

MENDOCINO CITY COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS 12-18-2023 MEETING AGENDA

MENDOCINO CITY COMMUNITY SERVICES DISTRICT

P. O. BOX 1029

MENDOCINO, CA 95460

Business Phone (707) 937-5790 Treatment Plant (707) 937-5751 Fax (707) 937-3837

AGENDA

REGULAR MEETING

Monday, December 18, 2023

5:30 PM

Mendocino Community Center, 10525 School St., Mendocino< CA 95460

- 1) CALL TO ORDER
- 2) APPROVAL OF AGENDA
- 3) PUBLIC COMMENT: non agenda items
- 4) COMMUNICATIONS
- 5) FINANCIAL REPORT
Discussion and Possible Action to Approve District Disbursements/Expenditures
 - a) September Disbursements
 - b) October Disbursements
 - c) November Disbursements
- 6) CONSENT AGENDA
All matters on the Consent Agenda are to be approved by one action without discussion unless a Board Member requests separate action on a specific item.
 - a) APPROVAL OF MINUTES from 10-30-23
- 7) DISCUSSION AND POSSIBLE ACTION REGARDING ANY CONSENT AGENDA ITEM NEEDING SEPARATE ACTION
- 8) NEW BUSINESS
 - a) Discussion and Possible Action to approve the Audit for the year end of June 30, 2023
Staff recommends a motion to approve the 22-23 audit, year ending June 30, 2023
 - b) Introduction of Ordinance 2023-01: Conflict of Interest Code for Mendocino City Community Services District
Staff recommends discussion of Ordinance 2023-01: Conflict of Interest Code for Mendocino City Community Services District and adoption at the next meeting
 - c) Discussion of potential revisions to the Governance Guidelines document
 - d) Discussion and Possible Action to approve the RFQ for Legal Services
 - e) Discussion and Possible Action related to a Community Water System
Staff recommends: forming an ad hoc committee to work with the public, SAFER, and GHD as we investigate a potential community water system.
 - f) Election and appointment of Board Officers
 - g) Discussion and Possible Action to appoint Standing Committee Assignments
 - h) Discussion and Possible Action to review existing ad hoc committees
- 9) OLD BUSINESS
- 10) DISTRICT SUPERINTENDENT'S REPORT
Monthly Report
- 11) GROUNDWATER MANAGEMENT
Monthly Groundwater Management Report -Superintendent

MENDOCINO CITY COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS 12-18-2023 MEETING AGENDA

12) COMMITTEE UPDATES

13) MATTERS FROM BOARD MEMBERS

14) ADJOURNMENT

STANDING COMMITTEES: For 2023

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

Pursuant to Americans with Disability Act (ADA Title II), MCCSD will make reasonable arrangements to ensure accessibility to the meeting. If you need special assistance to participate in this meeting, please contact the business office at 707- 937-5790.

MENDOCINO CITY COMMUNITY SERVICES DISTRICT

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MENDOCINO CITY COMMUNITY SERVICES DISTRICT SPECIAL BOARD MEETING

ACTION MINUTES – October 30, 2023

**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 – 5:00 p.m.

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

Staff Present: District Superintendent, Ryan Rhoades

Public Present: Richard Green, Colin Morrow, Meredith Smith, Peter Lopez, Tony Graham, Roy Helsing, Dan Potash, Noah Shepard, Ted Williams, Callie Dym, and others, names unknown

AGENDA ITEM NO. 2. – APPROVAL OF AGENDA

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

AYE: 5

AGENDA ITEM NO. 3 –PUBLIC COMMENT

Tom Teztlaff questions legal fees and comments on GWM
Cally Dym MCC President and Little River Inn owner interested in expanding District boundaries
Tony Graham requested public water system on agenda, concerns of conflict of interest
Peter Lopez discussed State Public Water System. Confusion exists. Seeking clarity.
Richard Green questions possible consolidation of Public Water Systems
Steve Gomes hands out ballots from 1985 and disagrees with GWM

AGENDA ITEM NO. 4 – COMMUNICATIONS

Tony Graham sent in a letter and Dennak responded via email

AGENDA ITEM NO. 5- FINANCIAL REPORT

Presenter: Bookkeeper, Kristine McKee

Board Comment: Director Aum, VP Sullivan and President Murphy

Board Action: Upon motion by _____, IT IS ORDERED to approve the September disbursements. The Motion carried by the following vote:

There was no action taken

AGENDA ITEM NO. 6- CONSENT AGENDA

APPROVAL OF MINUTES FROM 10-3-23

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

AYE: 5

AGENDA ITEM NO. 7

None

AGENDA ITEM NO. 8 – NEW BUSINESS

- a) Review of Ordinance 2016-2: Conflict of Interest Code for Mendocino City Community Services District to be introduced as Ordinance 2023-01: Conflict of Interest Code for Mendocino City Community Services District

Presenter: Dennak Murphy
Board Comment: Director Aum
Public Comment: unknown due to recording

Board Action: Upon motion by Director Aum and 2nd by Director Feiner, IT IS ORDERED to create an ad hoc committee of President Murphy and Director Miksak to review the Conflict of Interest policy for the District. The Motion carried by the following vote:

AYE: 5

- b) Formation of ad hoc committee to review and propose revisions to the MCCSD Governance Guidelines

Presenter: Dennak Murphy
Board Comment: Director Aum
Staff Comment: Ryan Rhoades
Public Comment: James Greg, unknown due to recording, Roy Helsing

Board Action: Upon motion by Director Feiner and 2nd by VP Sullivan, IT IS ORDERED to create an ad hoc committee of President Murphy and Director Aum to review the Governance Guidelines. The Motion carried by the following vote:

AYE: 5

AGENDA ITEM NO. 9- OLD BUSINESS

None

AGENDA ITEM NO. 10- DISTRICT SUPERINTENDENT'S REPORT

Presenter: Ryan Rhoades

Board Comment: Directors Aum, Feiner, VP Sullivan, and President Murphy

Public Comment: unknown due to recording, Tony Graham, Tom Tetzlaff

AGENDA ITEM NO. 11: GROUNDWATER MANAGEMENT

Presenter: Ryan Rhoades

Board Comment: President Murphy, Directors Aum and Feiner, VP Sullivan

Public Comment: Tom Tetzlaff, Tony Graham

AGENDA ITEM NO. 12: COMMITTEE UPDATES

None

AGENDA ITEM NO. 13: MATTER FROM BOARD MEMBERS

President Murphy proposes establishment of ad hoc committee to work with staff around a community water system.

Public Comment: Roy Helsing and an unknown due to recording comment with regards to President Murphy's suggestion.

Pres Murphy notes that two issues are being raised; Community Water System and the Water Use Standards that are in place.

Director Aum believes the two issues are connected. Comm Water System will eliminate the Ordinance which is so troublesome. Ad Hoc committee should address both issues.

Director Aum would like to be added to the GWM committee.

AGENDA ITEM NO. 14: ADJOURNMENT

IT IS ORDERED to approve adjourning the meeting at 7:00 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:----- Dennak Murphy and Jim Sullivan
- Safety: ----- Jim Sullivan
- Street Lighting:----- Donna Feiner and Jim Sullivan
- Groundwater Management:----- Jim Sullivan

Respectfully submitted,
Ryan Rhoades and Katie Bates

DRAFT

Memo

To: Board of Directors
From: Katie Bates
cc: Jim Jackson
Date: 12/11/2023
Re: Audit

The audit of the 2022-23 Fiscal Year has concluded. There are no observations/ recommendations for this year. MCCSD implemented the two recommendations from last year: formalization of a capitalization policy and raise the limit of the crime insurance policy. There were seven (7) audit adjustments proposed. They are the adjustments for depreciation, bond value, note current portion and Calpers liability. Kristine McKee will make the necessary adjustments in our books.

**MENDOCINO CITY COMMUNITY
SERVICES DISTRICT**

MENDOCINO, CALIFORNIA

ANNUAL FINANCIAL REPORT

JUNE 30, 2023

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Mendocino City Community Services District
Mendocino, California

Opinions

We have audited the accompanying financial statements of the business-type activities and the major fund of Mendocino City Community Services District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Mendocino City Community Services District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the major fund of Mendocino City Community Services District, as of June 30, 2023, and the respective changes in financial position and cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Mendocino City Community Services District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Mendocino City Community Services District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

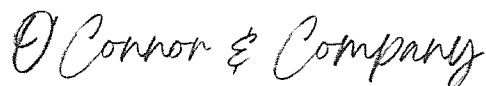
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Mendocino City Community Services District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mendocino City Community Services District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion is not modified with respect to this matter.



O'Connor & Company

Novato, California
December 8, 2023

Mendocino City Community Services District
STATEMENT OF NET POSITION
Proprietary Fund
June 30, 2023

ASSETS

Current assets:

Cash and investments	\$ 485,695
Accounts receivable	62,456
Inventory	2,626
Prepaid items	3,064
Total current assets	553,841

Capital assets (Note 3):

Non-depreciable assets	1,600,000
Depreciable assets (net of depreciation)	5,968,450
Total assets	8,122,291

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources - Pension (Note 4)	250,607
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LIABILITIES AND NET POSITION

Current liabilities:

Accounts payable	66,243
Accrued expenses	15,535
Compensated absences	6,228
Deferred revenue	-
Total current liabilities	88,006

Long-term liabilities:

Due within one year (Note 5)	56,270
Due in more than one year (Note 5)	2,285,532
Net pension liability (Note 4)	514,529
Total long-term liabilities	2,856,331
Total liabilities	2,944,337

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources - Pension (Note 4)	49,640
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Net position:

Net investment in capital assets	5,226,648
Unrestricted	152,273
Total net position	\$ 5,378,921

The accompanying notes are an integral part of these financial statements.

Mendocino City Community Services District
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
Proprietary Fund
For the Year Ended June 30, 2023

Operating revenues:	
Ground water and waste water fees	\$ 977,459
Property taxes	108,753
Intergovernmental revenue	<u>22,000</u>
Total operating revenues	<u>1,108,212</u>
Operating expenses:	
Salaries and benefits	411,619
Waste water	245,792
Ground water management	197,292
Treatment	23,423
General and administrative	153,240
Depreciation	<u>297,128</u>
Total operating expenses	<u>1,328,494</u>
Operating income (loss)	<u>(220,282)</u>
Non-operating revenues (expenses):	
Interest income	3,426
Interest expense	<u>(63,604)</u>
Total non-operating revenues (expenses)	<u>(60,178)</u>
Changes in net position	(280,460)
Net position, beginning of period	<u>5,659,381</u>
Net position, end of period	<u>\$ 5,378,921</u>

The accompanying notes are an integral part of these financial statements.

Mendocino City Community Services District
STATEMENT OF CASH FLOWS
Proprietary Fund
For the Year Ended June 30, 2023

Cash flows from operating activities:	
Receipts from customers	\$ 1,074,024
Payments to employees	(414,109)
Payments to suppliers	<u>(566,121)</u>
Net cash provided (used) by operating activities	<u>93,794</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	-
Payments on long-term debt	(55,064)
Capital grants	(112,000)
Interest paid on long-term debt	<u>(63,596)</u>
Net cash provided (used) by capital and related financing activities	<u>(230,660)</u>
Cash flows from non-capital and related financing activities:	
Litigation settlement	-
Net cash provided (used) by capital and related financing activities	<u>-</u>
Cash flows from investing activities:	
Interest earned	<u>3,426</u>
Net cash provided by investing activities	<u>3,426</u>
Net increase (decrease) in cash and cash equivalents	(133,440)
Cash and cash equivalents - beginning of period	<u>619,135</u>
Cash and cash equivalents - end of period	<u>\$ 485,695</u>
Reconciliation of operating income (loss) to net cash provided (used in) operating activities:	
Operating income (loss)	\$ (220,282)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation	297,128
Changes in certain assets and liabilities:	
Accounts receivable	(34,187)
Inventory	-
Prepaid items	(3,064)
Deferred outflow of resources - pension plan	(177,531)
Accounts payable	56,690
Compensated absences	4,662
Deferred inflow of resources - pension plan	(149,148)
Net pension liability	<u>319,527</u>
Total adjustments	<u>314,076</u>
Net cash provided (used) by operating activities	<u>\$ 93,794</u>

The accompanying notes are an integral part of these financial statements.

Mendocino City Community Services District
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Description of District

Mendocino City Community Services District (the District) was formed in 1971 under Government Code Sections 61000 et.seq. to collect and treat wastewater and maintain street lighting for the unincorporated town of Mendocino. Pursuant to a ballot measure passed in 1985 and the California Public Contract Code, the District was mandated to seek a permanent solution to the inadequate sources of water. These solutions include working toward a system of conservation in conjunction with recycling for irrigation and recharge. In 1990, the District assumed responsibility for groundwater management as authorized by AB 786. Major sources of revenue for the District include water and waste water service charges and property taxes.

B. The Reporting Entity

The financial statements consist of the District's proprietary enterprise fund, which consists of the maintenance, operation and expansion of the water and sewer public utility system. These services are proprietary in nature and are maintained as an enterprise fund. Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

C. Basis of Accounting

The proprietary enterprise fund financial statements required by GASB No. 34 are reported using the "flow of economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying Statements of Financial Position. The Statement of Revenues, Expenses, and Net Position presents changes in fund equity. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which the liability is incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges to customers for sales and services, including water and wastewater charges.

