

MENDOCINO CITY COMMUNITY SERVICES DISTRICT
Post Office Box 1029
Mendocino, CA 95460
(707) 937-5790 (t)
mccsd@mcn.org

MENDOCINO CITY COMMUNITY SERVICES DISTRICT SPECIAL BOARD MEETING
ACTION MINUTES – April 29, 2024
BEFORE THE BOARD OF DIRECTORS
FAIR STATEMENT OF PROCEEDINGS
(PURSUANT TO CALIFORNIA COMMUNITY SERVICES DISTRICT LAW
Government Code §61000)

AGENDA ITEM NO. 1 – CALL TO ORDER – 5:33 p.m.

Present: Directors Donna Feiner, Jim Sullivan, Ishvi Aum, VP Matthew Miksak, and presiding was President Dennak Murphy

Staff Present: District Superintendent, Ryan Rhoades, and District Secretary, Katie Bates

Public Present: Matt Kennedy, Ted Williams, Tom Tetzlaff, Tina Aranguren, Bob Aranguren, Dan Potash, Andrea Shepard, Ken Taylor, Steve Gomes

AGENDA ITEM NO. 2. – APPROVAL OF AGENDA

Board Action: Upon motion by Director Feiner and 2nd by Director Sullivan, IT IS ORDERED to approve the agenda with item 8e moved to Old Business. The Motion carried by the following vote:

AYE: 5

AGENDA ITEM NO. 3 –PUBLIC COMMENT

None

AGENDA ITEM NO. 4 – COMMUNICATIONS

An email was received notifying the District of potential funding opportunities, many of which the District has already attempted to access.

AGENDA ITEM NO. 5- FINANCIAL REPORT

- a) February Disbursements
Presenter: Katie Bates

Board Comment: Director Aum, VP Miksak, and President Murphy
Public Comment: Ted Williams, Andrew Shepard

Board Action: Upon motion by Director Aum and 2nd by Director Feiner, IT IS ORDERED to approve the February disbursements. The Motion carried by the following vote:

AYE: 5

b) March Disbursements
Presenter: Katie Bates

Board Action: Upon motion by VP Miksak and 2nd by Director Feiner, IT IS ORDERED to approve the March disbursements. The Motion carried by the following vote:

AYE: 5

AGENDA ITEM NO. 6- CONSENT AGENDA

a) APPROVAL OF MINUTES FROM 2-26-24

Board Action: Upon motion by Director Feiner, and 2nd by Director Aum, IT IS ORDERED to approve the minutes from February 26, 2024. The Motion carried by the following vote:

AYE: 5

AGENDA ITEM NO. 7—DISCUSSION AND POSSIBLE ACTION REGARDING ANY CONSENT AGENDA ITEM NEEDING SEPARATE ACTION

None

AGENDA ITEM NO. 8 – NEW BUSINESS

a) Discussion and Update from Matt Kennedy of GHD

Board Comment: President Murphy, Directors Aum, Sullivan, and VP Miksak
Public Comment: Ken Taylor, Tina Aranguren, Steve Gomes, Tom Tetzlaff

b) Discussion of the legal process, RFQ response, and plan

Board Comment: President Murphy, Directors Aum and Sullivan
Staff Comment: Superintendent Ryan Rhoades
Public Comment: Andrea Shepard

c) Discussion and Possible Action to approve the purchase of a carbon air filter, not to exceed \$8000

Presenter: Ryan Rhoades

Board Action: Upon motion by Director Aum, and 2nd by Director Feiner, IT IS ORDERED to approve the purchase of a carbon air filter, not to exceed \$8000. The Motion carried by the following vote:

AYE: 5

d) Discussion and Possible Action to direct Staff to move some reserves into an account which may generate higher interest and therefore additional revenue

Public Comment: Andrea Shepard

Board Action: Upon motion by Director Aum, and 2nd by Director Sullivan, IT IS ORDERED to direct Staff to research possible accounts which may generate higher interest and therefore additional revenue. The Motion carried by the following vote:

