

**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 August 29, 2011

Regular Meeting was called to order at 7:00 p.m. in the business office at the Wastewater Treatment Plant. Present were Directors Kraynek, Waldman, Schwartz and O'Brien. Also present were Mike Kelley, Steve Acker, Keith Linden and Jodi Mitchell.

1. Public Comment

2. Approval of Minutes – July 25, 2011

MOTION Schwartz/Kraynek: To approve the minutes of July 25, 2011, as written.  
ROLL CALL VOTE: AYES: Directors Kraynek, Waldman, Schwartz and O'Brien  
NOES: None  
ABSENT: None

3. Communications

4. New Business

a. Jamie Buckner, on behalf of the owner of the Mendocino Hotel and Hill House, attended the meeting to ask the Board's consideration for a credit for late payment penalties which were charged to their accounts. Jamie explained that two employees had left their accounting office in January along with unpaid bills. Subsequently, Jamie discovered an \$8,000 check, which was issued to MCCSD but never sent, along with the lien and notices of delinquency. This information was not discovered until after the employees were gone and the accounts fell into a delinquent status. When Jamie came into the picture, MCCSD penalties had already accumulated and she attempted to sort out the situation left with the District. A professional accountant was hired to bring the accounts current. Jamie asked the Board to consider the unfortunate situation due to neglect by previous employees, and noted that in the past, their charges had been paid in a timely fashion. Director Schwartz suggested that their mail delivery be addressed, so in the future, the accounting department received all bills. Jamie responded that the MCCSD was on their critical payment list each month.

The Board did not want to set a precedent when there was dishonesty and disregard to MCCSD, and since the Board found no previous issues with late payments, they agreed to credit the two accounts for ½ of the \$3,540.68 penalty on their next statement.

MOTION Kraynek/Schwartz: To accept the penalty charge for Hill House Hotel and the Mendocino Hotel for one-half of the normal 10% charge, because of the circumstances that arose with their accounting department. The Board would not refund any future penalties with a similar circumstance, and they requested that attention be given to their mail processing so the appropriate department receives the bills for payment.

ROLL CALL VOTE: AYES: Directors Kraynek, Waldman, Schwartz and O'Brien  
NOES: None  
ABSENT: None

b. Change in Employment Status – Keith Linden

Superintendent Kelley introduced Keith Linden and commented that Keith had been working with the District since the summer of 2009, through various County programs. He started working in 2009 as a summer youth worker. The Mendocino County Office of Education and California Department of Vocational Rehabilitation paid his wages through the Workability Program. He also worked for the District in 2010 during his senior year through the high school Youth Internship and Work Experience Program. Keith was currently an OIT and passed his exam for the Grade I Certification and has also been certified as a road flagger. Currently, Keith was paid \$10.00 with no benefits as a part time temporary employee. Mike requested hiring Keith as a full time operator at \$12.00 per hour with benefits. Keith was currently working his Grade II Exam. The Board congratulated Keith for "sticking with it", and they were happy about his accomplishments over the past two years.

MOTION Waldman/Kraynek: To upgrade the employment status of Keith Linden from part time to permanent full time, starting at the rate of \$12.00 per hour with rates and benefits, effective September 1, 2011.

ROLL CALL VOTE:   AYES:           Directors Kraynek, Waldman, Schwartz and O'Brien  
                           NOES:           None  
                           ABSENT:       None

c.       Amendment to Investment Policy to Include Municipal Bonds

Superintendent Kelley provided an article from USA today, regarding "Insured" municipal bonds; "the insurance was suspect these days". Mike also provided information on no-load mutual fund model portfolios, and a draft of the updated investment policy to include municipal bonds. After discussion, the Board directed staff to research this issue further, and explain in detail, how bonds work, and clarify Edward Jones commissions.

5.       Old Business

a.       Acquisition of Property by Eminent Domain – APN 119-140-31, 10705 Palette Drive

Attorney Jackson reviewed the preliminary report pertaining to property at 10705 Palette Drive. He noted there were quite a number of exceptions to the title, primarily in the form of easements. He recommended that if the Board decided to move forward with the acquisition, that he obtain copies of the various exception documents and review them to determine what impact they may have on the intended use of the property by the District.