Operating expenses for enterprise funds include salaries and employee benefits, maintenance and operation of systems and facilities, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The District's water and waste water enterprise funds recognize as capital contributions the entire portion of tap fees, as they intend to recover the costs of the capital investment in the water and waste water distribution system.

Bond Premiums and Discounts/Issuance Costs for governmental-wide financial statements and proprietary funds financial statements - issuance costs are recognized during the current period. Any bond premiums and discounts are capitalized and amortized over the life of the bonds. Bond proceeds, premiums and discounts are reported as other financing sources in the governmental fund financial statements.

Mendocino City Community Services District
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Net Position

The proprietary enterprise fund financial statements utilize a net position presentation. Net position categories are as follows:

- Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by any debt outstanding against the acquisition, construction or improvement of those assets.
- Restricted Net Position - This component of net position consists of amounts with constraints placed on net position use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position - This component of net position consists of net position that does not meet the definition of restricted or net investment in capital assets. This may include amounts board-designated to be reported as being held for a particular purpose.

The District may fund operations with a combination of cost-reimbursement grants and capital grants. Thus, both restricted and unrestricted net positions may be available to finance expenditure. The District's policy is to first apply restricted resources, followed by unrestricted resources if necessary.

E. Estimated Budgets

The District adopts a preliminary budget for the following fiscal year, and a final budget for the year. Budgetary revenue estimates represent original estimates modified for any authorized adjustments, contingent upon new or additional revenue sources. Budgetary expenditure amounts represent original appropriations adjusted by budget transfers and authorized appropriation adjustments made during the year. All budgets are adopted on a non-GAAP basis.

F. Accounts Receivable

The District bills the local residents to cover costs related to groundwater management on a quarterly basis and commercial customers on a monthly basis. The District is not able to discontinue water service, as water comes from privately owned wells. If a customer does not have a valid extraction permit on file, the District may impose a penalty of \$100.00 per day. Management believes all amounts are collectible and, accordingly, there is no provision for uncollectible accounts reflected herein.

G. Inventories and Prepaid Items

All inventories are valued at cost based upon physical determinations made at the end of each year.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

H. Capital Assets

Capital assets more than \$5,000 are stated at cost of acquisition. Significant improvements or betterments to existing assets are capitalized; maintenance and repairs that do not extend the useful lives of the assets are charged to operations. Costs incurred during the construction phase of a project, including interest paid, are included in the construction in progress account and upon completion of the project are transferred to capital assets.

Mendocino City Community Services District
NOTES TO BASIC FINANCIAL STATEMENTS
 For the Year Ended June 30, 2023

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Capital Assets (concluded)

Depreciation of capital assets is charged as an expense against operations each year and the total amount of depreciation taken over the years, accumulated depreciation, is reported on the Statement of Net Position – Business-type Activities Enterprise Fund as a reduction in the book value of capital assets. Depreciation is charged as an operating expense on the Statement of Revenues, Expenses and Net Position - Business-type Activities Enterprise Fund. Depreciation expense was \$297,128 for the fiscal year ended June 30, 2023.

Property, plant, and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Sewer and Water treatment plant	10-75
Sewer and Water collection system	15-75
Buildings and improvements	10-40
Vehicles, trucks and equipment	5-10

I. Cash and Cash Equivalents

Cash is defined as cash in demand deposit accounts as well as cash on hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and investments so near their maturity that the risk of changes in value due to changes in interest rates is negligible. These are generally investments with maturity dates within three months of the acquisition date.

J. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation benefits. The liability for unpaid vacation is recorded in the financial statements when the liability is incurred and vacation is reported as the current portion of such compensated absences. The total amount of compensated absences payable at June 30, 2023 was \$6,228.

Employees accrue vacation benefits up to an accrual maximum of 144 hours after 11 years of service. Upon termination, retirement, or death of an employee, the District pays any accrued and unused vacation in a lump-sum payment to the employee or beneficiary in accordance to applicable law.

K. Deferred Revenue

Deferred revenue is recorded to the extent that funds are received ahead of time where it qualifies for income recognition. Deferred revenue consists primarily of intergovernmental grants received during the current year for projects to be conducted subsequent to June 30, 2023.

L. Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District, as a member of the Golden State Risk Management Authority (GSRMA), has purchased various insurance policies to manage the potential liabilities that may occur from the previously named sources. GSRMA's purpose is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage.

Mendocino City Community Services District
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

M. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

N. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Mendocino City Community Services District's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. Reclassifications

Certain balances at, and for the year ended June 30, 2022, were reclassified to conform with June 30, 2023, balances.

P. Contingencies and Subsequent Events

Subsequent events have been evaluated through the date the financial statements were available to be issued.

Litigation

The District is involved in litigation incurred in the normal course of conducting District business. District management believes, based upon consultation with its counsel, that these cases, in the aggregate, are not expected to result in a material adverse financial impact on the District.

Q. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports deferred outflows of resources for its pension plan.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred inflows of resources for its pension plan.

Mendocino City Community Services District
NOTES TO BASIC FINANCIAL STATEMENTS
 For the Year Ended June 30, 2023

NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

The District maintains a deposit account with Savings Bank of Mendocino County and an account with the Local Agency Investment Fund.

These funds have been segregated into accounts and at June 30, 2023, the balances were as follows:

	2023
Cash and investments:	
Demand accounts	\$ 383,971
LAIF	101,724
Total	\$ 485,695

The District's investment policy has been to invest idle cash in demand deposits, time deposits and the Local Agency Investment Fund (LAIF). Investments are reported at fair value.

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the District's cash on deposit or first trust deed mortgage notes with a value of 150% of the deposit as collateral for these deposits. Under California Law this collateral is held in the District's name and places the District ahead of general creditors of the institution. The District has waived collateral requirements for the portion of deposits covered by federal depository insurance.

LAIF is part of the Pooled Money Investment Account managed by the California State Treasurer and funds are invested in accordance with Government Code Sections 16430 and 16480. Participants in LAIF have the right to withdraw their funds with one day's notice. At June 30, 2023, the fair value of LAIF's assets was approximately equal to the District's share as reported above. Restriction of cash is required by Board resolution or District ordinance to equal required reserves.

Fair Value Hierarchy

GASB Statement No. 72, *Fair Value Measurements and Application*, establishes a fair value hierarchy consisting of three broad levels: Level 1 inputs consist of quoted prices (unadjusted) for identical assets and liabilities in active markets that a government can access at the measurement date, Level 2 inputs consist of inputs other than quoted prices that are observable for an asset or liability, either directly or indirectly, that can include quoted prices for similar assets or liabilities in active or inactive markets, or market-corroborated inputs, and Level 3 inputs have the lowest priority and consist of unobservable inputs for an asset or liability. The District's holdings in the Local Agency Investment Pool and cash in banks were not subject to the fair value hierarchy.

Mendocino City Community Services District
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 3 - CAPITAL ASSETS

Capital assets consisted of the following at June 30, 2023 and 2022.

<u>Business-type Activities</u>	<u>Balance</u> <u>6/30/22</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>6/30/23</u>
Capital assets, not being depreciated:				
Land	\$ 1,600,000	\$ -	\$ -	\$ 1,600,000
Construction in progress	<u>4,226,294</u>	<u>-</u>	<u>4,226,294</u>	<u>-</u>
Total capital assets, not being depr.	<u>5,826,294</u>	<u>-</u>	<u>4,226,294</u>	<u>1,600,000</u>
Capital assets, being depreciated:				
Sewer & water facilities and improvements	4,710,265	4,226,294	-	8,936,559
Equipment and furniture	731,009	-	-	731,009
Vehicles	<u>105,157</u>	<u>-</u>	<u>-</u>	<u>105,157</u>
Total capital assets, being depreciated	<u>5,546,431</u>	<u>4,226,294</u>	<u>-</u>	<u>9,772,725</u>
Capital assets, being depreciated:				
Sewer & water facilities and improvements	3,095,130	271,741	-	3,366,871
Equipment and furniture	352,575	20,308	-	372,883
Vehicles	<u>59,442</u>	<u>5,079</u>	<u>-</u>	<u>64,521</u>
Total capital assets, being depreciated	<u>3,507,147</u>	<u>297,128</u>	<u>-</u>	<u>3,804,275</u>
Total capital assets being depreciated – net	<u>2,039,284</u>	<u>3,929,166</u>	<u>-</u>	<u>5,968,450</u>
Capital assets – net	<u>\$ 7,865,578</u>	<u>\$3,929,166</u>	<u>\$ 4,226,294</u>	<u>\$ 7,568,450</u>

NOTE 4 - PENSION PLAN

A. General Information About The Pension Plans

Plan Descriptions - All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Employee Pension Plan, cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the plan are applied as specified by the Public Employees' Retirement Law.

Mendocino City Community Services District
NOTES TO BASIC FINANCIAL STATEMENTS
 For the Year Ended June 30, 2023

NOTE 4 - PENSION PLAN (continued)

A. General Information About The Pension Plans (concluded)

The Plan's provisions and benefits in effect at June 30, 2023, are summarized as follows:

	<u>Miscellaneous</u>	
	<u>Prior to January 1, 2013</u>	<u>On or after January 1, 2013</u>
Hire date		
Benefit formula	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	60	62
Monthly benefits, as a % of eligible compensations	2.0%	2.0%
Required employee contribution rates	7.0%	6.75%
Required employer contribution rates	8.65%	7.47%

Contributions - Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the District to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

For the year ended June 30, 2023, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>Miscellaneous</u>
Contributions - employer	\$54,941

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension

As of June 30, 2023, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Miscellaneous Plans as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ <u>514,529</u>

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2022, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability for the Plan as of June 30, 2022, was as follows:

Mendocino City Community Services District
NOTES TO BASIC FINANCIAL STATEMENTS
 For the Year Ended June 30, 2023

NOTE 4 - PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension (continued)

	Miscellaneous
Proportion - June 30, 2021	0.01027%
Proportion - June 30, 2022	<u>0.01100%</u>
Change – Increase (Decrease)	(0.00073%)

For the year ended June 30, 2023, the District recognized pension expense/(credit) of \$47,788. On June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 54,941	\$ -
Differences between actual and expected experience	10,333	6,920
Changes in assumptions	52,724	-
Change in employer's proportion	38,263	2,024
Differences between actual contributions vs. proportionate share of contributions	98	40,696
Net differences between projected and actual earnings on plan investments	<u>94,248</u>	<u>-</u>
Total	<u>\$ 250,607</u>	<u>\$ 49,640</u>

\$54,941 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

<u>Year Ended June 30</u>		
2024		\$ 33,649
2025		32,293
2026		22,439
2027		57,645

Actuarial Assumptions - The June 30, 2021, valuation was rolled forward to determine the June 30, 2022, total pension liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry-Age Normal in accordance with requirements of GASB 68
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary increases	Varies by Entry Age and Service
Mortality rate table	Derived using CalPERS Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.5% until Purchasing Power Protection Allowance Floor on Purchasing Power Applies.

The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP2016. For more details on this table, please refer to the December 2017 experience study report.

Mendocino City Community Services District
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 4 - PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension (continued)

Discount Rate - The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach.

Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows:

<u>Asset Class (a)</u>	<u>Allocation</u>	<u>Real Return Years 1-10 (b)</u>	<u>Real Return Years 11+ (c)</u>
Global equity	50%	4.80%	5.98%
Fixed income	28%	1.00%	2.62%
Inflation assets	-	0.77%	1.81%
Private equity	8%	6.30%	7.23%
Real assets	13%	3.75%	4.93%
Liquidity	1%	-	-0.92%
Total	<u>100%</u>		

(a) In the System's ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.00% used for this period.

(c) An expected inflation of 2.92% used for this period.

Subsequent Events - There were no subsequent events that would materially affect the results presented in this disclosure.

Amortization of Deferred Outflows and Deferred Inflows of Resources - Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

Mendocino City Community Services District
NOTES TO BASIC FINANCIAL STATEMENTS
 For the Year Ended June 30, 2023

NOTE 4 - PENSION PLAN (concluded)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension (concluded)

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expenses. The amortization period differs depending on the source of the gain or loss:

Net Difference Between Projected and Actual Earnings on Pension Plan Investments - 5-year straight-line amortization.

All other amounts - Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits (active, inactive, and retired) as of beginning of the measurement period.

Expected Average Remaining Service Lives (EARSL) - The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for PERF C for the measurement period ending June 30, 2021, is 3.7 years, which was obtained by dividing the total service years of 561,622 (the sum of remaining service lifetimes of the active employees) by 150,648 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate
 The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Miscellaneous
1% Decrease	5.90%
Net Pension Liability	\$809,853
Current Discount Rate	6.90%
Net Pension Liability	\$514,529
1% Increase	7.90%
Net Pension Liability	\$271,550

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan - At June 30, 2023, the District reported no amounts payable for the outstanding amount of contributions to the pension plan required for the year then ended.

