

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 April 29, 2019

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, Rice, Hauck, and Schwartz. District Superintendent Mike Kelley and Secretary Jodi Mitchell were present.

1. Agenda – No changes were made to the agenda.
2. Approval of Minutes March 25, 2019
MOTION Hauck/Kerstein To approve the Minutes of March 25, 2019 as submitted.
ROLL CALL VOTE AYES: Directors Kerstein, Rice, Hauck and Schwartz
NOES: None
ABSENT: None

3. Communications

4. Public Comment

5. Old Business

6. New Business

a. Discussion Regarding Electrical Service Provider Options

At the last meeting, the Board asked staff to explore Sonoma Clean Energy as an option to P.G. & E. Utility Service. Sam Waldman, community member, and retired MCCSD Board member, encouraged MCCSD to contract with Sonoma Clean Energy for 100% renewable energy. Personally, he thought it was an appropriate time for MCCSD to become involved in total renewable energy for the treatment plant. Mr. Waldman indicated that P. G. & E. may have options for renewable energy; Solar Choice or Regional Choice, although, he could not obtain information about those options. Sonoma Clean Energy provided 100% geothermal, solar, and wind turbine. Matthew Miksak, Mendocino resident, agreed with Mr. Waldman and encouraged MCCSD to be the jump start for more residents to consider clean energy. Mr. Waldman indicated that, depending on the multi layers of energy use, the increased cost to move the treatment plant to clean energy could be a 9 – 11% increase which would mean an approximate \$5,000 to \$7,000 increase in utility cost to utilize clean energy. There was also a fee to change providers.

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~~more~~ ^{less} President Schwartz asked Staff to ask the legal question; was the District legally required to use a more expensive vendor regarding utility costs - P. G. & E. vs. Sonoma Clean Power. Superintendent Kelley suggested the District could sign up with Sonoma Clean Power for a couple of months and then go back to P.G. & E. if necessary.

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~~Director Hauck offered to talk to Sonoma Clean Energy and the Board would re-visit this issue at the next meeting.~~

b. Resolution No. 2019-258 – A Resolution of MCCSD Approving Debt Management Policy

Resolution No. 2019-258 A Resolution of MCCSD Approving Debt Management Policy was required for Certificates of Participation regarding the Treatment Plant Upgrade Loan/Grant Funds. The Debt Management Policy was prepared by Bond Counsel, and reviewed by the District's attorney, and outlined Findings, Policies, Types of Debt, Relationship of Debt to Capital Improvement Program and Budget, Policy Goals Related to Planning Goals and Objectives, and Internal Control Procedures.

President Schwartz read the Resolution aloud.

MOTION Rice/Kerstein To adopt Resolution No. 2019-258.

ROLL CALL VOTE AYES: Directors Kerstein, Rice, Hauck and Schwartz
NOES: None
ABSENT: None

5/29/19 Dan Potash stated that he had not seen a copy of the proposed Resolution, and it was his understanding that the Board previously agreed to attach documents to the Agenda and have them available on the Website. Also, during the discussion on the Resolution, there was no offer for public comment, which he assumed was probably an oversight.

The Mendocino Beacon reporter noted the Budget was also not available on the website.

The Board instructed Staff to post all documents related to the Agenda items on the website, with the exception of Closed Meeting information.

c. Introduction of the 2019/2020 Budget

Director Hauck compared the third quarterly report of income and expenses to the proposed budget, and noticed some of the overages in the third quarter were not considered in the new budget amounts for that category. President Schwartz noted that he and Director Kerstein met with Staff as the Finance Committee, and basically asked the same questions. Mike Kelley also looked at the third quarterly report, and future foreseeable expenses, and he felt comfortable with the new budgeted amounts.

Director Hauck asked where the revenue would be shown in the Budget for the upcoming loan/grant funds. Staff responded that the Annual Loan Payment for the Plant Upgrade was shown in the Budget in Less Cash Items Line 2, Loan Payment on Plant Upgrades, and the revenue for that payment was identified as Sewer Use Fees as operating income. The Board asked Staff to inquire with the District's Accountant about how the loan and grant funds should be reflected in the budget.