After discussion, the Board agreed that since there were no major costs expensed to date, and since no commitment was needed at this time, they would proceed with investigation to determine if the property would be valuable to the MCCSD. Because Eminent Domain could override some easements, the Board wanted information regarding the existing easements and what their purpose was when they were originally created. The Board agreed it would be prudent to continue the investigation and asked staff to provide a visual representation of the existing easements. The Board authorized Attorney Jackson to proceed with legal investigation to review the exceptions to the title on behalf of the District, and not to exceed \$2,000.00.

b.       Review of Delinquent Accounts to consider Disconnection of Sewer Service For Non-Payment of Fees and Charges:

1.       Stephanie Silva, 44400 Little Lake Road, APN 119-090-39

The Board reviewed the delinquent account of Stephanie Silva to consider disconnection of sewer service for non-payment of fees and charges. A Certificate of Lien was recorded against the real property for fees and charges in the amount of \$497.45. Resolution 163 procedures shall be followed. The secretary said that the tenants contacted her and they were very concerned about the disconnection. They were living in the residence during Ms. Silva's absence, and knew nothing about her financial obligations. They said they would obtain the money and have it available within the next two weeks. In an effort to make the planned disconnection made known to the tenants earlier in the disconnection process, Director Schwartz suggested giving earlier warning to the tenants by posting the lien notification letter on the door so they could be advised of future actions for disconnection. It was noted that the property owner was given 14 days to respond to correspondence at the time the Health Department is notified of the proposed disconnection, and Mike noted the District also posts a notice of disconnection on the property.

MOTION Schwartz/Kraynek       To authorize disconnection of Stephanie Silva's property at 44400 Little Lake Road for non payment of sewer fees, if not paid within the limits as stated in the letter.

ROLL CALL VOTE:   AYES:           Directors Kraynek, Waldman, Schwartz and O'Brien  
                           NOES:           None  
                           ABSENT:       None

2.       Pamela Kahlo, 44871 Suntrap Meadow Circle, APN 119-510-09

Director Schwartz recused himself from the discussion.

MOTION Kraynek/Waldman       To continue the process of disconnection of property at 44871Suntrap Meadow Circle.

ROLL CALL VOTE:   AYES:           Directors Kraynek, Waldman, and O'Brien  
                           NOES:           None  
                           ABSENT:       None  
                           ABSTAIN:      Director Schwartz

6.       Groundwater Management

a.       Monthly Groundwater Management Report

Mike Kelley provided information on the well fields depth to water, and rainfall data. There was currently no drought situation this year, through October.

Fifteen notices for August 1<sup>st</sup> meter reading violations were mailed. Since the letter was mailed, six people responded with a meter reading.

7. Attorney Report

Attorney Jackson responded to the District's inquiry regarding release of Deed Restrictions and the MCCSD's authority to release a Deed Restriction in his absence.

8. District Superintendent's Report

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

No recycled water was transferred to the Mendocino High School during July 2011 due to high nitrate levels in the effluent (>10 mg/L).

Operator Acker mounted the new mainline inspection system, wash down pump and tank, and portable generator on a pallet. The entire system fit into the back of the Ford Ranger pickup. The system was used for the first time in late July to video the annual sewer main cleaning.

District personnel high pressure cleaned and videoed over 16,000 ft. of mainline sewers. Several sections were heavily impacted with grease deposits. The grease appeared to be from restaurant laterals. Mainline sewer sections on Evergreen and Albion Streets would be added to the annual maintenance schedule due to the potential for a sanitary sewer overflow from the grease deposits. Steve Acker provided a power point presentation on the sewer main cleaning. \$19,064 was saved by having MCCSD personnel do the cleaning.

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

9. Committee Reports

Since not more candidates filed than there were open positions, the MCCSD would not go to an election. Sam Kraynek filed for the Board position and he would, therefore, be appointed to the vacancy by the Board of Supervisors. The Board of Supervisors may appoint individuals "in-lieu" of election through Election Day, November 8, 2011, and any individuals interested in being on the Board must write a letter to the Board of Supervisors, telling them they were interested in serving on the Board. Sam Waldman indicated that he would be able to serve, however, was not in a position to go to Ukiah to make application. This issue will be placed on the next agenda to support the appointment of Sam Waldman by the Board of Supervisors.

10. District Secretary's Report

a. Monthly Register of Cash Disbursements

MOTION Schwartz/Kraynek To approve cash disbursements in the amount of \$60,260.40, noting that checks #10301 and #10357 were void.

ROLL CALL VOTE:	AYES:	Directors Kraynek, Waldman, Schwartz and O'Brien
	NOES:	None
	ABSENT:	None

The meeting adjourned.

Respectfully submitted,

Jodi Mitchell, Secretary