Mendocino City Community Services District
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 5 - LONG-TERM DEBT

The following is a summary of changes in long-term debt as of June 30, 2023:

<u>Direct Borrowings:</u>	June 30, 2022	Additions	Adjustments & Retirements	June 30, 2023	Current
2020 – USDA Certificates of Participation	\$2,035,500	\$ -	\$ 32,000	\$2,003,500	\$ 32,500
2005 – California Infrastructure and Economic Development	<u>361,366</u>	<u>-</u>	<u>23,064</u>	<u>338,302</u>	<u>23,770</u>
Total	<u>\$2,396,866</u>	<u>\$ -</u>	<u>\$ 55,064</u>	<u>\$2,341,802</u>	<u>\$ 56,270</u>

The District has a note payable with California Infrastructure and Economic Development for a biosolids drying unit and housing for the unit for \$650,000 that is originally dated April 2005. The note matures August 2034 and has an interest rate of 3.05 percent. Interest payments are made on August and February 1st each year. Principal payments are made on August 1st each year.

Principal interest payments on the debt for the succeeding years and thereafter are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 23,770	\$ 10,318	\$ 34,088
2025	24,495	9,594	34,089
2026	25,242	8,846	34,088
2027	26,012	8,076	34,088
2028	26,805	7,282	34,087
2029	27,623	6,466	34,089
2030	28,465	5,622	34,087
2031	29,333	4,754	34,087
2032	30,228	3,860	34,088
2033	31,150	2,938	34,088
2034	32,100	1,988	34,088
2035	33,079	1,008	34,087
Total	<u>\$ 338,302</u>	<u>\$ 70,752</u>	<u>\$ 409,054</u>

The District has a note payable with United States Department of Agriculture that originated November 2019 and matures November 2059. Interest is 2.38 percent. Principal and interest payments are made annually on November 1st each year.

Mendocino City Community Services District
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 5 - LONG-TERM DEBT (concluded)

Principal and interest payments on the bonds for the succeeding years and thereafter are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 32,500	\$ 47,583	\$ 80,083
2025	33,500	46,811	80,311
2026	34,500	46,016	80,516
2027	35,500	45,196	80,696
2028	36,000	44,353	80,353
2029	37,000	43,498	80,498
2030	38,000	42,619	80,619
2031	39,000	41,717	80,717
2032	40,000	40,791	80,791
2033	41,500	39,841	81,341
2034	42,500	38,855	81,355
2035	43,500	37,846	81,346
2036	44,500	36,813	81,313
2037	46,000	35,756	81,756
2038	47,000	34,663	81,663
2039	48,000	33,547	81,547
2040	49,500	32,407	81,907
2041	51,000	31,231	82,231
2042	52,000	30,020	82,020
2043	53,500	28,785	82,285
2044	55,000	27,514	82,514
2045	56,500	26,208	82,708
2046	58,000	24,866	82,866
2047	59,500	23,489	82,989
2048	61,000	22,076	83,076
2049	62,500	20,627	83,127
2050	64,000	19,143	83,143
2051	66,000	17,623	83,623
2052	67,500	16,055	83,555
2053	69,500	14,452	83,952
2054	71,000	12,801	83,801
2055	73,000	11,115	84,115
2056	75,000	9,381	84,381
2057	77,000	7,600	84,600
2058	79,000	5,771	84,771
2059	81,000	3,895	84,895
2060	83,000	1,971	84,971
Total	<u>\$ 2,003,500</u>	<u>\$ 1,042,934</u>	<u>\$ 3,046,434</u>

NOTE 6 - PROPERTY TAXES

Property taxes are assessed, collected and distributed by the County of Mendocino in accordance with legislation. Secured property taxes are attached as an enforceable lien on real property located in the County of Marin as of March 1. Secured property taxes are levied each November 1 on the assessed value of the real property as of prior March 1. Taxes are due in two equal installments on December 10 and April 10 following the levy date. Under California law, secured property taxes are assessed and collected by the counties at up to 1% of assessed value, plus other increases approved by the voters. The property taxes are pooled and then allocated to the District based upon complex formulas.

Mendocino City Community Services District
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

NOTE 6 - PROPERTY TAXES (concluded)

Unsecured property taxes are levied throughout the year beginning March 1 on the assessed value of personal property as of March 1. For unsecured property tax bills issued between March 1 and June 30, the amount is payable by August 31. For unsecured property tax bills issued after June 30, the amount of the tax is due 30 days after the bill is issued, but no later than February 28/29.

Last 9 Years

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Measurement Date	2022	2021	2020	2019	2018	2017	2016	2015	2014
Schedule of the Proportionate Share of the Net Pension Liability									
Proportion of the net pension liability	0.0045%	0.3610%	0.4160%	0.4130%	0.4180%	0.4310%	0.4360%	0.4490%	0.5650%
Proportionate share of the net pension liability	\$ 514,529	\$ 195,002	\$ 441,801	\$ 423,029	\$ 402,821	\$ 427,392	\$ 377,028	\$ 307,913	\$ 351,469
Covered - employee payroll	\$ 232,103	\$ 183,292	\$ 249,716	\$ 249,716	\$ 263,205	\$ 254,260	\$ 249,597	\$ 228,758	\$ 186,141
Proportionate share of the net pension liability as a percentage of covered-employee payroll	221.68%	106.39%	176.92%	169.40%	153.04%	168.09%	151.05%	134.60%	188.82%
Plan fiduciary net position as a percentage of the total pension liability	76.25%	90.66%	77.17%	73.73%	77.09%	75.18%	74.15%	79.24%	75.83%

NOTES TO SCHEDULE:

Changes in Benefit Terms - None

Changes in Assumptions-None

*Schedule is intended to show information for 10 years. Fiscal year 2014 was the 1st year of implementation. Additional years will be displayed as they become available.

Mendocino City Community Services District
 As of June 30, 2023
 Last 10 Years

Schedule 2

SCHEDULE OF PENSION CONTRIBUTIONS

Fiscal Year End	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>SCHEDULE OF CONTRIBUTIONS</u>										
Contractually required contribution (actuarially determined)	\$ 54,941	\$ 50,629	\$ 41,573	\$ 67,209	\$ 59,509	\$ 52,151	\$ 47,346	\$ 44,174	\$ 38,271	\$ 32,494
Contributions in relation to the actuarially determined contributions	(54,941)	(50,629)	(41,573)	(67,209)	(59,509)	(52,151)	(47,346)	(44,174)	(38,271)	(32,494)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll during the fiscal year	\$ 238,030	\$ 232,103	\$ 183,292	\$ 249,716	\$ 249,716	\$ 263,205	\$ 254,260	\$ 249,597	\$ 228,758	\$ 186,141
Contributions as a percentage of covered-employee payroll	23.08%	21.81%	22.68%	26.91%	23.83%	19.81%	18.62%	17.70%	16.73%	17.46%

NOTES TO SCHEDULE:

Valuation date

6/30/2020

Methods and assumptions used to determine contribution rates:

Single and Agent Employers Example

Entry Age

Amortization method

Level percentage of payroll, closed

Remaining amortization period

5 years

Asset valuation method

5-year straight-line

Inflation

2.50%

Salary increases

Varies by entry age and service

Investment rate of return

7.15%, net of pension plan investment expense, including inflation

Retirement age

50-63

Mortality

Derived from CalPERS' Membership Data

*Schedule is intended to show information for 10 years. Fiscal year 2014 was the 1st year of implementation. Additional years will be displayed as they become available.

ORDINANCE 2023-01

CONFLICT OF INTEREST CODE FOR THE MENDOCINO CITY COMMUNITY SERVICES DISTRICT

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations Section 18730) that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendix [or Appendices], designating positions and establishing disclosure categories, shall constitute the conflict of interest code of the Mendocino City Community Services District.

Individuals holding designated positions (all Board members, as well as the District Superintendent) shall file their statements of economic interests with the District, which will make the statements available for public inspection and reproduction (Gov. Code Sec. 81008). All statements will be retained by the District.

This Ordinance was first introduced at a regular meeting of the Board of Directors on December 18, 2023, and adopted by the Board of Directors on _____ by the following vote:

AYES:
NOES:
ABSENT:

ATTEST:

Katie Bates, District Secretary

Dennak Murphy, Board President

Attachments for Informational Use Only

- "An Overview of Conflicts of Interest Under the Political Reform Act" <https://www.fppc.ca.gov/content/dam/fppc/NS-Documents/TAD/Campaign%20Documents/Conflicts%20Guide%202022.pdf>
- Form 700 https://www.fppc.ca.gov/content/dam/fppc/NS-Documents/TAD/Form%20700/2022-23/Form_700_2022.pdf

DRAFT

December 12, 2023

MEMO:

TO: MCCSD Board of Directors
FROM: Dennak Murphy, Chair

RE: Proposed Revised Governance Guidelines

Director Ishvi Aum and I, as members of the Governance Guidelines Review Ad-Hoc committee, met with Superintendent Ryan Rhoades and MCCSD Office Manager Katie Bates in November to discuss potential revisions to the MCCSD Governance Guidelines.

Attached is the red-lined proposed revision of the Governance Guidelines.

There are several things to note in bringing this to the full Board for consideration.

1. Careful review of this document by the Board and staff is critical to ensure the changes meet the District's needs.
2. The red-lined version of the Guidelines shows all changes proposed as well as all changes and deletions from the current version which was adopted in 2008.
3. The proposed version includes comments, suggested revisions from current and former staff, myself, and perhaps others. Given we had at least three different documents at different times with suggested edits from at least three different individuals, the current red-lined version references only my edits which include a good-faith effort to include prior revisions from others.
4. Director Aum, as a member of the ad-hoc committee to revise the Governance Guidelines, made two specific recommendations that I have not spelled out in the attached document. They are:
 - To provide for the removal of the President by majority vote. In review of governance documents from other Special Districts on the Mendocino LAFCO website, all agencies provide for the election of the Board President by majority vote for one or two year terms. None, except Elk CSD, provide for the removal of the President by majority vote.
 - To provide a process to ensure proposed or requested agenda items by Directors that were not included by the President in a particular meeting agenda, be included in subsequent agendas. In review of governance documents from many other Special Districts in Mendocino County as listed on the LAFCO website, the vast majority of Fire, Water and Wastewater, Community and other Districts do not mention how agendas are set. Those that do, state that the President, and in one case, the senior staff person set the agenda.

Given the above, I am proposing some minor changes to agenda setting that encourage Board members to suggest agenda items and write out our practice of agenda review by the full Board. Regarding removal of the President, we can discuss that during the full Board discussion and the Board can decide.

5. I reviewed most of the governance policies from the many agencies overseen by Mendocino LAFCO, it may be useful at some future point to conduct a systematic review of District policies and procedures and re-organize them into one document as many agencies have done. There are many examples that could be models for our own.

Dennak

Mendocino City Community Services District Board of Directors

Governance Guidelines

1/27/2020

adopted 8/21/08

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MCCSD Governance Guidelines

Preamble

The purpose of these Governance Guidelines for the MCCSD Board of Directors is to present a general overview of policies and procedures to assist the Board Members in carrying out their duties. The laws governing community services districts contain additional requirements. The Guidelines are not to be interpreted in a manner that is inconsistent with the law.

1. Formation and Powers of Mendocino City Community Services District

The purpose of the Mendocino City Community Services District is to provide sewer treatment services, groundwater management, and street lighting. The MCCSD, established July 19, 1971, provides services as approved by the electorate under Community Services District Law, Title 6, Division 3 of the Government Code of California, Section 61000 et seq.

The original governing powers of the District were wastewater treatment and street lighting. In 1987, the District received groundwater management authority within its boundaries (California Water Code Section 10700 – 10717). The current groundwater withdrawal program limits groundwater extraction to prevent aquifer overdraft.

2. Mission of the Board

The Board of Directors of the Mendocino City Community Services District has the ultimate responsibility for the well being of the District. This includes the monitoring and support of the District in providing services to the public, including sewer, groundwater management, and street lighting.

Duties and Responsibilities of the Board of Directors include:

- a) Select, evaluate the performance, compensate and plan for the succession of the District Superintendent and staff.
- b) Advise and counsel the Superintendent of the District in managing the affairs of the District. The President of the Board is responsible for day-to-day coordination with the District Superintendent, representing the board in such matters. However, the setting of policy and other responsibilities of the Board shall be in accordance with the provisions of these Governance guidelines.
- c) Identify appropriate board candidates, nominate and evaluate the performance and plan for succession of directors.
- d) Serve as stewards of the assets of the District and ensure that proper internal controls are in place.
- e) Review and approve/disapprove agreements and contracts with third parties, including professional service agreements and consulting contracts.
- f) Review and approve major District strategies and financial objectives.

- g) Ensure that the District has effective budgets and plans in place on or before July 1 of each year, and monitor the District's performance against these budgets and plans.
- h) Approve the capital spending plan of the District and ensure that it is consistent with District financial resources.
- i) Review the adequacy of systems for compliance with all applicable laws, regulations and standards of appropriate behavior.

3. Actions that May be Taken

A majority of the total membership of the board of directors shall constitute a quorum for the transaction of business (a minimum of three (3) board members).

The responsibilities of the Board of Directors include the following:

- a) The Board of Directors shall act only by ordinance, resolution, or motion.
- b) Except as otherwise specifically provided by law, a majority vote of the total membership of the board of directors is required for the Board of Directors to take action.
- c) The minutes of the Board of Directors shall record the aye and no votes taken by the members of the Board of Directors for the passage of all ordinances, resolutions and motions, except if unanimous and so stated.
- d) The Board of Directors shall keep a record of all its actions, including financial transactions.
- e) The Board of Directors shall adopt rules or bylaws for its proceedings.
- f) The Board of Directors shall adopt policies for the operation of the district, including, but not limited to, administrative policies, fiscal policies, personnel policies and the purchasing policies required.

