

MENDOCINO CITY COMMUNITY SERVICES DISTRICT  
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Minutes of November 28, 2016

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

1. Agenda – Since SHN engineers were present, Item 7 b Discussion and update on the Wastewater Improvement Project was moved in its order to 6 a on the agenda.

2. Minutes – October 28, 2016

Correction: Page 4, Section 12, Line 2. He was not impressed with the ~~Coastal Commission, and the~~ massive amount of changes.....

MOTION Stubbs/Kerstein: To approve the Minutes of October 28, 2016 as amended.

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

NOES: None

ABSENT: Director Kraynek

3. Communications

4. Public Comment

Chet Anderson thanked the Board of Directors for their Service and Staff for their good work.

5. Groundwater Management

a. Discussion and Update on Wastewater Improvement Project

Tom Herman and Jason Island from SHN Consulting Engineers & Geologists were present to discuss the update on the Wastewater Improvement Project. Mr. Herman explained that they had analyzed the Wastewater Improvement Project as requested by the Board of Directors and, in addition, two other alternatives were evaluated to expand the Recycled Water System to the Community.

Alternative 1 would include all treatment plant upgrades, and expand the recycled water system to include new storage tanks on the MCCSD's Palette Drive property and Friendship Park. It would also include new recycled water lines on Main, Ukiah, Kasten, and Lansing Streets, and stub outs to Heider Park, Rotary Park and the cemetery and fire hydrants. Estimated annual cost for 40 years @ 3.576% of the loan's amount of \$2,923,928.15; an annual payment of \$104,559.67. Total project costs were \$4,498,351.00.

Alternative 2 would include all treatment plant upgrades, and focus on new water lines on Ukiah Street to the Community Center, Kasten St. to the High School, and to the Ford House on Main Street. This would include a new storage tank at the Ballfield, and would stub out to Rotary Park and Heider Park, and include fire hydrants. Estimated annual cost for 40 years @ 3.576% of \$2,041,600.28; an annual payment of \$73,007.63. Total project costs were \$3,140,923.00.

Alternative 3 would include upgrades to the treatment plant facilities, including a 50,000-gallon water storage tank and building to house the components of the recycled water system. This option would also meet the District's immediate needs in terms of compliance with the State Title 22 Requirements for recycled water. This option

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would include a fill station at the treatment plant. The Estimated annual cost for 40 years @ 3.576% of \$1,426,782.50; an annual payment of \$51,021.74. Total project costs were \$2,195,050.00.

A potential 35% Grant from US Department of Agriculture Rural Development was factored into the cost with a 3.57% interest rate. The project must be submitted by March of 2017 to apply for the grant funding.

Director Stubbs thought it was unacceptable to make a decision without first reviewing a financial and economic analysis of capital cost and benefits for each of the recycled water system options, and asked why that wasn't made available. Director Stubbs also suggested sending a survey to MCCSD customers asking for their help to determine the market for recycled water. Chet Anderson complimented SHN on their analyses of the options, and cautioned the Board that the survey, in his opinion, should explain exactly what was involved and the costs.

12/27/16

Mr. Herman responded that SHN was not directed to determine a rate structure for the District's recycled water project, and noted that in reality, there was no guarantee there was sufficient recycled water to provide beyond the public users. The District would need to consider the financial fee structure. In his opinion, SHN was directed to quantify the level of recycled water available for irrigation on public properties and reduce the impact to the aquifer, and proceed with an application for potential grant revenue for the purpose of upgrading the 40-year-old treatment plant and to bring the existing water recycling system up to current State Title 22 requirements.

The Board held lengthy discussion regarding the options, and the financial impact versus the benefit to the community. As guardians of public funds, Director Hauck could not support Option 1, since it did not appear to benefit the entire community. Director Schwartz agreed that that Option 1 was out of the question, and he could not support raising rates. General Board consensus was that Option 1 was far beyond the financial capabilities of the community.

Director Hauck asked if it would be feasible to consider a funding package to include the ocean outfall replacement, along with the Treatment Plant Upgrades outlined in option 3.

12/27/16

The underground drilling of an ocean outfall replacement was estimated at around 5 million dollars. Mr. Herman noted that a significant level of analysis would be required for that project, which could delay the needed treatment plant upgrade a year beyond the existing funding cycle. Director Stubbs prepared a <sup>Comparison</sup> Financial Analysis of the outfall costs for continued repairs and new outfall line, and determined that the outfall hadn't reached the level of replacement. <sub>and suggested</sub>

In response to the idea of including the Evergreen Street replacement in the loan package, Mr. Herman indicated that USDA may consider the sewer line replacement if there were a compelling reason to include it in the project, however, Mr. Herman suggested that the Board consider the Evergreen line replacement as an operational expense and absorb those costs in the annual budget as opposed to including the cost into a 40-year loan.

The Board discussed the tank size and location of the tank at the treatment plant, and the components and equipment for the water recycling.