7. Groundwater Management

a. Monthly Groundwater Management Report

October 1, 2018 was the beginning of the 2018-2019 rain year. Average annual precipitation in Mendocino was 40.23 inches and average rainfall in April was 2.90 inches. 1.81 inches of rainfall was measured for the month by April 22nd. Total annual rainfall by April 22nd was 39.44 inches. Mendocino had received 98% of normal annual rainfall for this water year due to high rainfall in February and March.

A No Water Shortage condition in the District was declared on March 25, 2019 with the adoption of Resolution 2019-257.

The average DTW measurements District-Wide in the 24 monitoring wells on April 18, 2019 was 10.88 ft. Superintendent Kelley noted the well levels were starting the summer decline.

8. District Superintendent's Report

Operators performed routine repair and maintenance at the wastewater treatment plant during April 2019. Daily plant flows and the high peak flows at the treatment plant have returned to average flows.

The tentative schedule until the start of construction was as follows:

March 25	Regular meeting to approve plans and bid documents
April 1	Project out to bid
April 19	Bond Counsel would provide bond documents to USDA
May 15	Special Meeting to Open Bids
May 27	Board signs loan documents
July 1	Start construction

On April 17, there was a mandatory bidders meeting at the treatment plant. SHN conducted the meeting, and approximately 20 contractors and sub-contractors attended.

There were no MCCSD collection system sanitary sewer overflows during April 2019.

No recycled water was transferred to the High School in April 2019.

On April 23, 2019, Operator Allen conducted a tour of the treatment plant for the Mendocino High School science class.

The Safety Officer conducted the monthly safety inspection of the plant and safety meeting on April 22, 2019. The 30-minute safety meeting was on Incident Reporting.

9. Committee Updates

10. District Secretary's Report

a. Monthly Register of Cash Disbursements

MOTION Hauck/Rice To approve disbursements in the amount of \$191,349.54 for checks #14279 - #14316 and online CalPERS, State and Federal Tax Deposits, and noting check 14294 was void.

ROLL CALL VOTE AYES: Directors Kerstein, Rice, Hauck and Schwartz
NOES: None
ABSENT: None

b. Update on Delinquent Accounts and Certificate of Liens

The Board of Directors reviewed the delinquent accounts and certificate of liens.

c. Quarterly Report of Income and Expenses ending March 31, 2019

The Quarterly Report of Income and Expenses was provided to the Board. Operating Revenue to date was \$608,557. Total Operating expenses were \$523,676, leaving a net income of \$84,880. Non-Operating Income was \$66,132 and less cash items were \$527,359. Cash Margin at the Year-to Date was <\$376,346> which related to the ongoing plant upgrade.

11. Matters from Board Members

In response to the County of Mendocino's proposed LCP Amendment on development of Accessory Dwelling Units (ADU), Director Rice inquired if the MCCSD would consider allowing a second unit, if the property owner agreed to remain within their existing allotment. Superintendent Kelley explained that an ADU would be considered new development and development of a residence would require additional water testing to determine the impact to the groundwater resource. New development could not be established based on the water extraction reporting. The District had a provision for a Limited Increase in Water Demand, for 30% of an existing water demand that was less than or equal to 320 gallons per day or 10% of an existing water demand that was greater than 320 gallons per day. The Water Use Standard was developed to protect the Groundwater Resource. A second residence would require a Hydrological Study.

The Beacon reporter commented that tomorrow was the last day for comments to the County concerning ADU's. The Board asked Mike Kelley to contact the County and verify that his correspondence dated April 5th would be included in comments. Also, Mike would inquire if Junior Accessory Dwelling Units were exempt from the 300-unit cap on the development of ADU's.

At 8:25, the regular meeting was adjourned to a Closed Session to discuss Personnel Matters.

The regular meeting was resumed and the report out of closed session was the Board discussed Personnel Action Planning.

Because the next regular monthly meeting falls on a Holiday, May 27th, the Meeting was rescheduled for Tuesday, May 28th.

The meeting adjourned at 9:10 p.m.

Respectfully submitted,


Jodi Mitchell, Secretary