4. Principles of Negotiation and Communication

Members of the Board will, from time to time, engage in negotiation and communication with developers, consultants, government agencies and others having substantial business dealings with the District. It is the policy of the Board that, to the extent reasonable and practical, a second Board member should be present for such dealings.

While routine filings and correspondence with government agencies are normally handled by the District Superintendent and/or his/her designated individual, matters of significant impact on the District shall be handled by the Board of Directors, working with the District Superintendent.

5. Size of the Board

The Board of Directors shall consist of 5 members, elected by the public and/or appointed by the Board (in case of vacancies.)

6. Conduct and Organization of the Board of Directors

The Board of Directors shall organize and conduct its business in accordance with the Community Services District Law, the Brown Act, the Public Records Act and the Political Reform Act of the State of California, and in accordance with State and federal law.

The President of the Board will chair the Board meetings. In the President's absence, the Vice President of the Board will chair the Board meetings. In the Vice President's absence, the directors present at the meeting shall elect a chairman for the meeting.

The President and Vice-President of the Board shall be elected by the Board members at the December Board meeting, and shall serve for a period of one year.

7. Selection of Agenda Items for Board Meetings

The President of the Board will establish the agenda for each Board meeting after consultation with the District Superintendent. Other directors are encouraged to suggest the inclusion of items on the agenda. Agenda items may include reports from the District Superintendent, committee reports, expenditure approvals, discussion items and action items as well as other business that may come before the Board.

In order for the Board to hold discussion and/or take action on any item, it must have been listed on the Agenda (with minor exceptions) and the public must have opportunity for comment. The minor exceptions include brief answers to questions posed by the public, asking questions of staff for clarification, brief announcements or reports on a Director's activities, asking staff to report back on an item at a future meeting, or directing staff to place a matter of business on a future agenda.

8. Board Materials Distributed in Advance

Board materials are normally distributed in advance of each meeting, to allow time for review and assessment so that the Board meeting time may be conserved for discussions focused on questions that the Board has about the material. The Board President will make every effort to see that the material is distributed in advance, and that it is presented in an efficient and effective format.

9. Public Notice of Meetings

Public Notice must be given for meetings of the Board. The advance notice time depends on the type of meeting.

For Regular Board Meetings. A meeting Notice, including Agenda, must be posted in three conspicuous public places, at least 72 hours prior to the meeting.

For Special Board Meetings. Twenty-four hour notice must be given to the Board members and the public, including a brief general description of the matters to be considered or discussed.

For Emergency Board Meetings. One hour notice in case of a dire emergency.

10. Mailed Notice of Meeting

The District shall give mailed notice of meetings in advance of the meeting to any person who has filed a written request for notification. Written requests for notice are valid for one year, and the District may establish a reasonable annual fee for sending the notices by mail.

11. Board Meetings Open to the Public

Board meetings will normally be held in facilities located in the District that allow sufficient space for public attendance.

12. Closed Sessions of the Board

Closed sessions of the Board may be held, but notice of the subject must be published. Prior to each closed session, the President must announce the subject to be considered. If final action is taken in closed session, the Board generally must report the action at the conclusion of the session. Minutes will be kept for closed sessions (Government Code Section 54957.2).

Closed sessions may be held for any purpose specified in the Brown Act, Government Code 54956.7-54957.10, including employee matters, public security, pending or threatened litigation, attorney client privilege, labor negotiations, and real property negotiations.

13. Board Participation

Directors are expected to prepare for, attend and actively participate in all Board and applicable Committee meetings.

14. Public Testimony

The Public may comment on agenda items during consideration by the Board as called for by the President of the meeting. In addition, time must be set aside for public comment on any other matters under the Board's jurisdiction, but not on a meeting agenda.

15. Board Committees

The Board may, from time to time, form committees of the Board to allow more focused work in specific areas on interest. These committees may be standing, special advisory and ad hoc committees. The District has the following advisory committees:

- (1) Plant Operations—this committee is charged with reviewing equipment modifications and treatment plant and collection system operation and maintenance issues.
- (2) Personnel and Management—this committee is responsible for administering employee policies, benefits, accident prevention and safety, and policies and procedures regarding harassment.
- (3) Finance Committee—this committee is responsible to oversee the finances of the District, and may include working with the District Superintendent in creating annual budgets and other financial plans.

(4) Groundwater Management—in Mendocino, the groundwater resource is managed by the MCCSD to avert aquifer overdraft. The Groundwater Management Committee has oversight of issues affecting the Groundwater Management Program, the Water Conservation Program, the Groundwater Monitoring Program, the Data Management Program, the District’s Water Reclamation Program, and the Water Shortage Contingency Program.

(5) Street Lighting—this committee supervises the town’s street lighting system.

From time to time the Board may establish standing, advisory, and ad hoc committees as may be necessary to carry out its responsibilities.

All committees are committees of the Board, must have at least one board member on the committee and must seek Board approval for actions to be taken on behalf of the Board, including the expenditure of funds. A committee may be appointed consisting of only Board members. Committee members must be Board members or other residents of Mendocino City Community Services District.

Committee chairpersons shall present a report, in person or written, at a meeting of the Board of Directors of the District following a committee meeting.

16. Board Access

Directors will have full access to the District’s management, employees and principal advisers, including its auditors and legal counsel, and to District information that they believe is necessary to fulfill their obligations as directors. Directors will use judgment to ensure that such contact is not distracting to the business or operations of the District. Any contact which will result in billings to the District will first be coordinated with the President of the Board. Such coordination will include identification of the account from which funds will be used to pay the billing(s).

There may be occasions when an outside advisor is retained directly by the Board in connection with a particular matter. The Board and/or its Committees may retain outside experts and advisors at the District’s expense to the extent they consider it necessary and appropriate under the circumstances. Committees will first coordinate with the Board prior to such retention. Such coordination will include identification of the account from which funds will be used to pay the billing(s).

17. Election of Directors.

Directors shall be elected in accordance with the California Elections Code, Sections 10500-10556 and Government Code 61042-61043. Directors elected shall hold office for a term of 4 (four) years or until their successor qualifies and takes office. Directors take office at noon on the first Friday in December following their election. Directors serve staggered terms.

125 days prior to the election, the district secretary will file a notice with the county elections official. Forms for declaration of candidacy shall first be available from the counties elections official on the 113th day prior to the election and shall be filed not later than 5 p.m. on the 88th day prior to the election, in the office of the county elections official. The full procedure is contained in the California Elections Code.

18. Filling of Vacancies

Should a Director no longer be able or willing to serve the remainder of his/her elected term, the Board shall appoint a successor member from applicants for the position as provided under Section 1780 of the Government Code, to serve out the remainder of the term, unless there are more than 2 years left of the original term of office, in which case the appointed director shall serve until the next General Election.

19. Conflict of Interest Code.

The Board of Directors reviews the Conflict of Interest Code for the Mendocino City Community Services District, Ordinance 91-2, biennially. Each director shall be required annually to file a Form 700 – Statement of Economics Interests – with the County.

20. Continuing Education

As required under the Community Services District Law, the District will provide for continuing education for the Board members, arranging for Directors to attend State qualified education programs for Special District Directors if required.

21. Term Limits

The Board does not believe it should establish term limits for directors. While such limits might contribute fresh ideas to the Board, they have the disadvantage of losing the contribution of directors who have developed, over a period of time, insight into the future direction and operations of the District.

22. Annual Board Evaluations

Each director will evaluate the performance of the Board annually utilizing an approved, pre-determined process.

23. At Termination of Duties

Whenever a Board member of the District leaves his/her position as a board member, through expiration of the tour of service or by voluntary action, he/she shall return all property of the District to the Board President, to including keys, manuals, official correspondence, and other publications that belong in the District Archives.

24. Publication of Guidelines

The District shall make them available to Directors, employees and members of the public.

25. Changes to Guidelines

These Governance Guidelines may be changed by majority vote of the Board of Directors, taken at a public meeting of the Board, wherein members of the public are allowed comment on proposed changes.

APPENDIX A: LATENT POWERS OF SPECIAL DISTRICTS

Per PART 3. Chapter 1. of the Code, Section 61100 stipulates that within its boundaries, a district may do any of the following:

- a) Supply water for any beneficial uses, in the same manner as a municipal water district. b) Collect, treat or dispose of sewage, wastewater, recycled water and storm water in the same manner as a sanitary District.
- c) Collect, transfer and dispose of solid waste and provide solid waste handling services including but not limited to source reduction, recycling, composting activities, etc.
- d) Provide fire protection services, rescue services, hazardous material emergency response services and ambulance services.
- e) Acquire, construct, improve, maintain and operate recreation facilities including but not limited to parks and open space.
- f) Organize, promote, conduct and advertise programs of community recreation.
- g) Acquire construct, improve, maintain and operate street lighting and landscaping on public property.
- h) Provide for the surveillance, prevention, abatement and control of vectors and vector borne diseases in the same manner as a mosquito abatement and vector Control District.
- i) Provide police protection and law enforcement services by establishing and operating a police department that employs peace officers.
- j) Provide security services including but not limited to burglar and fire alarm services to protect lives and property.
- k) Provide library services in the same manner as a library district formed pursuant to either Chapter 8 or Chapter 9 of the education code.
- l) Acquire, construct, improve and maintain streets, roads, right of ways, bridges, culverts, drains, curbs, gutters, sidewalks and any incidental works.
- m) Convert existing overhead electric and communications facilities with the consent of the public agency or public utility that owns the facilities to underground locations.
- n) Provide emergency medical services pursuant to the emergency medical services system and the pre-hospital emergency medical care personnel act.
- o) Provide and maintain public airports and landing places for aerial traffic.
- p) Provide transportation services.
- q) Abate graffiti.

- r) Plan, design, construct, improve, maintain and operate flood protection facilities.
- s) Acquire, construct, improve, maintain and operate community facilities including but not limited to community centers, libraries, theaters, museums, cultural facilities and childcare facilities.
- t) Abate weeds and rubbish pursuant to part 5 of the health and safety code.
- u) Acquire, construct, improve, maintain and operate hydroelectric power generation facilities and transmission lines.
- v) Acquire, construct, improve, maintain and operate television translator facilities.
- w) Remove snow from public streets, roads, easements and rights of way.
- x) Provide animal control services pursuant to section 30501 of the Food and Agricultural code.
- y) Control, abate and eradicate pests in the same manner as a pest abatement district.
- z) Construct, maintain and operate mailboxes on the District property or rights of way.
- aa) Provide mail delivery service under contract to the United States Postal Service.
- bb) Operate, improve and maintain cemeteries and provide internment services.
- cc) Finance the operations of area Planning Commissions formed pursuant to section 65101.
- dd) Finance the operations of municipal advisory councils formed pursuant to section 31010.
- ee) Acquire, own, improve, maintain and operate land within or without the District for Habitat Mitigation or other environmental protection purposes to mitigate the effects of projects undertaken by the District.

Per Section 61106: a) If the Board of Directors desires to exercise a latent power, the District shall first receive the approval of the Local Agency Formation Commission, pursuant to article 1.5 (commencing with section 56824.10) of Chapter 5 of part 3 of Division 3. b) After receiving the approval of the Local Agency Formation Commission, the board of directors may, by ordinance, order the exercise of that power.

Mendocino City Community Services District Board of Directors
(MCCSD)

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Governance Guidelines

Revised and Adopted 12/18/2023
4/27/2020

4/27/2020-12/18/2023

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MCCSD Governance Guidelines

Preamble

The purpose of these Governance Guidelines for the MCCSD Board of Directors is to present a general overview of policies and procedures to assist the Board Members in carrying out their duties. The laws governing community services districts contain additional requirements. The Guidelines are not to be interpreted in a manner that is inconsistent with the law.

1. Formation and Powers of Mendocino City Community Services District

The purpose of the Mendocino City Community Services District is to provide sewer treatment services, groundwater management, and street lighting. The MCCSD, established July 19, 1971, provides services as approved by the electorate under Community Services District Law, Title 6, Division 3 of the Government Code of California, Section 61000 et seq.

The original governing powers of the ~~District-MCCSD~~ were wastewater treatment and street lighting. In 1987, the District received groundwater management authority within its boundaries (California Water Code Section 10700 – 10717). The current groundwater ~~withdrawal-management program limits-manages~~ groundwater extraction to prevent aquifer overdraft.

2. Mission of the Board

The Board of Directors of the Mendocino City Community Services District has the ultimate responsibility for the well being of the District. This includes the monitoring and support of the District in providing services to the public, including sewer, groundwater management, and street lighting.

Duties and Responsibilities of the Board of Directors include:

- a) Select, evaluate the performance, compensate and plan for the succession of the District Superintendent ~~and staff~~.
- b) Advise and counsel the Superintendent of the District in managing the affairs of the District. The President of the Board is responsible for day-to-day coordination with the District Superintendent, representing the board in such matters. However, the setting of policy and other responsibilities of the Board shall be in accordance with the provisions of these Governance guidelines.
- c) Identify appropriate board candidates, nominate and evaluate the performance and plan for succession of directors.
- d) Serve as stewards of the assets of the District and ensure that proper internal controls are in place.
- e) Review and approve/disapprove agreements and contracts with third parties, including professional service agreements and consulting contracts.
- f) Review and approve major District strategies ~~es~~ and financial objectives.