AYE: 5

AGENDA ITEM NO. 9- OLD BUSINESS

8e) Discussion and Possible Action related to garage door replacement at the WWTP in relation to MHRB

Board Comment: Directors Aum and Sullivan, and President Murphy

Staff Comment: Katie Bates and Ryan Rhoades

Public Comment: Ted Williams, Tine Aranguren

AGENDA ITEM NO. 10- DISTRICT SUPERINTENDENT'S REPORT

Presenter: Ryan Rhoades

AGENDA ITEM NO. 11: GROUNDWATER MANAGEMENT

Presenter: Ryan Rhoades

Public Comment: Tom Tetzlaff, Steve Gomes

AGENDA ITEM NO. 12: COMMITTEE UPDATES

Board Comment: Ishvi Aum, Dennak Murphy

Public Comment: Tina Aranguren, Dan Potash

AGENDA ITEM NO. 13: MATTER FROM BOARD MEMBERS

Conversation re: community engagement

AGENDA ITEM NO. 14: ADJOURNMENT

IT IS ORDERED to approve adjourning the meeting at 7:45 p.m.

NOTICE: PUBLISHED MINUTES OF THE MENDOCINO CITY COMMUNITY SERVICES DISTRICT MEETINGS

- *Effective May 11, 2020, the Board of Directors' minutes will be produced in "action only" format.*
- *Minutes are considered draft until adopted/approved by the Board of Directors*
- *Please reference the District's website to obtain additional resource information for the Board of Directors: www.mccsd.com.*

Thank you for your interest in the proceedings of the Mendocino City Community Services District

Board of Directors

STANDING COMMITTEES:

- Finance:----- Dennak Murphy and Ishvi Aum
- Personnel:----- Dennak Murphy and Matthew Miksak
- Plant Operations:----- Ishvi Aum and Jim Sullivan
- Safety: ----- Donna Feiner and Matthew Miksak
- Street Lighting:----- Donna Feiner and Jim Sullivan
- Groundwater Management:----- Jim Sullivan and Ishvi Aum

Respectfully submitted,
Ryan Rhoades and Katie Bates

MENDOCINO CITY COMMUNITY SERVICES DISTRICT
2024 2025 Proposed Budget 4/23/24

2023 2024 2024 2025 Dept 1 Dept 2 Dept 3
BUDGET DRAFT BUDGET WW GWM G/Admin

OPERATING INCOME:

1	SEWER USE FEES	1,031,956	1,184,513	1,095,675	0	88,839	0
2	CHARGE FOR GROUNDWATER MANAGEMENT	212,777	267,313	0	229,889	37,424	0
3	PERMIT FEES	2,100	2,500	0	2,500	0	0
4	FEES TO READ WATER METER	9,000	9,360	0	9,360	0	0
5	HILLS RANCH SERVICE	3,000	3,000	3,000	0	0	0
6	WATER METER SALES	5,220	2,000	0	2,000	0	0
	TOTAL OPERATING REVENUE:	1,264,053	1,468,687	1,098,675	243,749	126,262	0

NON-OPERATING INCOME:

1	General Property Taxes	113,000	117,061	0	0	117,061	0
2	Savings Interest	3,100	3,650	0	0	3,650	0
3	Late Fees	5,000	5,000	0	0	5,000	0
4	Other Income		0	0	0	0	0
	TOTAL NON-OPERATING REVENUE:	121,100	125,711	0	0	125,711	0
	TOTAL REVENUE	1,385,153	1,594,398	1,098,675	243,749	251,973	0

OPERATING EXPENSES:

	SALARIES:		WW	GWM	G/Admin	
1	WAGES	103,283	103,283	84,692	18,591	0
2	WAGES ADMIN	177,427	177,427	72,745	15,968	88,714
	SALARY SUBTOTAL	280,710	280,710	157,437	34,559	88,714
	BENEFITS:					
3	RETIREMENT-CALPERS	28,000	28,000	16,520	3,640	7,840
4	DENTAL/OPT./HEALTH/LIFE	95,500	94,659	55,849	12,306	26,505
	BENEFITS SUBTOTAL:	123,500	122,659	72,369	15,946	34,345
5	WORKMAN'S COMP	19,123	23,000	12,880	2,990	7,130
6	CALPERS-UNFUNDED LIABILITY	41,840	41,064	24,228	5,338	11,498
7	PR TAXES	34,372	33,685	19,874	4,379	9,432
	LABOR SUBTOTAL:	499,545	501,118	286,788	63,212	151,118
	PROFESSIONAL SERVICES:					
8	PROFESSIONAL FEES	18,000	40,000	22,800	12,000	5,200
9	LEGAL FEES	85,000	100,000	0	78,000	22,000

10	ACCOUNTANT/ AUDIT	18,520	20,000	0	0	0	0	20,000	0
11	GW MODEL UPDATE	0	0	0	0	0	0	0	0
	PROFESSIONAL FEES SUBTOTAL:	121,520	160,000	22,800	90,000	47,200			
	UTILITIES								
12	PG&E AND TRASH	82,000	102,577	94,546	0	8,031			
13	TELEPHONE/ CELL /INTERNET/ WEBPAGE	5,990	5,256	0	0	5,256			
14	BIOSOLIDS DRYER FUEL	24,000	35,000	35,000	0	0			
	UTILITIES SUBTOTAL:	111,990	142,833	129,546	0	13,287			
	SUPPLIES AND MAINTENANCE								
15	OUTFALL MAINTENANCE AND REPAIR	50,000	35,000	35,000	0	0			
16	COLLECTION SYSTEM MAINTENANCE AND REPAIR		20,000	20,000	0	0			
17	REPAIR & MAINTENANCE	134,877	250,000	225,000	25,000	0			
18	SAFETY SUPPLY/EQUIP.	2,400	2,400	2,400	0	0			
19	SUPPLIES/TOOLS	36,304	50,000	40,000	1,000	9,000			
20	VEHICLE FUEL/MAINT	3,600	4,000	2,000	2,000	0			
	SUPPLIES AND MAINTENANCE SUBTOTAL	227,181	361,400	324,400	28,000	9,000			
20	SWRCB ANNUAL NPDES/SSO (discharge permit)	18,000	10,000	10,000	0	0			
21	COUNTY PERMIT FEES	3,000	10,000	10,000	0	0			
22	BIOSOLIDS DISPOSAL	2,000	2,000	2,000	0	0			
23	LEGAL NOTICE/PUBLICATIONS	25,000	25,000	0	25,000	0			
24	PROPERTY AND LIABILITY INSURANCE	30,000	45,000	18,131	0	26,869			
25	LAB SUPPLIES/TESTING	22,000	22,000	22,000	0	0			
26	TRAINING/EDUCATION	4,500	4,500	0	0	4,500			
	TOTAL OPERATING EXPENSES:	1,064,736	1,283,851	825,665	206,212	251,974			

NET		320,417	310,546	273,010	37,537	(0)			
NON-OPERATING EXPENSES									
1	Loan Payment on Biosolids Dryer	35,380	34,658	34,658	0	0			
2	Loan Payment on Plant Upgrades	79,828	79,917	79,917	0	0			

RESERVES:

3	Capital Improvement(From User Fees)	73,975	80,451	61,391	19,060	0			
4	Operation and Maintenance	77,759	64,170	53,170	11,000	0			
5	Equipment Replacement fund (from User Fees)	53,475	51,350	43,873	7,477	0			
	TOTAL RESERVES	205,209	195,971						

