

MENDOCINO CITY COMMUNITY SERVICES DISTRICT
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Minutes of May 28, 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 April 29, 2019
Corrections: Page 1, Section 6 (a), Paragraph 2, Line 2. ~~more~~ less expensive vendor
Page 1, Section 6 (a) Paragraph 3. Delete entire line.
Page 2, First Paragraph after Motion, last line: oversight should be spelled oversight
MOTION Kerstein/Rice To approve the Minutes of April 29, 2019, as amended.
ROLL CALL VOTE AYES: Directors Kerstein, Rice, and Hauck and Schwartz
NOES: None
ABSENT: None
ABSTAIN: None

Approval of Minutes Special Meeting of May 15, 2019
MOTION Hauck/Rice To approve the Special Meeting Minutes of May 15, 2019, as submitted.
ROLL CALL VOTE AYES: Directors Kerstein, Rice, and Hauck
NOES: None
ABSENT: None
ABSTAIN: Schwartz

3. Communications

4. Public Comment

Dan Potash, 10450 Kelly Street, thanked staff for putting the agenda packet on the website. He said it was a great help to him and others, and he asked if MCCSD could make it more known to the public that the information was available on line.

Sam Waldman clarified comments that he made at the last meeting regarding the efficiency of hydro power in the Country. Mr. Waldman thought it would be worth looking into National grants and incentives. He found that most incentives were related to the type of equipment proposed.

5. Old Business

6. New Business

- a. Discussion and Possible Action on Modification of Plant Upgrade Project

At the Special Meeting on May 15th, one qualified bid was received for the Plant Upgrade and Recycled Water Project. The base bid was \$4,973,000.00. The total bid was \$6,279,980, which included alternatives (water recycle pipeline to the school and upgrade existing drying beds). The approved USDA loan and grant was \$3,072,000.00, which included engineering costs. Tom Herman, SHN, presented a possible change in the plant upgrade project scope, since USDA had only approved 2.6 million for construction.

Mr. Herman explained that in 2017, the MCCSD made application to USDA Rural Development for a loan/grant to complete the Wastewater Treatment Facilities Improvements and Recycled Water System Expansion. The anticipated cost was \$3,072,270.

6/24/19
During the design phase, it was discovered that the treatment plant's electrical system was not up to code and additional USDA grant funds were awarded for the needed electrical upgrade. The engineered project plans included great detail about the electrical control systems within the treatment plant and future potential to provide fire flow and recycled water. *for the water recycle project.*

Mr. Herman was disappointed there was only one bid received. He suggested that the Board consider the project in two phases and take the opportunity to work with the bidder to complete the essential Wastewater Treatment Plant upgrades, noting that Wahlund Construction was currently mobilized in Fort Bragg at their Wastewater Treatment Plant.

A signed contract would release USDA funds. A change order could be executed in conjunction with the Contract for Phase I to complete the new electrical, backwash controls, building construction, office remodel to ADA and effluent pond liner replacement. Phase II could extend recycled water to the community - all new disinfection system, designed to meet Title 22, one pump, 600 amp electrical, and plumbing to the high school 8. *inch* purple line.

Mr. Herman talked to USDA and both the Engineer and Financial Departments were on Board with MCCSD and the 2.6-million-dollar funding award. USDA would not allow additional grant/loan funds without a revised revenue program and a rate increase.

7/24/19
Director Rice suggested holding off a *few months* to get more bids, and *he* did not support spending an extra *two* million dollars of rate payer's money for a scaled down project. Dan Potash agreed with Director Rice to give more than a month's time between going out to bid and construction. Mr. Potash also asked for a clear explanation of what would be paid out of USDA funds, as he thought the project had changed. Mr. Potash suggested that without the proposed recycled water tank, it appeared that the building would be used for a different purpose than what was sold to residence owners and the community concerned with visual impacts.

Mr. Herman was trying to take advantage of the contractor currently working in Fort Bragg because they were already mobilized. He checked with firms in the Central Valley, and costs there for comparable work were approximately 1/3 lower and they usually charge for mobilization to work in remote areas. They vetted the amounts of the sub-contractors, and in his opinion, he didn't think the cost would improve dramatically, if the project went out to bid again. Bids could come in higher or not at all, which would jeopardize the already approved loan and grant funds.