- g) Ensure that the District has effective budgets and plans in place on or before July 1 of each year, and monitor the District's performance against these budgets and plans.
- h) Approve the capital spending plan of the District and ensure that it is consistent with District financial resources.
- i) Review the adequacy of systems for compliance with all applicable laws, regulations, and standards of appropriate behavior.

3. Actions that May be Taken

A majority of the total membership of the board of directors shall constitute a quorum for the transaction of business (a minimum of three (3) board members).

The responsibilities of the Board of Directors include the following:

- a) The Board of Directors shall act only by ordinance, resolution, or motion.
- b) Except as otherwise specifically provided by law, a majority vote of the total membership of the board of directors is required for the Board of Directors to take action.
- c) The minutes of the Board of Directors shall record the aye and no votes taken by the members of the Board of Directors for the passage of all ordinances, resolutions and motions, except if unanimous and so stated.
- d) The Board of Directors shall keep a record of all its actions, including financial transactions.
- e) The Board of Directors shall review and update these guidelines as needed, adopt rules or bylaws for its proceedings.
- f) The Board of Directors shall adopt policies for the operation of the district, including, but not limited to, administrative policies, fiscal policies, personnel policies, procurement and the purchasing policies required.

4. Principles of Authority, Negotiation, and Communication

Members of the Board will, from time to time, engage in negotiation and communication with District residents and businesses, developers, consultants, government agencies and others having substantial business dealings with the District. It is the policy of the Board that, to the extent reasonable and practical, a second Board member should be present for such dealings.

It is the policy of the Board of Directors that the Board, as a whole using majority vote, has authority to act regarding the policies and operations of the District. Individual Board members have no individual authority to direct staff or to take action on behalf of the District without the approval and authority of the Board of Directors.

While routine filings and correspondence with government agencies are normally handled by the District Superintendent and/or his/her designated individual, matters of significant impact on the District shall be handled by the Board of Directors. ~~working with the District Superintendent.~~

5. Size of the Board

The Board of Directors shall consist of 5 members, elected by the public and/or appointed by the Board (in case of vacancies.)

6. Conduct and Organization of the Board of Directors

The Board of Directors shall organize and conduct its business in accordance with the Community Services District Law, the Brown Act, the Public Records Act and the Political Reform Act of the State of California, and in accordance with State and federal law.

The President of the Board will chair the Board meetings. In the President's absence, the Vice President of the Board will chair the Board meetings. In the Vice President's absence, the directors present at the meeting shall elect a ~~chairman~~ chairperson for the meeting.

The President and Vice-President of the Board shall be elected by the Board members at the December Board meeting, and shall serve for a period of one year.

7. Selection of Agenda Items and Scheduling for Board Meetings

The President of the Board will establish the agenda for each Board meeting after consultation with the District Superintendent. Other directors are encouraged to suggest the inclusion of items on the agenda. ~~Agenda items may include reports from the District Superintendent, committee reports, expenditure approvals, discussion items and action items as well as other business that may come before the Board. It is the practice of the Board that draft agendas be distributed to Board members by the Superintendent (or their designated staff), at least two days prior to agenda posting, so that Board members may suggest additional items to be included in the agenda.~~

Commented [DM1]: Director Aum has requested that an additional provision be added here to allow for the removal by majority vote of the President during their yearly term. This issue will be discussed during our December 18th board meeting.

In order for the Board to hold discussion and/or take action on any item, it must have been listed on the Agenda (with minor exceptions) and the public must have opportunity for comment. The minor exceptions include brief answers to questions posed by the public, asking questions of staff for clarification, brief announcements or reports on a Director's activities, asking staff to report back on an item at a future meeting, or ~~Director requests directing staff~~ to place a matter of business on a future agenda.

Commented [DM2]: Director Aum requested that a provision be added that provides: "If a Board member has requested an item to be put on the agenda and it is rejected by the President for reasons that the Board member feels is inappropriate, at the Board meeting where that item was not added to the agenda, the requesting Board member can, during "Matters for Board members" agenda portion, move to add that item to the next Board meeting. If that motion receives a second from at least one other Board member, it will be added to the agenda of the next meeting." This suggestion will be discussed during the review of this item at the 12/18/2023 meeting.

~~The President, in consultation with the District Superintendent will establish a yearly calendar of regular Board meetings, generally to take place on the last Monday of each month. Changes to regular Board meetings or scheduling of special or emergency Board meetings shall be determined by the President in consultation with the District Superintendent.~~

8. Board Materials Distributed in Advance

Board materials are normally distributed in advance of each meeting, to allow time for review and assessment so that the Board meeting time may be conserved for discussions focused on questions that the

Board has about the material. The Board President will make every effort to see that the material is distributed in advance, and that it is presented in an efficient and effective format.

9. Public Notice of Meetings

Public Notice must be given for meetings of the Board. The advance notice time depends on the type of meeting.

For Regular Board Meetings. A meeting Notice, including Agenda, must be posted in three conspicuous public places ~~and posted on the District's website~~; at least 72 hours prior to the meeting.

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For Special Board Meetings. Twenty-four hour notice must be given to the Board members and the public, including a brief general description of the matters to be considered or discussed.

For Emergency Board Meetings. One hour notice in case of a dire emergency.

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10. Mailed Notice of Meeting

The District shall give mailed ~~or emails~~ notice of meetings in advance of the meeting to any person who has filed a written request for notification. Written requests for notice are valid for ~~the calendar~~ one year ~~and must be renewed annually on January 1 or thereafter.~~ ~~and~~ the District may establish a reasonable annual fee for sending the notices by mail.

11. Board Meetings Open to the Public

Board meetings will normally be held in facilities located in the District that allow sufficient space for public attendance.

12. Closed Sessions of the Board

~~Closed sessions of the~~ ~~The~~ Board may be held ~~hold closed sessions~~; but notice of the subject must be published ~~in the posted agenda~~. Prior to each closed session, the President must announce the subject to be considered. If final action is taken in closed session, the Board generally must report the action at the conclusion of the session. Minutes will be kept for closed sessions (Government Code Section 54957.2).

Closed sessions may be held for any purpose specified in the Brown Act, Government Code ~~54954, 54957, 6;~~ ~~54957, 8; 54954, 57, 40;~~ including employee matters, public security, pending or threatened litigation, attorney client privilege, labor negotiations, and real property negotiations.

Commented [DM3]: Section 54957 holds all regulations concerning closed sessions and may be used rather than listing subsections.

13. Board Participation

Directors are expected to read materials, prepare for, attend and actively participate in all Board and applicable Committee meetings.

14. Public Testimony

The Public may comment on agenda items during consideration by the Board as called for by the President of the meeting. In addition, time must be set aside for public comment on any other matters under the Board's jurisdiction, but not on a meeting agenda. Public comment or expression shall generally be limited to three (3) minutes per agenda item.

15. Board Committees

The Board may, from time to time, form committees of the Board to allow more focused work in specific areas on concern or interest. These committees may be standing, special advisory and ad hoc committees.

~~The District has the following advisory committees:~~ The Brown Act describes a **standing committee** as one which has "continuing subject matter jurisdiction." A standing committee is designed to handle ongoing operations and policies related to existing District programs. Standing committee meetings are public and subject to the Brown Act's notice and posting requirements. Standing committees must have no more than 2 board members and make recommendations for action to the full board

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Ad hoc committees are not subject to the notice and posting requirements of the Brown Act so long as the committee is comprised of no more than two members of the Board. Ad hoc committees must have a defined purpose to address a specific problem or opportunity or to develop new programs. They should have a general time frame to accomplish that purpose.

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Special advisory committees comprised of no more than two Board members and members of the public may be established by the Board in accordance with the requirements of the Brown Act. All committees are advisory meaning they bring recommendations to the full board for action.

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All committees work directly with the District Superintendent

~~The District has the following advisory committees:~~ The District has established the following standing committees:

- (1) Plant Operations—this committee is charged with overseeing the District's sewage treatment plant, collection system and maintenance. This includes assessing operational risks, reviewing and updating operational policies and procedures, minor maintenance issues, equipment modifications and in conjunction with the Superintendent, making recommendations to the full Board, reviewing equipment modifications and treatment plant and collection system operation and maintenance issues.
- (2) Personnel and Management—this committee is responsible for developing, reviewing and updating personnel policies, including employee compensation, benefits, recruitment, administering employee policies, benefits, accident prevention and safety, and policies and procedures regarding employee grievances and harassment.

(3) Finance Committee—this committee is responsible to oversee the finances of the District, and may include working with the District Superintendent in creating annual budgets and other financial plans, setting rates, developing financial policies and controls and an annual audit.

(4) Groundwater Management Committee—in Mendocino, the groundwater resource is managed by the MCCSD to avert aquifer overdraft. The Groundwater Management Committee has oversight of issues affecting the Groundwater Management Program, the Water Conservation Program, the Groundwater Monitoring Program, the Data Management Program, the District's Water Reclamation Program, and the Water Shortage Contingency Program.

(5) Street lighting—this committee supervises the town's street lighting system.

~~(5)~~(6) Safety Committee—this committee works to ensure safety policies and protocols are developed and followed. This includes periodic review of safety procedures, federal, state and local safety requirements as well as reviewing on the job accidents and injuries.

From time to time the Board may establish, by majority vote, ~~additional standing,~~ advisory, and ad hoc committees as may be necessary to carry out its responsibilities.

All committees are committees of the Board, must have at least one board member on the committee and must seek Board approval for actions to be taken on behalf of the Board, including the expenditure of funds. A committee may be appointed consisting of only Board members. Special Advisory Committee members must be Board members or other residents and/or property owners within the of Mendocino City Community Services District. The Board will decide a process to appoint community members to Special Advisory Committees.

Committee chairpersons shall present as needed, a report, in person or written, at a meeting of the Board of Directors of the District following a committee meeting.

16. Board Access

Directors will have ~~full~~ access to the District's ~~management~~ Superintendent, and with the Superintendent, have access to employees and principal advisers, including its auditors and legal counsel, and to District information that they believe is necessary to fulfill their obligations as directors. Directors will ~~use judgment to ensure that such contact is not distracting to the business or operations of the District. Any disagreements between Directors and the Superintendent will be brought to the President of the Board and if unable to be resolved, will be brought to the full Board. Any contact initiated by a Director which will result in billings to the District will first be coordinated with the President of the Board. Such coordination will include identification of the account from which funds will be used to pay the billing(s).~~

There may be occasions when an outside advisor is retained directly by the Board in connection with a particular matter. The Board and/or its Committees may retain outside experts and advisors at the District's expense to the extent they consider it necessary and appropriate under the circumstances. Committees will first coordinate with the Board and seek approval prior to such retention. Such coordination will include identification of the account from which funds will be used to pay the billing(s).

17. Election of Directors.

Directors shall be elected in accordance with the California Elections Code, Sections 10500-10556 and Government Code 61042-61043. Directors elected shall hold office for a term of 4 (four) years or until their successor qualifies and takes office. Directors take office at noon on the first Friday in December following their election. Directors serve staggered terms.

Pursuant to Election Code Section 1303(b) and 10404, Election Day is held on the first Tuesday after the first Monday in November of each even-numbered year, and the election shall be consolidated with all other elections held throughout the territory on that day.

125 days prior to the election, the district secretary will file a notice with the county elections official.

Forms for declaration of candidacy shall first be available from the county elections official on the 113th day prior to the election and shall be filed not later than 5 p.m. on the 88 day prior to the election, in the office of the county elections official. The full procedure is contained in the California Elections Code.

18. Filling of Vacancies

Should a Director no longer be able or willing to serve the remainder of his/her elected term, the Board shall appoint a successor ~~member~~ Director from applicants for the position as provided under Section 1780 of the Government Code, to serve out the remainder of the term, unless there are more than 2 years left of the original term of office, in which case the appointed director shall serve until the next General Election.

Gov. Code Sections 1780-1782 govern the process used for appointment of vacant Board of Director seats. The MCCSD Board of Directors has 60 days to appoint an interested individual to a vacant seat. The interested person must live within the District boundary and be a registered voter. If the District can't fill the seat within the 60-day period, the Mendocino County Board of Supervisors can appoint a Director to the MCCSD Board during the next 30-day period. If the vacant seat is not filled during the 90-day period, the seat remains empty until the next election.

19. Conflict of Interest Code.

The Board of Directors reviews the Conflict of Interest Code for the Mendocino City Community Services District, Ordinance ~~2016-2023-01~~, biennially. Each director shall be required annually to file a Form 700 – Statement of Economics Interests – with the District and Mendocino County.

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20. Continuing Education

As required under the Community Services District Law, the District will provide for continuing education for the Board members, arranging for Directors to attend State qualified education programs for Special District Director if required. Specific areas for continuing education should include: Brown Act, Sexual Harrassment, technical training in water, wastewater and related areas and any such additional topics as may benefit board members and the District overall.

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21. Term Limits

The Board ~~has does not believe it should established~~ term limits for directors. While such limits might contribute fresh ideas to the Board, they have the disadvantage of losing the contribution of directors who have developed, over a period of time, insight into the future direction and operations of the District.

22. Annual Board Evaluations

Each director will evaluate the performance of the Board annually utilizing an approved, pre-determined process.

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23. At Termination of Duties

Whenever a Board member of the District leaves his/her position as a board member, through expiration of the tour of service or by voluntary action, he/she shall return all property of the District to the ~~Board President to Superintendent~~ including keys, manuals, official correspondence, and other publications that belong in the District Archives.

