Director Schwartz

3. Correspondence

The owner of Sea Rock Inn, commented that if costs for the operations and equipment of the private Hills Ranch lift station had been paid for by the rest of the community for 12 years, then Hills Ranch should now pay the community back.

4. Public Comment

5. Old Business

a. Discussion and Possible Action Regarding Revised Hills Ranch Collection System Service Agreement

Director Stubbs recused himself from the Board, and proposed to speak as a homeowner of Hills Ranch.

Superintendent Kelley explained that on December 28, 2015, the MCCSD Board of Directors approved a Services Agreement between the MCCSD and Hills Ranch Owner's Association (HROA). Three revisions were made to the Agreement pertaining to Section 2.8, 3.05 and 3.06. Section 2.8 would require a signed purchase order by HROA authorizing any major repair of the Hills Ranch lift station and collection system. Section 3.05 required HROA to acknowledge and agree that there was an existing design flaw in the Hills Ranch system that allowed for the possibility that low lying residences in the subdivision may be affected by sewerage from the lift station and collection system during power outages and equipment failures, and to hold the District harmless relating to any sewer spill in a residence. Section 3.06 required HROA to acknowledge and agree that MCCSD had made capital improvements to the Hills Ranch lift station and collection system totaling \$16,268 paid on behalf of Hills Ranch, and HROA would reimburse MCCSD for those costs.

The Board understood the HROA would probably need to provide the information to their Attorney at their Homeowners meeting.

Jeff Stubbs stated that Hills Ranch had a very low sewage generation rate, and he thought the 2004 Memorandum of Understanding would have benefited both HROA and MCCSD and inquired why it wasn't completed. Attorney Jackson commented that the HROA Attorney at that time never provided easement agreements. Since that time, MCCSD had re-evaluated the situation, and concluded there

was no benefit to HROA or the MCCSD to resurrect an old MOU that was never approved and was now considered irrelevant.

Director Hauck noted thousands of dollars had been spent by MCCSD on the Hills Ranch private collection system, which was only benefiting Hills Ranch home owners. Simply, the owners of Hills Ranch should be responsible for payment of the equipment that they own.

MOTION Hauck/Kerstein: To approve the Services Agreement and submit the Agreement to Hills Ranch Owners Association for their review.

ROLL CALL VOTE: AYES: Directors Kerstein, Hauck and Kraynek
NOES: None
ABSENT: Director Schwartz

A HROA representative noted that the utilities had been transferred from MCCSD to Hills Ranch. Director Stubbs took his seat on the Board.

6. New Business

7. Groundwater Management

a. Monthly Report

The District was currently in a declared Stage 2 Water Shortage based on the average Depth to Water (DTW) in the District's drought wells on November 30th. At the end of December, the Water Shortage Contingency Plan (WSCP) recommended another evaluation of the drought level based on both rainfall and DTW. If DTW at the end of December was less than 18.2 ft., the WSCP called for a modification to a No Water Shortage Condition. The DTW in the drought indicator wells were measured on December 31st, at 13.01 ft.

If there were greater than 16 inches of rainfall by December 31, the WSCP recommended modifying the drought level down to a No Water Shortage Condition. The rainfall total on December 31, 2015 was 16.74 inches.

Both total rainfall since October 1, 2015 and the DTW in the drought wells called for a No Water Shortage Condition declaration.

By January 17, 2016 MCCSD recorded 25.57 inches of rainfall for the 2015-16 rain year. Normal rainfall through December was 14.70 inches. In late-December, Mendocino recorded 105% of normal precipitation (16.74 inches) for this time of year. By January 17th rainfall was 117% of normal for the month (25.57 inches).

Average annual rainfall in Mendocino was 40.3 inches. Mendocino received 63.4% of average annual rainfall by January 17th.