A majority of the Board wanted to move forward with phase I, and authorized Tom Herman to have discussions with the Contractor. A special meeting may be scheduled to sign the contract simultaneously with the change order for Phase 1.

b. Discussion Regarding Board Vacancy

Director Hauck was concerned that a vacancy still existed on the MCCSD Board and there was an interested person in filling that vacancy, and he inquired if that vacancy could be filled. Attorney Jackson explained that vacancies on the Board of Directors were governed by Government Code §1780-1782. The starting point was the date of the vacancy or when the vacancy became effective, whichever was later. Thereafter, the Board has 60 days within which to either make an appointment to the Board or call an election to fill the seat. If the Board does not take either of those two actions, the Mendocino County Board of Supervisors could fill the vacancy within 90 days after the vacancy occurred or became effective. If neither Board takes any action, the District should call an election at the next established election date. The only exception to the provisions occurs if the remaining number of directors drops below a quorum, and in such case, the District can request that the Board of Supervisors promptly appoint an additional director in order to provide a quorum. At the Board's request, Attorney Jackson would speak with the Elections Department regarding exceptions to the Elections Code.

7. Adjournment to closed session

- a. Conference with Legal Counsel §54956.9 – Existing Litigation Gomes vs. MCCSD
- b. Personnel Matter – Pursuant to Government Code §54957

The Regular meeting was resumed and conclusion of the closed sessions were reported:

- a. No report - pending litigation
- b. The Board adopted the Action Plan timeline, and would advertise the position for a new Superintendent.

8. Old Business

a. Discussion Regarding Electrical Service Provider Options

The Board discussed the proposed transfer of the electric service to Sonoma Clean Power. The Board agreed to move to Sonoma Clean Power for a couple of months, to determine if the costs would be excessive in terms of the District's budget. The Board thought that a 10% increase over current utility charges would be prohibitive, without a customer rate increase. Attorney Jackson was not aware of any requirement that the District use the least cost energy supplier. The discussion was deferred to the next meeting, while Staff investigated the transfer of service.

b. Adoption of 2019/2020 Fiscal Year Budget

The Board reviewed and introduced the proposed 2019/2020 Fiscal Year Budget at the last meeting.

MOTION Rice/Hauck To accept the proposed 2019-2020 Budget
ROLL CALL VOTE AYES: Directors Kerstein, Rice, Hauck and Schwartz
NOES: None
ABSENT: None
ABSTAIN: None

9. 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 May was 1.32 inches. 5.27 inches of rainfall had been measured to the month by May 21st. Total annual rainfall by May 21st was 44.35 inches. Mendocino had received 110.2% of normal annual rainfall for this water year.

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

The average Depth-to-Water (DTW) measurements District-wide in the 24 monitoring wells on May 20, 2019 was 11.31 ft.

10. Attorney's Report

11. District Superintendent's Report

Operators performed routine repair and maintenance at the wastewater treatment plant during May 2019. A tear in the equalization pond liner was repaired. The automatic bar screen compactor was being rebuilt.

MCCSD received one Plant Upgrade Project bid at the May 15, 2019 Special Meeting. The bid was being reviewed.

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

The District transferred 63,000 gallons of recycled water to the High School in May 2019.

The Safety Officer conducted the monthly safety inspection of the plant and safety meeting on May 20, 2019. The 30 minutes safety meeting was on General Safety Rules.

12. Committee Updates

13. District Secretary's Report

a. Monthly Register of Cash Disbursements

MOTION Hauck/Kerstein To approve disbursements in the amount of \$65,340.30 for checks #14317-14350 and online CalPERS, State and Federal Tax Deposits, and noting checks #14319 and 14338 were void.

ROLL CALL VOTE

AYES: Directors Kerstein, Rice, Hauck and Schwartz

NOES: None

ABSENT: None

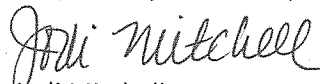
b. Update on Delinquent Accounts and Certificate of Liens

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

14. Matters from Board Members

The meeting adjourned at 9:30 p.m.

Respectfully submitted,


Jodi Mitchell, Secretary