24. Publication of Guidelines

The District shall make ~~them guidelines~~ available to Directors, employees and members of the public.

25. Changes to Guidelines

These Governance Guidelines may be changed by majority vote of the Board of Directors, taken at a public meeting of the Board, wherein members of the public are allowed comment on proposed changes.

~~APPENDIX A: LATENT POWERS OF SPECIAL DISTRICTS~~

~~Per PART 3, Chapter 4, of the Code, Section 61100 stipulates that within its boundaries, a district may do any of the following:~~

- ~~a) Supply water for any beneficial uses, in the same manner as a municipal water district.~~
- ~~b) Collect, treat or dispose of sewage, wastewater, recycled water and storm water in the same manner as a sanitary District.~~
- ~~c) Collect, transfer and dispose of solid waste and provide solid waste handling services including but not limited to source reduction, recycling, composting activities, etc.~~
- ~~d) Provide fire protection services, rescue services, hazardous material emergency response services and ambulance services.~~
- ~~e) Acquire, construct, improve, maintain and operate recreation facilities including but not limited to parks and open space.~~
- ~~f) Organize, promote, conduct and advertise programs of community recreation.~~
- ~~g) Acquire, construct, improve, maintain and operate street lighting and landscaping on public property.~~

- ~~h) Provide for the surveillance, prevention, abatement and control of vectors and vector borne diseases in the same manner as a mosquito abatement and vector control district.~~
- ~~i) Provide police protection and law enforcement services by establishing and operating a police department that employs peace officers.~~
- ~~j) Provide security services including but not limited to burglar and fire alarm services to protect lives and property.~~
- ~~k) Provide library services in the same manner as a library district formed pursuant to either Chapter 8 or Chapter 9 of the education code.~~
- ~~l) Acquire, construct, improve and maintain streets, roads, right of ways, bridges, culverts, drains, curbs, gutters, sidewalks and any incidental works.~~
- ~~m) Convert existing overhead electric and communications facilities with the consent of the public agency or public utility that owns the facilities to underground locations.~~
- ~~n) Provide emergency medical services pursuant to the emergency medical services system and the prehospital emergency medical care personnel act.~~
- ~~o) Provide and maintain public airports and landing places for aerial traffic.~~
- ~~p) Provide transportation services.~~
- ~~q) Abate graffiti.~~
- ~~r) Plan, design, construct, improve, maintain and operate flood protection facilities.~~
- ~~s) Acquire, construct, improve, maintain and operate community facilities including but not limited to community centers, libraries, theaters, museums, cultural facilities and childcare facilities.~~
- ~~t) Abate weeds and rubbish pursuant to part 5 of the health and safety code.~~
- ~~u) Acquire, construct, improve, maintain and operate hydroelectric power generation facilities and transmission lines.~~
- ~~v) Acquire, construct, improve, maintain and operate television translator facilities.~~
- ~~w) Remove snow from public streets, roads, easements and rights of way.~~
- ~~x) Provide animal control services pursuant to section 20501 of the Food and Agricultural code.~~
- ~~y) Control, abate and eradicate pests in the same manner as a pest abatement district.~~
- ~~z) Construct, maintain and operate mailboxes on the District property or rights of way. aa) Provide mail delivery service under contract to the United States Postal Service. bb) Operate, improve and maintain cemeteries and provide interment services. cc) Finance the operations of area Planning Commissions.~~

formed pursuant to section 65401. dd) Finance the operations of municipal advisory councils formed pursuant to section 34040.

ee) Acquire, own, improve, maintain and operate land within or without the District for Habitat Mitigation or other environmental protection purposes to mitigate the effects of projects undertaken by the District.

~~Per Section 61106: a) If the Board of Directors desires to exercise a latent power, the District shall first receive the approval of the Local Agency Formation Commission, pursuant to article 1.5 (commencing with section 56824.10) of Chapter 5 of part 3 of Division 3. b) After receiving the approval of the Local Agency Formation Commission, the board of directors may, by ordinance, order the exercise of that power.~~

Notice to Submitting Firms

1. Qualification Submittals for the RFQ must be submitted electronically to Ryan Rhoades, Mendocino City Community Services District Superintendent at: mccsd@mcn.org as a single PDF file. Submittals should include "MCCSD Legal Services Proposal" in the subject line. The total pages including cover letter but excluding resumes, must not exceed 15 pages. Direct and concise language is appreciated.
2. All qualification submittals must be received by 4:00 pm on *INSERT DATE*.
3. A "firm" or "firms" as referred to herein is defined as a law firm or solo practitioner.
4. Responding firms may submit qualifications for some or all of the legal services described. The cover letter must detail which services are proposed.
5. To receive updates or amendments to the RFQ, register your interest by email to mccsd@mcn.org . Include "MCCSD Legal Services RFQ Interest" in the subject line.
6. If you have questions, contact mccsd@mcn.org via email by *INSERT DATE*. Inquiries should be made to Superintendent, Ryan Rhoades or District Secretary, Katie Bates. Inquiries should not be made to any other individual, employee of MCCSD, or Board member of MCCSD. Responses to questions, comments and amendments will be sent by email to each respondent that has registered their interest.
7. It is the submitting firms' sole responsibility to bear the full cost of preparation, ensure that their submittal meets all solicitation requirements, and is properly received by the date and time listed above. Late submissions will not be considered.
8. All qualification submittals shall become the sole property of MCCSD and are subject to public disclosure.
9. MCCSD reserves the right to modify any aspect of this RFQ by the issuance of amendment(s).
10. MCCSD reserves the right to reject any or all submittals and to select more than one firm to meet its legal needs.

Section 1 – Introduction and Overview of Selection Process

Overview of the Mendocino City Community Services District

The coastal community of Mendocino is an unincorporated area of Mendocino County, located 9.5 miles south of Fort Bragg and located on the Mendocino Headlands between Slaughterhouse Gulch and Big River

The Mendocino City Community Services District (MCCSD) provides the following municipal services: Wastewater collection and treatment, water, (which currently includes groundwater management and recycled water), and street lighting. To date, we have approximately 430 customers, 855 residents, and 2,500 daily visitors. Mendocino is characterized as a residential area with a tourist-based economy. While the District has the name Mendocino City CSD, the community is an unincorporated area.

The Board of Directors of the MCCSD consists of five (5) publicly elected members. Members of the Board are appointed to four-year terms with staggered elections every two years. Board officers are elected to serve a one-year term. Board committee assignments are evaluated annually and determined by the Board President. The MCCSD Board generally meets on the last Monday of every month at either 5:00 or 5:30 p.m.

The Mendocino City Community Services District (MCCSD) was formed on August 31, 1970, by Mendocino LAFCO Resolution 70-7 to provide a community wastewater system to collect and treat wastewater for properties within the District and the Russian Gulch State Park located outside the boundaries. There are three Mutual Water Companies within the District boundary that serve residential subdivisions and one located north of the District boundary.

Background of Mendocino City Community Services District

The coastal community of Mendocino was founded in 1851. For 120 years, the community functioned on individual wells and septic systems. There are approximately 430 developed parcels within the one square mile District boundary operating from approximately 420 privately owned wells.

In 1971, a study by the Mendocino County Health Department found that most of the wells in the community were contaminated. Wastewater treatment was the first priority of the newly formed District. 86-percent of District voters approved general obligation bonds for the wastewater treatment plant. In 1975, four years after the District was formed, the waste water treatment plant became operational.

Groundwater Management History

In 1985, the electorate approved adding water powers to the District. The District attempted to find an adequate water source for the community for two years, but they could not locate a water source that was suitable both in quantity and quality. To this day, the community continues to rely on private wells for water supply.

In 1987, the State Legislature passed AB786 which established Water Code Section 10700 et seq. that authorized the District to establish programs for the management of groundwater resources within the

District and to function as a water replenishment district. Prior to enactment of this legislation, the Mendocino County Department of Health enforced the groundwater extraction provisions of the Mendocino Town Plan.

In 1990, the District adopted a Groundwater Management Plan/Groundwater Extraction Permit ordinance (Ord No 90-1) and entered into a memorandum of understanding with the County Board of Supervisors (BOS Agreement 90-113). The District assumed responsibility of groundwater management from Mendocino County.

The groundwater management authority provided by Water Code Section 10700 et seq. was considered an interim authority until the District could find a water source suitable for a community water system. Water Code Section 10717 provided that District authorization to manage groundwater is terminated upon implementation of a municipal water system supplying water to inhabitants within the boundaries of the District. Throughout the 1990's, the District continued its search for a water source. Due to the lack of an adequate water source, lack of funding, and a lack of political will, the District has not developed a municipal water system. Water was, and is, a controversial issue. Therefore, the need for groundwater extraction from the local aquifer to supply private wells continues to be necessary, and the District's Groundwater Management Plan which limits water extraction remains in effect.

The District has adopted multiple revisions of the Groundwater Management Program over the years. The 2007 revision included a provision that when the next Stage 4 Water Shortage Crisis was declared, Groundwater Extraction Permits and water meters would become mandatory for all developed property within the District.

In 2014 the State of California adopted the Sustainable Groundwater Management Act (SGMA). MCCSD is considered to be part of the Fort Bragg groundwater basin, which is a very low priority or de minimis basin. MCCSD is not required to participate in SGMA at this time. Almost all groundwater extractors within MCCSD extract less than 1785 gal/day or less than 2-acre feet of water per year. Consequently, if MCCSD did opt to participate in SGMA, the majority of property owners would be exempt from reporting their groundwater extraction, making it very difficult to effectively manage the limited groundwater within the District.

Also in 2014, MCCSD declared that a Stage 4 Water Shortage Crisis existed, which triggered mandatory ground water extraction permits (GWEP) and water metering on all developed property. There was some resistance to the new mandate, but the majority of property owners complied. It took about two years to get the 40 hold out (less than 10%) property owners to comply. In the end, two property owners remained non-compliant. One of the property owners filed legal action against the District (Gomes v MCCSD 1), challenging the District's authority to manage groundwater. The Mendocino County Superior Court sided with the District and upheld the Groundwater Management Program in 2017.

The Plaintiff (Mr. Gomes) appealed the ruling and in 2019 the Court of Appeals reversed the decision, declaring Groundwater Extraction Permit Ordinance 07-1 invalid because MCCSD adopted that version of the GWEP Ordinance after only held one public hearing instead of the two hearings required under State Water Code section 10700 et seq. The District then began the process to re-adopt the groundwater management program in accordance with Water Code Section 10700 et seq. In May of 2020, MCCSD re-adopted a GWMP with fewer than 10% (43 votes) of voters objecting.

The Plaintiff (Mr. Gomes) quickly filed another similar suit against MCCSD, and additionally tried to challenge LAFCO's authority to confirm MCCSD's active water powers. The plaintiff then agreed to a tolling agreement with the District while he and some colleagues ran for election to the MCCSD Board. MCCSD had 4 of 5 Board seats up for election in November of 2020. Gomes and his colleagues lost the election and resumed the litigation. In March of 2023, the Mendocino County Superior Court again sided with the District, and upheld the newly adopted groundwater management program. The decision has again been appealed by the plaintiff and we are awaiting a ruling.

The drought of 2020-21 garnered MCCSD international media attention as wells ran dry and the neighboring water district stopped outside sales. Concerns around climate change and an influx of new property owners has rejuvenated discussions around a possible community water system. In 2021 the MCCSD applied for technical assistance from the State Water Resources Control Board, Safe and Affordable Funding for Equity and Resilience (SAFER) program. SAFER assigned GHD Engineering as a technical assistance provider to MCCSD in 2023. SAFER tends to strive for public water system consolidation. There may be two dozen small public water systems within MCCSD. The goal of the technical assistance request is to work on a current water system feasibility study. The first phase is to determine if a sufficient water source exists, determine the boundaries of the project/service area, and engage the community to see if there is support. This will help the State to determine if a possible project exists. Phase two would look at design and costs of a possible community water system, and have a larger community outreach portion.

Background on desired legal expertise

MCCSD is seeking the services of a firm to provide high quality, efficient regulatory, transactional, and litigation legal services in various areas of law related to public agencies, groundwater management, and wastewater management.

MCCSD has several recurring legal tasks relating to common operations of the District, including Public Agency Law and Water Law. Legal services related to Public Agency law includes specialization in at least the following areas:

- Brown Act,
- Public Records Act,
- Public contract law, including public works bidding
- Public agency ordinances, resolutions, policies, and procedures,
- Public agency assessment and fee setting (Prop 218)
- Conflict of interest and ethics
- Risk avoidance including claims processing and management
- Grant management and compliance

- Human resources practices including employment contracts, Public Employees' Pension Reform Act (PEPRA), Occupational Safety and Health Administration (OSHA) and Cal OSHA safety requirements (such as Injury Illness and Prevention Plans), employee training requirements (such as AB1234 and others)
- Environmental law including California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA)

In addition, MCCSD's need for legal expertise will extend to water law, including:

- Groundwater law and the Sustainable Groundwater Management Act (SGMA), including a thorough understanding and knowledge of the California Department of Water Resources' role in groundwater management, implementation, administration and enforcement
- Water rights
- Groundwater banking
- Use of reclaimed and recycled water
- Wastewater treatment and discharge compliance

The above listing of legal services requested is not exhaustive. Other specialty legal services may be required from time to time, including non-recurring tasks where MCCSD may require retention of special counsel. If special counsel is retained, the selected general counsel firm will be required to coordinate and consult with third-party special counsel as needed.