Superintendent Kelley explained that pristine groundwater collected from under the pond liner was currently pumped into the overflow pond and back through the plant for treatment. Consensus of the Board was to appeal to the State regulators to bypass the groundwater from the Treatment process and replenish the ground. Superintendent Kelley indicated the State's concern was water quality and he would discuss the issue with Kathleen Goodwin, SWRCB.

b. Resolution No. 2016-249-To Declare a No Water Shortage Condition

Resolution No. 2016-249 was introduced to rescind the Stage 2 Water Shortage and to declare a No Water Shortage condition existed within the area serviced by the MCCSD based on the MCCSD Water Shortage Contingency Plan.

MOTION Stubbs/Kerstein To Waive the reading of Resolution no. 2016-249 to declare a No Water Shortage Condition

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

MOTION Stubbs/Kerstain: To approve Resolution No. 2016-249, declaring a No Water Shortage Condition.

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

8. Attorney's Report

9. District Superintendent's Report

On January 5, 2016, staff found the pipe gallery filled with water. The pipe gallery was a 20' wide by 20' long by 20' deep room that housed the backwash pumps and the actuators that opened and closed the backwash valves. Operators drained the room and set up a temporary backwash system with two submersible pumps. Backwash valves were being operated manually until they could be replaced. Fort Bragg Electric provided MCCSD with a proposal to replace the damaged components for \$36,000. It would take several weeks or longer to receive the repair parts.

The quarterly online CIWQS reports to the State Water Quality Control Board were submitted in January. The reporting period was for October to December 2015.

There were no sanitary sewer overflows in December 2015.

No recycled water was transferred to the High School in December 2015 or January 2016.

SHN was working on the recycled water engineering study.

MCCSD stopped FOG inspections until spring 2016.

Fort Bragg Electric completed installing the generator. The new blower was in the process of being installed. The installation should be completed within two to three weeks.

The Safety Officer conducted the monthly safety inspection of the plant. Operators took online safety courses during the month. The Loss Exposure Experience Plan (LEEP) was updated for 2016.

Superintendent Kelley reported that he requested a proposal from SHN regarding an update to the Right of Use Study. In 2006 the cost was \$5,400, and it would currently cost around \$10,000.00. Director Stubbs had provided the CIP and MCCSD had most of the data available. SHN would base their price on the amount of data that MCCSD provided.

Superintendent Kelley noted that Richard Green, property owner of multiple residential and commercial uses contacted him about a situation whereby a hairdresser moved out of one of his commercial spaces. He suggested that he should not be charged for the period of no occupancy. Mike explained that sewer charges could not be based upon occupancy. Superintendent Kelley would investigate the option of lowering a higher water demand, once it had been established, to a different type of lower water use, and the ability to return to the higher water demand without requiring a hydrological study.

11. Committee Reports

12. District Secretary's Report

a. Monthly Register of Cash Disbursements

MOTION Hauck/Stubbs: To approve disbursements for checks #12656-12703.

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

b. Update on Delinquent Sewer Accounts and Certificates of Lien

The Board reviewed the delinquent sewer accounts and Certificates of Lien.

1. Review of Delinquent Account to Consider Disconnection of Sewer Service for Non-Payment of fees and charges-10391 Blair Street, APN 119-120-30

A Certificate of Lien was recorded on December 21, 2015 against real property located at 10391 Blair Street for non payment of fees and charges.

MOTION Hauck/Kerstein: To approve disconnection of property located at 10391 Blair Street from the sewer system for non payment of sewer fees and charges.

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

MCCSD procedures for disconnection would be followed.

c. Quarterly Report of Income/Expenses ending December 31, 2015

The Board reviewed the quarterly report of income and expenses for the 6-month period ending December 31, 2015. Total operating revenue to date was \$365,599 or 48% of the budget amount. Operating expenses were \$356,243 or 59% of the budget. Non-operating revenue was \$59,027, less cash items of \$232,809 for the loan payment on the dryer, capital improvements and equipment replacement for the 6-month period.

Consensus of the Board was to transfer the funds from the Edward Jones Money Market Account to Local Agency Investment Fund (LAIF). Some of the funds would be used to complete the blower/generator project.

13. Matters from Board Members

14. Adjournment

MOTION Hauck/Kerstein: To adjourn at 8:40 p.m.

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

Respectfully submitted,



Jodi Mitchell
District Secretary