MOTION Hauck/Kerstein Authorize SHN to move forward with Option 3, with the stipulation that further analysis will be made for the size of the storage tank and the chlorine contact tank, and a cost estimate would be provided to replace a portion of the Evergreen Street sewer line.

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

NOES None

ABSENT Director Kraynek

b. Monthly Groundwater Management Report

The 2016-2017 rain year started on October 1, 2016. Rainfall for November was 15.38 inches. This was 38.1% of the 44.3 inches of total annual rainfall for Mendocino. 9.08 inches of rain was recorded in October, which was 168% of normal rainfall.

The Depth-To-Water (DTW) measurements in the District's 24 monitoring wells was measured on November 18, 2016. Average DTW was 16.32 feet. Since January 25, 2016, the District had been in a No Water Shortage Condition.

6. Old Business

a. Adoption of Ordinance No. 2016-3 – Establishing Fats, Oils and Grease (FOG) Fees for Food and Beverage Establishments

Ordinance No. 2016-3, Ordinance Establishing Fats, Oils, and Grease (FOG) Fees for Food and Beverage Establishments was introduced on October 31, 2016.

Peggy and James Griffith, in correspondence dated November 28<sup>th</sup>, opposed Ordinance No. 2016-3 Establishing a Fats, Oils, & Grease Fee on 955 Restaurant.

Superintendent Kelley said the annual fee may apply to all restaurants. The District's Waste Discharge Order No. 2006-0003 required the District to monitor and control SSO's and to develop a Fog Control Program. The District was authorized to impose fees for services which did not exceed the District's actual cost of providing the services.

MOTION Stubbs/Hauck To waive the reading of Ordinance No. 2016-3.  
ROLL CALL VOTE: AYES Directors Kerstein, Stubbs, Hauck and Schwartz  
NOES None  
ABSENT Director Kraynek

MOTION Hauck/Stubbs To adopt Ordinance No. 2016-3 - Establishing Fats, Oils and Grease (FOG) Fees for Food and Beverage Establishments  
ROLL CALL VOTE: AYES Directors Kerstein, Stubbs, Hauck and Schwartz  
NOES None  
ABSENT Director Kraynek

7. New Business

a. MCCSD partial Termination of Easement-10705 Palette Drive

The Board of Directors reviewed a Partial Termination of Easement, which was signed by representatives of the Coastal Conservancy and the California Coastal Commission. The document terminated the easement to a portion of the larger Reed Property, which MCCSD acquired through a friendly eminent domain condemnation. The Partial Termination of Easement extinguished the Open Space Zoning.

Chet Anderson noted their water system was designed to provide water to 32 lots in the Palette Drive Subdivision, however, they would consider further conversations with the District to provide potable water needs to the District's property.

MOTION Hauck/Stubbs To accept Partial Termination of Easement from the California Coastal Commission, dated November 1, 2016  
ROLL CALL VOTE: AYES Directors Kerstein, Stubbs, Hauck and Schwartz  
NOES None  
ABSENT Director Kraynek

8. Attorney's Report

9. District Superintendent's Report

The treatment plant operated normally during November 2016. Operators performed routine repair and maintenance at the plant.

There were no MCCSD sanitary sewer overflows in October 2016

No recycled water was transferred to the High School in October 2016.

There were no effluent discharge violations reported in October 2016.

Plant operators placed absorbent material in front of the emergency generator radiator fan to quiet the unit when operating. Additional sound absorbent material would also be placed around the automatic bar screen to quiet the mechanical sound emitted by the bar screen when it ran.

The Safety Officer conducted the monthly safety meeting and safety inspection of the plant.

Superintendent Kelley reported that P. G. & E. planned to replace the existing sodium vapor street lights with LED bulbs. Director Hauck had given a presentation to the Mendocino Historical Review Board on LED lights, and noted their impact on health and well-being. The kelvin was a unit of temperature, and used for streetlight bulb selection. He thought it was critical that the LED lights did not exceed 3,000 kelvins. The Street Light Committee should meet if P. G. & E. planned to install LED lights in excess of the kelvin limit certified by the International Dark Sky Association for Dark Sky requirements.

10. Committee Updates

11. District Secretary's Report

a. Monthly Register of Cash Disbursements

The Board reviewed the Cash Disbursements.

MOTION Hauck/Stubbs To approve cash disbursements for checks #13111-#13159. Checks #13129 and #13139 were void.

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

NOES None

ABSENT Director Kraynek

b. Update on Delinquent Sewer Accounts and Certificate of Liens

The Board reviewed the Update on Delinquent Sewer Accounts and Certificate of Liens.

The Secretary reported that the Auditor planned to attend the January meeting to present the 2015/2016 Annual Audit.

12. Matters from Board Members

Since the regular monthly meeting was scheduled for December 26, and since that was a legal holiday for the District, the Board rescheduled the meeting to the following evening, Tuesday, December 27, 2016 at 7:00 p.m.

The meeting adjourned at 9:25 p.m.

Respectfully submitted,

  
Jodi Mitchell, District Secretary