How the Selected Firm Will Be Utilized

The selected firm(s) will execute a General Legal Services Agreement (Attachment A). It is expected that a scope and budget will be issued for each fiscal year identifying hourly billing rates and expected level of services for that year.

It is expected that there will be common recurring general counsel services needed such as reviewing public meeting agendas and background materials, attendance at regular and special Board meetings, attendance at certain standing committee meetings, review of contracts and other legal documents, legal research and advice, and other general counsel duties as needed. Such work will be performed on an hourly basis or on a standard monthly retainer fee as negotiated with the successful firm.

Occasionally, special tasks or projects, such as engagement with regulatory agencies or litigation, may arise requiring additional legal support from the selected firm. When these specialty projects or tasks arise, MCCSD will issue a request for scope of work, budget and schedule from the selected firm. Legal work on specialty tasks or projects will not proceed until MCCSD has approved. A separate task order will be issued documenting the agreed scope, budget, payment terms (fixed fee or hourly) and schedule.

Detailed invoicing shall be provided to MCCSD for both general counsel and special projects which itemizes services provided by task and hours of services provided.

All services shall be directed by the MCCSD Superintendent or their designated representative. All services provided will be performed to the highest legal, ethical, and professional standards.

Should a respondent to this request for qualifications require any special terms and conditions included in a contract for legal services that is not included in Attachment A, such terms must be clearly identified with the submission. See additional information below. MCCSD will consider any requested special terms and conditions in their evaluation.

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Selection Criteria

The criteria for evaluation and consideration of firms to be invited to interviews shall be based on, but not limited to the following:

1. Qualifications and experience of the firm with regard to procedural, regulatory, transactional and litigation matters, and particularly the specific individuals proposed as lead counsel and other key staff. Lead counsel will have a minimum of Ten (10) years demonstrated experience in public agency representation. Other principal staff to be assigned shall have demonstrated experience in the specific areas of law to be assigned. Available time commitments for lead counsel and principal assigned staff will be identified in the submittal.
2. References. Provide a minimum of five (5) public agency references with attention to references for lead counsel and other principal staff to be assigned.
3. Location of key staff. MCCSD currently holds all Public meetings in person only. The Board and Staff are comfortable meeting with counsel in closed session via teleconference or by phone when appropriate. There are occasions when counsel is requested to participate in person for a public meeting or hearing. Lead counsel and principal staff located in offices local to MCCSD is preferred, but not mandatory. No applicant will be disqualified, so long as the firm has an office within the State of California.
4. Rate and payment terms.
5. Quality and completeness of the submittal so that all information requested is presented in a clear and concise manner.
6. Absence of, or suitable plan for mitigation of, potential conflicts of interest

The highest-ranking firm(s) may be invited to further demonstrate their qualifications during a formal interview, the format of which will be determined by MCCSD.

Evaluation and Selection Process

Qualification review: MCCSD will review and evaluate each submittal to determine how well it meets the requirements for the services defined herein. MCCSD reserves the right to select firm(s) which, in MCCSD's sole discretion, will best meet the needs of the organization. MCCSD may elect to reject any or all submittals.

Selection process: Based on MCCSD's evaluation of qualifications received, a short list of firms deemed most suitable will be prepared. Formal interviews may be conducted of the top-ranked firms at MCCSD discretion. Following the results of reference checking and formal interviews (if needed), a ranking of firms will be prepared in advance of contract negotiations. If negotiations are unsuccessful with the highest ranked firm(s), the next ranked firm(s) will be invited to negotiate. Formal approval of the final selection will be made by a majority vote of the MCCSD Board of Directors, which will make an award as it deems necessary regardless of assigned ranking.

Section 2 – Submittal Requirements

1. The submittal should emphasize responding to the requirements set forth herein. Firms must demonstrate their capabilities, background, expertise and experience to allow an effective evaluation of the firm(s) that will provide the best value to MCCSD. The submittal of qualifications should include, at a minimum, the following information:
 - a) Cover letter, including a certification that the submittal complies with all requirements of the RFQ.
 - b) Executive Summary, including a brief summary of the firm's origin, ownership, size, areas of expertise, and home office locations for key staff with proximity to MCCSD offices and operations. The executive summary should identify if there are legal services requested that will not be performed by the respondent firm.
 - c) Statement of Qualifications (Firm qualifications, with a focus on assigned personnel). Include a discussion of the key personnel's recent experience directly related to providing the procedural, regulatory, transactional and litigation legal services requested, including the number of years of such experience.
2. Additional information required. Tabular format is preferred wherever appropriate.
 - a) References. Provide a minimum of five public agency, or special district clients for which comparable services have been performed. Provide the name, mailing address, email address, and telephone number for each client's principal representative with the closest knowledge of the firm's performance. Include the dates of the engagement and indicate if it is on-going. Provide a brief, summary overview of the types of services provided to each reference.
 - b) Provide a list of current public agency or private clients that may directly or indirectly affect the performance of work or create the appearance of a conflict of interest with the anticipated assignment as counsel for MCCSD. Describe the nature of the conflict/potential conflict. At a minimum, relationships with any of the following must be identified.
 - The County of Mendocino and any departments or committees therein
 - Any outside organizations represented by one or more of the MCCSD Board of Directors
 - c) For any identified potential conflicts, describe the firm's internal controls and procedures, as well as a specific plan to mitigate each potential conflict
 - d) List any subconsultants proposed including a description of the business relationship between the prime proposer and subconsultant, and a list of the types of legal services each would provide.
 - e) Fee Schedule. Provide a listing of hourly rates for all staff categories that may engage. Specifically identify by name the proposed hourly rate for all key staff. Rates for any

subconsultants must be included together with disclosure of any markup of subconsultant fees or reimbursable expenses incurred, including travel. The fee schedule proposed should be valid for the first 18 months of any contract, assuming up to 120 days from qualifications submission to contract execution.

- f) Provide the following business information:
- i. Length of time the firm has been in business
 - ii. Length of time at the local business address
 - iii. List the type and number of any business licenses
 - iv. Names and titles of all officers or the firm
 - v. Any other names under which the firm has conducted business
 - vi. If a sole proprietorship, the name of the sole proprietor
 - vii. If the firm is incorporated, the type of corporation and the jurisdiction where incorporated
 - viii. Provide the appropriate federal tax ID number
 - ix. Provide the name and remittance address for any invoices
 - x. Provide the location of the offices from which key staff are assigned
3. A standard legal services agreement is attached (Attachment A). If there are exceptions, additions, or deletions to the contractual terms in Attachment A, or to any RFQ requirements, provide specific details, including suggested language that would make the documents acceptable. If there are no exceptions taken, note in writing that there are none. This information will be considered in the selection process.

Additional Pre-Contract Requirements

MCCSD may make any such investigations it deems necessary or prudent to determine the ability of respondents to provide the services requested. Following review of initial submittals, additional information may be requested to better evaluate proposing firms, and the firms will provide MCCSD all such requested information as is commercially reasonable. MCCSD reserves the right to reject any or all submittals and may negotiate with one or more firms prior to providing a recommendation to the MCCSD Board for award. The final scope of services for inclusion in any resulting contract will be negotiated between MCCSD and the selected firm(s). It is expected that the selected firm will fully participate in the scope negotiations prior to contract execution without compensation.

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LEGAL SERVICES AGREEMENT TEMPLATE (Attachment A)

THIS AGREEMENT is made and entered into on _____, 2023, by and between the Mendocino City Community Services District ("MCCSD"), and _____, a professional corporation.

FOR AND IN CONSIDERATION OF THE PROMISES, COVENANTS AND CONDITIONS CONTAINED HEREIN, THE PARTIES HERETO DO MUTUALLY AGREE AS FOLLOWS:

- 1) **Retention.** MCCSD hereby retains _____ to perform the legal services described in Paragraph 2 below, and _____ hereby accepts such retention and agrees to perform such services under the terms and conditions set forth herein.
- 2) **Services.** _____ shall provide legal advice and consultation relating to representation of the MCCSD and as set forth below.
 - a) Furnish professional services in the amount necessary to complete promptly and effectively work assigned under this Agreement. _____ shall not commence services under this Agreement until provided with the direction to do so by the Superintendent or his designee.
 - b) _(Firm)_____ is specifically providing the services of ___(specifically identified assigned attorney)_____ for primary representation responsibility under this Agreement. _(Firm)_____ will not substitute primary representation responsibility in providing the services described herein without the express written agreement of the Superintendent or his designee.
 - c) _____ will provide MCCSD with copies of all correspondence with persons and agencies related to this Agreement.
 - d) For purposes of this Agreement, an attorney-client relationship is created between _____ and MCCSD and _____ is expected to manage this attorney-client relationship appropriately, including a complete conflict check and continuous written communication of any actual, apparent or potential conflicts with respect to this relationship.
 - e) The services performed by _____ under this Agreement shall be under the general supervision and direction of the Superintendent of MCCSD or his designee, and _____ shall not accept direction from any other MCCSD official.
 - f) _____ shall provide MCCSD reports related to services under this Agreement in reasonable intervals as so requested.
 - g) It is understood that MCCSD, acting through its designees, shall make all policy decisions concerning the performance of services of _____.

- h) _____ shall attend all regular and special Board meetings and make such appearances as the Superintendent or MCCSD Board determines are necessary or appropriate during the term of this Agreement.
 - i) _____ shall not institute any administrative proceeding, arbitration or litigation unless directed to do so by the MCCSD Board or the Superintendent or his designee.
 - j) _____ shall not compromise or settle any claim, protest or dispute against the MCCSD without the prior consent of the Board of MCCSD.
- 3) **Term.** The term of this Agreement shall commence on _____, 2024, and continue until such time as the Agreement is terminated pursuant to Section 12 hereof.
- 4) **Compensation.** Subject to the provisions of subsections (a)-(b) below, MCCSD shall pay compensation to _____ for the services rendered hereunder as follows:
- a) All services to be performed by _____ pursuant to this Agreement shall be performed by _____ at hourly rates be for attorneys' time for advisory services, for attorneys' time for litigation services, and for the time of paralegals and legal assistants as identified in the applicant required rate sheet attached hereto as Attachment 1. Any change in this rate range must be approved in writing by the MCCSD Board before being applied. MCCSD shall not be responsible for the cost of services provided by any other individuals unless such services and the rate of compensation are approved in advance and in writing by the MCCSD Board. Compensation under this Agreement shall be limited to no more than \$XX,XXX per fiscal year. _____ shall advise the Superintendent, in writing, when expenditures have reached 70% of the total contract amount.
 - b) MCCSD shall not be charged for secretarial or other support services.
- 5) **Expenses.** MCCSD shall pay _____ for its incidental expenses incurred in connection with this Agreement as follows:
- a) Reasonable and necessary actual out-of-pocket expenses incurred in the course of rendering such services, consisting only of costs of toll, document binding, filing fees, travel (only between locations specifically pre-approved by MCCSD and at published coach air fares or IRS standard mileage rates), and cost of commercial printing. _____ shall use cost effective means in incurring any permitted reimbursable cost. No markup or surcharge shall be added. Any single out-of-pocket expenditure in excess of \$300, including travel, is subject to the prior written approval of the Superintendent.
 - b) MCCSD shall not be obligated to pay any of the following: full hourly rates for travel time, except for actual time working; all other travel time shall be paid at a fifty percent (50%) discount of the traveler's standard hourly fee; lodging unless approved; auto

rental fees; cab or other transportation fare from the office to home; meals for working overtime; secretarial overtime; or costs for transmitting documents by email.

