

MENDOCINO CITY COMMUNITY SERVICES DISTRICT
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Minutes of July 25, 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 and Jodi Mitchell.

1. Public Comment

Jamie Buckner, representing the owner of the Mendocino Hotel and Hill House, asked the Board to consider a refund for late payment penalties charged. Since the item was not on the agenda, it would be given consideration at the next meeting.

2. Approval of Minutes – June 27, 2011

MOTION Schwartz/Kraynek:	To approve the minutes of June 27, 2011, as written.
ROLL CALL VOTE: AYES:	Directors Kraynek, Waldman, Schwartz and O'Brien
NOES:	None
ABSENT:	None

3. Communications

4. Old Business

5. New Business

6. Groundwater Management

a. Monthly Groundwater Management Report

Eight notices of violation letters were sent on July 20th. Two property owners responded with their meter reading after receiving the letter.

45.79 inches of rainfall has been received to date.

7. Attorney's Report

Attorney Jackson addressed issues pertaining to condemnation procedures and acquisition of property within the District by eminent domain. Director O'Brien explained this issue had been ongoing between the property owner and the District, and the District was researching easements and boundaries. The District would request that the property owner provide a preliminary report from a local title company which would detail any encumbrances on the property and would also provide the District with title owner information.

Director O'Brien asked that information be provided at the next meeting regarding staff's ability to release recorded Certificates of Liens in Attorney Jackson's absence.

The Board was provided with a copy of Government Code Section 53601 which listed the types of investments that the local agency were allowed. Attorney Jackson provided his opinion regarding the risks and Community Services District Code restrictions for investing MCCSD cash reserves in insured bonds. The Board placed this issue into abeyance until the next meeting. Bruce Fournier with Edward Jones would provide options and the District would modify the investment policy to include "insured bonds".

8. District Superintendent's Report

a. Monthly Report

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

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

District personnel replaced the drop pipe and support rods on two aeration basin aerators. The galvanized pipes were replaced with stainless steel. The nitrate levels dropped and with better aeration, hopefully, the District could transfer water to the school in August.

Plant operators attended a California Rural Water Association Wastewater Training at the Fort Bragg Wastewater Treatment Plant on July 20, 2011.

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.

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

b. 2010-2011 Annual Report

Superintendent Kelley provided the 2010-2011 Annual Report.

9. Committee Report

10. District Secretary's Report

a. Monthly Register of Cash Disbursements

MOTION Kraynek/Schwartz To approve disbursements for checks #10255-#10310, noting that checks #10278 and #10307 were void.

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

NOES: None

ABSENT: None

Jodi asked if the Board would consider a request for the MacCallum House Suites to extend their existing Right of Use deferral agreement past the final payment date scheduled for September 1, 2011. Consensus of the Board was they would not entertain a request for an extension of the Right of Use Fees, and they expected the fees to be paid as scheduled and agreed upon.

b. Quarterly Report of Income and Expenses

The Board reviewed the quarterly report of income and expenses. Total operating revenue for the year was \$625,903 and operating expenses were \$548,795, leaving an operating net income of \$77,109. After adding non operating income less cash items, which included the annual bond payment, loan payment on biosolids dryer, and capital improvement and equipment replacement, the net cash margin for the year was \$12,205.

Capital Improvement, which derived its revenue from Interest and Right of Use, was negative \$64,455.50, due to low interest rate returns and lack of connection fees. Effective 2011/2012, the District added a line item for Capital Improvement revenue from user fees and increased the annual Capital Improvement revenue from \$150,000 to \$195,000 in the budget.

Director Kraynek would like to contact Wendy Boise to inquire about using equipment replacement revenue to off-set the negative balance in the capital improvement account, and also using the savings in sewer main cleaning to go toward Capital Improvement revenue.

11. Matters from the Board

Director Kraynek announced that the Chamber of Commerce 1st Volunteer of the Year award was presented to Ed O'Brien.

The meeting adjourned.

Respectfully submitted,

Jodi Mitchell, Secretary