

MENDOCINO CITY COMMUNITY SERVICES DISTRICT
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Minutes of January 31, 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, and O'Brien. Director Schwartz was not present. Also present were Steve Acker, Mike Kelley and Jodi Mitchell.

1. Approval of Minutes December 27, 2010

Corrections: Page 2, Section 4, Paragraph 2, Line 2: The owner's...(no apostrophe)
Page 2, Section 4, Paragraph 2, Line 6: "test" should be "**tent**"
Page 3, Section 6(a), Line 3: The fixed price was \$24,500. ~~which was in compliance with the public bidding requirement for construction~~
Page 4, Section 8, Paragraph 4: approved the ~~contract~~ **construction** of a 7 foot split..

MOTION Waldman/Kraynek: To accept the minutes of December 27, 2010 with the changes and corrections as noted.

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

Approval of Minutes January 10, 2011 – Special meeting

Since Director Schwartz was absent, and also not present at the January 10th meeting for discussion of the purchase of a mainline inspection system, a motion was made for approval of that section of the minutes of the special meeting pertaining to the purchase of a mainline inspection system.

MOTION Waldman/Kraynek: To approve the minutes of January 10, 2011, pertaining to the discussion and possible action on purchase of a mainline inspection system.

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

Since Director Waldman had a conflict *and recused himself from discussion* regarding the Groundwater Extraction Permit Requirements for expansion of existing use at 44835 Ukiah Street, APN 119-250-41, approval of that section of the minutes would be brought back to the next meeting for approval when Director Schwartz was present.

Comment: 3/7/11

2. Communications

Charles Reinhart submitted correspondence requesting consideration for a street light installation at the intersection of School Street and Little Lake Road, specifically at the northeast corner of the former Art Center lot. Superintendent Kelley would research this issue regarding procedures and cost.

Abbey Stockwell, Planning & Building Services, Fort Bragg sent an invitation to a Brown Act and Ethics Training, offered by Mendocino County Counsel, Jeanine B. Nadel. Directors Waldman and Kraynek asked staff to RSVP for their attendance on March 7th.

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MCCSD sent correspondence to Congressman Mike Thompson thanking his staff for their assistance in resolving an issue with the Internal Revenue Service regarding penalties charged to MCCSD. IRS abated the penalties.

3. Public Comment

Connie Korbell introduced Mary Muto as the new reporter for the Mendocino Beacon who would be covering the District's monthly meetings.

4. Groundwater Management

a. Hydrological Study Approval Renewal

The Board reviewed an application submitted by William Marcus and Brenda Hughes Miller, for a Hydrological Study Approval Renewal for property located at 45321 Ukiah Street, APN 119-217-01.

MOTION Waldman/Kraynek: To accept the Hydrological Study Approval Renewal for property located at 45321 Ukiah Street, owned by William and Brenda Miller.

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

b. Groundwater Extraction Permit Approval Renewal

The Board reviewed an application submitted by John Murphy and Karmen Fairbourn for an extension of their Groundwater Extraction Permit Application Approval, for property located at 10740 Calypso Lane, APN 119-090-40.

MOTION Waldman/Kraynek: To approve the Groundwater Extraction Permit Application Approval Renewal for property located at 45321 Ukiah Street, owned by John Murphy and Karmen Fairbourn.

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

c. Monthly Groundwater Management Report

Rainfall to date of 24.07 inches was 60% of the annual average rainfall.
Seven first notice violation letters were mailed for meter reading non-compliance.

5. Old Business

6. New Business

a. Wendy Boise, CPA/Auditor

MCCSD Audited Financial Statements for Fiscal Year 2010

Correspondence was provided from Wendy Boise. Considering that the Board had not had a chance to review the audit in detail before its presentation she touched on the areas that were usually of the most interest to the Board. If Board members, as individuals, had any specific questions, they could contact Wendy, and if there were other questions from the board she would be happy to attend the next month's meeting.

1) While cash flows showed a positive \$122,000, this amount included 40,000 for a refund of the original jetter and Certificate of Deposit (CD) redemption of \$38,000. The operating cash flow was more like \$44,000 positive. While still positive, this was below the

target for being able to increase the reserves to the point of feeling confident that the District would be able to cover replacements of aging infrastructure.

2) Also worth noting was that the interest received in the foreseeable future was not going to be anywhere near the interest received last year. The long term CD's with handsome interest rates had all matured and could not be replaced at those rates.

3) Mike and Jodi were doing a good job controlling costs where they could and taking advantage of opportunities as they arise.

The Board requested that Wendy be available at the February meeting to answer questions regarding the audit.

7. Attorney's Report

Attorney Jackson reviewed documentation regarding property located on Little Lake Road, and the owner's failure to comply with the meter reading requirements. He indicated the next step would be to rescind the permit approval, institute daily fines, and consider the disconnection of the property from the District's wastewater treatment system. Staff would contact Attorney Jackson to proceed with necessary action, which would be reported at next month's meeting.

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.

No recycled water was transferred to the Mendocino High School during January 2011.

The bar screen arrived at the plant on December 15, 2010. Plant personnel assembled the equipment in December, and installed the screen during January, 2011. Staff installed a water line to the location for the compactor. Fort Bragg Electric was scheduled to make the final electrical hookup for the bar screen and compactor during the last week in January.

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

Superintendent Kelley reported that the dialer failed today and a new dialer was ordered.

b. Public Notice of Availability of MCCSD Annual Reports – 2010

Public notice was given of availability of MCCSD annual reports for 2010; 1) Regional Water Quality Control Board Annual Self-Monitoring Report, 2) MCCSD Collection System Report, 3) MCCSD Source Control Report, and 4) MCCSD Solids Handling Report.

9. Committee Updates

10. District Secretary's Report

a. Monthly Register of Cash Disbursements

MOTION Kraynek/Waldman: To approve cash disbursements for checks #9934-9999, noting check #9952 was void.

ROLL CALL VOTE: AYES: Directors Kraynek, Waldman and O'Brien

NOES: None

ABSENT: Director Schwartz

b. Quarterly Report of Revenue and Expenses ending December 31, 2010

The Board reviewed the quarterly report of income and expenses. Total operating revenue for the year to date was \$308,561, and operating expenses were \$301,451, leaving a net income of \$7,110.00. \$52,277 was received from non operating income (County Tax Revenue

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and interest). After deducting cash items for annual debt service, loan payment on the biosolids dryer, capital improvement, and the equipment replacement fund, the District had a cash margin of negative <\$21,897>. Superintendent Kelley would re-examine Repair and Maintenance costs, which were 112% expensed only one-half through the fiscal year.

c. Update on Delinquent Sewer Charges and Certificate of Liens

The Board reviewed three delinquent residential accounts which were reported because the charges for sewer service were three quarters delinquent. Resolution No. 210 outlined procedures for the collection of delinquent fees and charges. After a residential account was three-quarters delinquent, the attorney would be provided with account information and requested to record a lien against the real property for which fees and charges were due and unpaid.

Certificate of Liens would be filed against two properties for non payment of charges. The third property owner made a payment, which would not require filing of a lien.

If the account balances were not paid prior to the next meeting, the Board would review the delinquent accounts to consider implementation of disconnection of sewer service to the property, and Resolution 163 procedures would be followed.

11. Matters from Board Members

12. The meeting adjourned.

Respectfully submitted,

Jodi Mitchell
Secretary