TOTAL CASH ITEMS:	320,417	310,546	273,009	37,537	0	0
CASH MARGIN	0	0	1	(0)	(0)	0

Memo

To: MCCSD Board of Directors
From: District Superintendent
cc: Jim Jackson
Date: May 16, 2024
Re: 2024-25 Draft Budget Planning Narrative

Following the District budget process, before you is the draft, balanced, MCCSD Budget for fiscal year 2024-25. Staff prepared a draft budget in March. The Finance Committee met to discuss and propose modifications on Friday April 19, 2024. Notable changes from the 2023-24 budget are listed below:

-Total projected revenue for MCCSD in FY 2024-25 is \$1,594,398.
Total projected operating revenue for FY 2024-25 is \$ 1,468,687.
Total projected operating costs for FY 2024-25 are \$1,283,851.

-Thanks to the 2022 rate increase, user fees are due to increase on July 1, 2024, and we expect a revenue increase of 16% or \$204,634 for the fiscal year.

-Operating costs are up for 2024-25 due to inflation and the pressing need to replace and repair critical infrastructure.

-Supplies and maintenance budget is the most significant increase in this year's budget, up 59% or \$134,219 from last year. This increase is because there are parts of the WWTP which can no longer wait on grant funding to repair or replace. The effluent pump and air distribution piping on the treatment unit are two examples. Fingers are still crossed for grants to come through but we must plan as if no help is coming. Last year, due to unexpected storm damage to equipment, the untimely main airline failure, and lift station pump problems we went \$111,079 or 82% over budget in the repairs and maintenance category. The goal for this year is to increase this budget category and fix things before they fail. Replacement is often more cost effective than emergency response.

-Utilities budget is up 28% or \$30,843, primarily due to electricity and fuel price increases.

-Insurance costs are up. Workman's comp is projected to increase by 20% or \$3,877. District property and liability insurance went up by 50% or \$15,000 for FY 2024-25

-Professional services has a budgeted increase of 32% or \$38,480. We have added some money to hopefully engage another grant writing consultant. This past year professional services went over budget by 22% or \$26,306. Annual audit and bookkeeping costs were up 8% or \$1,480 higher than last year. Legal expenses went over budget by 8% or \$6,697 last year.

-The Ocean outfall pipe had \$50,000 budgeted in last year. Alpha diving was unable to complete any work due to weather and safety concerns. That budget has been reduced by 30% or \$15,000, as GHD was able to complete an effluent dilution evaluation using model simulators.

-Salaries and labor costs came in under budget last year, so no real changes are proposed for this year. Labor costs were down due to staff taking a number of unpaid days off, the Superintendent opting for a health savings stipend in lieu of insurance, and no evaluation or pay increase for the Superintendent, which was budgeted last year and remains as an option for this year.

-If the financial year goes according to plan we expect to put \$195,971 into reserves. If any grant funding or FEMA reimbursement comes through we may be able to put even more away.

Memo

To: Board of Directors
From: Katie Bates
cc:
Date: May 10, 2024
Re: Investing Funds

I looked into a few options to invest the District's money, and here's what I found:

- CDs: Fixed interest rates. Better rates for the longer CD terms. Money is tied up for a certain amount of time, typically from 3 mos to 5 yrs, and will incur a penalty if withdrawn before the agreed upon end date. CDs Best CD rates for May 2024 range from 4.5% APY to 5.3% APY.
- Money market accounts: Variable interest rates. Higher rates for higher balances. We can withdraw without penalty, though the number of withdrawals are typically limited to 6 withdrawals per statement. This provides more flexibility than a CD. \$10,000 minimum balance has a 5.12% rate in May 2024.
- High yield savings account: Flexibility with adding and withdrawing money regularly. Good option for emergency fund because the money is accessible. Typically, online banks have better rates than brick and mortar banks. May 2024 rates of return ranges from 4.5% to 5.3%.
- I spoke with the local Edward Jones office and was told, by law, we cannot use an investment firm to place our money, but instead that it must all be invested through a bank.