- c) MCCSD shall have no liability for any other charges or expenses unless approved in writing by the Superintendent prior to being incurred.
- 6) **Claims for Services.** _____ shall file with the MCCSD claims for services rendered during the term of this Agreement not later than the tenth (10th) day following the end of each calendar month. The claims shall identify the number of hours of services for which compensation is claimed, the individual(s) providing such services, the services provided and all incurred costs and expenses for which reimbursement is being claimed. Each such monthly statement shall include a cumulative total of all services and cost charges billed under this Agreement. MCCSD shall pay such claims not later than thirty (30) calendar days following the date of receipt if approved. No claim shall be paid without approval of the MCCSD Superintendent, in its sole discretion. MCCSD may request additional information or clarification to support the claim of _____ from _____ who will promptly provide the requested information.
- 7) **Independent Contractor.**
- a) All services delivered by _____ under this Agreement shall be provided under the coordination with MCCSD. It is understood and agreed that _____ is an independent contractor and that no relationship of employer-employee exists between MCCSD and _____ hereto.
- b) It is further understood and agreed by the parties hereto that _____ in the performance of its obligations hereunder is subject to the control or direction of MCCSD through the Superintendent of MCCSD merely as to the result to be accomplished by the services hereunder agreed to be rendered and performed and not as to the means and methods for accomplishing the results. No permitted or required approval by MCCSD of personnel, costs, documents or services of _____ shall be construed as making MCCSD responsible for the manner in which _____ performs services or for any acts, errors or omissions of _____. Such approvals are intended only to give MCCSD the right to satisfy itself with the cost and status of work performed by _____.
- c) If, in the performance of this Agreement, any third persons are employed by _____, such persons shall be entirely and exclusively under the direction, supervision and control of _____. All terms of employment, including hours, wages, working conditions, discipline, hiring and discharging or any other terms of employment, or requirements of law, shall be determined by _____, and MCCSD shall have no right or authority over such person or the terms of such employment.
- d) It is further understood and agreed that _____ shall issue W-2, or with respect to partners Schedule K-1, Forms for income and employment tax purposes for all of

_____ 's assigned personnel under the terms and conditions of this Agreement.

- 8) **Insurance.** _____ shall maintain in force at all times during the term of this Agreement, and any extensions or modifications thereto, insurance covering its operations as set forth in Exhibit "A." It is understood and agreed that MCCSD shall not pay any sum to _____ under this Agreement unless and until MCCSD is satisfied that all insurance required by this Agreement is in force at the time services hereunder are rendered.
- 9) **Assignment and Subcontracting.** No performance to be rendered or payment due under this Agreement may be assigned or transferred, and _____ shall not subcontract any work hereunder, without the prior written approval of the Superintendent of MCCSD.
- 10) **Audit of _____ Records.**
- a) _____ shall retain all records, including but not limited to, documents, reports, books, papers and accounting records which pertain to any work or transactions under this Agreement for a period of four (4) years after expiration of this Agreement. MCCSD, or any duly authorized representative of MCCSD, shall, with reasonable notice, have access to and the right to examine, audit and copy such records. MCCSD agrees that _____ may, in their discretion, maintain all or part of the client file in electronic format, using secure cloud storage services.
- b) _____ shall reimburse MCCSD for any overpayment determined to have been made as a result of an audit of _____ 's records not later than ten days following the date of service of written notice to _____ of the amount of the overpayment.
- 11) **Termination.** This Agreement and the attorney-client relationship between _____ and MCCSD may be terminated in whole or in part by MCCSD at any time upon written notice to _____. Upon termination of this Agreement, MCCSD will pay _____ the fees, costs and expenses due under Sections 4 and 5, as of the effective date of termination, in no case exceeding the limitation set forth in paragraph 4. In the event of such termination, _____ shall transmit to MCCSD all records, materials, work product and other matters developed or collected pursuant to this Agreement.
- 12) **Governing Law; Venue.** All claims, counterclaims, disputes and other matters in question between the MCCSD and _____ arising out of or relating to this Agreement or breach thereof will be decided under the laws of the State of California or any other dispute resolution methods agreeable to both parties. California law shall govern the interpretation of this Agreement. Venue for any action related to this Agreement shall be in the Mendocino County Superior Court.
- 13) **Compliance with Laws.** _____ shall observe and comply with all applicable Federal, State, and County laws, regulations and ordinances.

- 14) **Licenses and Permits.** _____ shall possess and maintain all necessary licenses, permits, certificates and credentials required by the laws of the United States, the State of California, County of Mendocino and all other appropriate governmental agencies, including any certification and credentials required by MCCSD. Failure to maintain the licenses, permits, certificates, and credentials shall be deemed a breach of this Agreement and constitutes grounds for the termination of this Agreement by MCCSD.
- 15) **Conflict of Interest.** _____ and _____'s officers and employees shall not have a financial interest, or acquire any financial interest, direct or indirect, in any business, property or source of income which could be financially affected by or otherwise conflict in any manner or degree with the performance of services required under this Agreement.
- 16) **Use of Funds.** It is understood and agreed that no funds provided by MCCSD pursuant to this Agreement shall be used by _____ for any political activity or political contribution.
- 17) **Nondiscrimination in Employment, Services, Benefits and Facilities.**
- a) _____ agrees and assures MCCSD that _____ and any subcontractors shall comply with all applicable federal, state, and local anti-discrimination laws, regulations, and ordinances and to not unlawfully discriminate, harass, or allow harassment against any employee, applicant for employment, employee or agent of MCCSD, or recipient of services contemplated to be provided or provided under this Agreement, because of race, ancestry, marital status, color, religious creed, political belief, national origin, ethnic group identification, sex, sexual orientation, age (over 40), medical condition (including HIV and AIDS), or physical or mental disability. _____ shall ensure that the evaluation and treatment of its employees and applicants for employment, the treatment of MCCSD employees and agents, and recipients of services are free from such discrimination and harassment.
 - b) _____ represents that it is in compliance with and agrees that it will continue to comply with the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101 et seq.), the Fair Employment and Housing Act (Government Code §§ 12900 et seq.), and regulations and guidelines issued pursuant thereto.
 - c) _____ agrees to compile data, maintain records and submit reports to permit effective enforcement of all applicable antidiscrimination laws and this provision.
 - d) _____ shall include this nondiscrimination provision in all subcontracts related to this Agreement.

- 18) **Indemnification.** For professional services provided under this Agreement, and to the fullest extent permitted by law, _____ shall indemnify, defend, and hold harmless MCCSD and the MCCSD Board of Directors respectively, and their officers, directors, agents, employees and volunteers from and against any and all claims, demands, actions, losses, liabilities, damages, and costs, including reasonable attorneys' fees, arising out of or resulting from the negligent performance of the professional services provided under this Agreement. This indemnity obligation shall not be limited by the types and amounts of insurance or self-insurance maintained by _____ or _____'s subconsultants or subcontractors at any tier. Nothing in this Indemnity obligation shall be construed to create any duty to, any standard of care with reference to, or any liability or obligation, contractual or otherwise, to any third party. The provisions of this Indemnity obligation shall survive the expiration or termination of the Agreement.
- 19) **Time.** Time is of the essence of this Agreement.
- 20) **Interpretation.** This Agreement shall be deemed to have been prepared equally by both of the parties, and the Agreement and its individual provisions shall not be construed or interpreted more favorably for one party on the basis that the other party prepared it.
- 21) **Reports.** _____ shall, without additional compensation therefore, make fiscal, program evaluation, progress, and such other reports as may be reasonably required by MCCSD concerning _____'s activities as they affect the contract duties and purposes herein. MCCSD shall explain procedures for reporting the required information.
- 22) **Prior Agreements.** This Agreement constitutes the entire contract between MCCSD and _____ regarding the subject matter of this Agreement. Any prior agreements, whether oral or written, between MCCSD and/or the County of Mendocino and _____ regarding the subject matter of this Agreement are hereby terminated effective immediately upon full execution of this Agreement.
- 23) **Duplicate Counterparts.** This Agreement may be executed in duplicate counterparts. The Agreement shall be deemed executed when it has been signed by both parties.
- 24) **Amendments.** This Agreement may be modified or amended, or any of its provisions waived, only by written agreements executed by both parties.
- 25) **Entire Agreement.** This instrument and Exhibit "A" attached hereto constitute the entire Agreement between MCCSD and _____ concerning the subject matter hereof.

26) **Notices.** Notices concerning this Agreement shall be deemed to have been served when deposited in the United States Mail, first class postage prepaid and addressed as follows, or by e-mail, with proof of transmission, to:

Mendocino City Community Services District
Attn: Ryan Rhoades
PO Box 1029
Mendocino, CA 95460

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first written above.

Dated: _____

Mendocino City Community Services District

By: _____
Ryan Rhoades, District Superintendent

Memo

To: Board of Directors
From: Katie Bates
cc: Jim Jackson
Date: 12/1/23
Re: Ad hoc committees

After looking back through meeting minutes from the past three years, it appears the following ad hoc committees exist and potentially still need to be in place:

- Legal: Dennak
- MUSD- Tank Project: Jim
- New/ Expanded Use: Jim and Dennak
- Conflict of Interest: Matthew and Dennak
- Governance Guideline Review: Ishvi and Dennak

“The Brown Act does not apply to ad hoc or temporary advisory committees composed of less than a majority of the board. In establishing an ad hoc or temporary advisory committee, the board should strictly define the purpose of the committee and set a time frame to accomplish that purpose. An ad hoc or temporary advisory committee is advisory only; the board has not delegated any decision-making power and the committee will be returning to the full board to make a public recommendation.” ~ The Brown Act: FAQ;s

Staff recommends appointing another Board member to both the Legal and Tank Project committees, but sees the others falling away within the next year, if not sooner.

November and December 2023 Superintendent's Report

Wastewater Treatment Plant:

- Operators performed routine repair and maintenance to the WWTP in November and early December of 2023. Which included valve exercising.
- Staff have found a new service provider from the bay area for the effluent pumps and we are working to schedule an appointment.
- The District Bobcat skid-steer, "tractor" has been having hydraulic issues for the past month, and is currently not reliable. We had a service inspection on 11/16. He advised replacing a number of parts for routine maintenance. We can expect a bill in this \$6-8,000 range after parts and labor. Staff are working to schedule a return visit.
- Once the tractor is repaired MCCSD plans to transport two influent pumps down to Novato for a rebuild. One pump is from the Hill Ranch Lift Station and belong to Hills Ranch.
- Staff updated the District Emergency Response/Contingency Plan, and passed a hazardous materials inspection with County Environmental Health regulators.
- Hach service technician Clint arrived on 12/6 to service both the turbidity and dissolved oxygen sensors. A programing update has help stabilize blower function.
- Aerzen service on the primary blower is now scheduled for January 3, 2024.
- Redwood Roofers started and completed the new office roof project. They were professional, clean, and efficient. The new office roof is complete and looks great.
- Staff have received multiple after hour alarm call outs in the past few weeks primarily related to power surges.

Staff and the community really came together to save the town in the face of a major failure at the WWTP just before Thanksgiving. I would like to thank our hard working operators, Fort Bragg Plumbing and Electric, David Puder's Tractor Service, Ryan Cronin's Welding Service, Fort Bragg Septic, Thompson's Septic, A-1 Septic, staff at the City of Fort Bragg WWTP, Pace Supply, Aerzen Emergency Service, United Rentals, GHD, our neighbors, and our RWQCB Regulator. The town and the District owe you a great debt. Thank you for coming to our aid on such short notice and working tirelessly to get the MCCSD wastewater system back on line. It should be noted that having 5 septage trucks on site costs about \$2,500 per hour, and in the future if something fails we are looking a \$25,000-\$30,000 per day to move raw influent to Fort Bragg.

Outfall Update: Alpha Diving reports they are "locked and loaded" but continue to have concerns with the long period swell. Diver safety has to be the top priority. They have not confirmed a dive date as of this time, but they have never let us down. GHD submitted the effluent dilution evaluation.

Recycled Water:

MCCSD did not transfer any recycled water during the month of November or December

Biosolids Trailer and Transport:

- MCCSD staff transported one load of biosolids to Redwood Landfill in November.
- The biosolids dryer stopped working mid-November. We ordered and installed replacement sensor and the dryer is back in service for the moment. We are also working to schedule a site visit with the service tech out of Texas.

Grant and Project Updates:

-No updates from FEMA on the January Storm Damage re-imbusement.

-11/8/23 staff received news that the MCCSD planning grant application to evaluate and design replacement aspects of the WW collections system, treatment process, and outfall, is not a CWSRF priority project at this time, and our request is not anticipated to be funded this fiscal year. Funding has been prioritized for systems with NPDES violations and connecting previously un-serviced areas.

-The MCCSD Recycled Water grant application remains under state review. Estimated time of review is 9-12 months.

-We continue to wait on DFA approval for the SAFER technical assistance funding proposal by GHD. DFA requested another meeting on 12/18. There have been a lot of meetings, but SAFER has not awarded any funding.

-ESS grant writing consultants, submitted a draft funding proposal for comment. It was not the document we were expecting. It does not appear ESS will be of much service to the District at this time.

-EKI grant writing consultants cc'd MCCSD multiple request for updates from the State, related to the recycled water pre-application. Both requests appear to have gone unanswered by the State.

-MUSD continues to negotiate with the contractor on their bid for the emergency water storage and supply project. It appears both parties are near agreement. MUSD may have to request some additional state funding.

Safety Meeting and Plant Safety Inspection:

The 30-minute monthly safety meeting was held November 14, 2023. The topic was review of the *District Emergency Response/Contingency Plan*. Staff also reviewed evacuation routes and locations of safety equipment. No safety incidents were reported.

Sanitary Sewer Collection System:

There were no Sanitary Sewer overflow reports for the period April 12, 2023- December 13, 2023

-Work continues at the Heeser St. lift station, FBE has installed a new transducer, and we also have a backup unit on the shelf.

-Replacement valves and fittings have arrived for the Heeser Lift Station. Fort Bragg Plumbing helped establish a phased work plan. On 12/7 Fort Bragg Septic was on site with two pumper trucks to assist with Phase one which included pumping down the wet well, draining ¼ miles of discharge line, pumping out additional influent and replacement of two isolation gate valves. FBP plans to return 12/14 to install a replacement check valve. Once the valves are in we can begin work on the pump.

Other:

Staff and President Murphy met with Community Center staff and a local business owner for initial brainstorming around pros and cons of possible District expansion. The goals are to find ways that improve the District's ability to qualify for grant funding, and explore funding ideas for the Community Center.

Memo

To: MCCSD Board of Directors
From: District Superintendent
cc: Jim Jackson
Date: December 1, 2023
Re: Groundwater Management Report

The 2023-24 Rain Year

October 1, 2023 was the beginning of the 2023-24 rain year. Average annual precipitation in Mendocino is 39.20 inches, and average rainfall in November is 4.86" inches. 2.38" inches of rainfall has been measured in the District for the month, as of November 30, 2023 (Figure 1, Table 1).

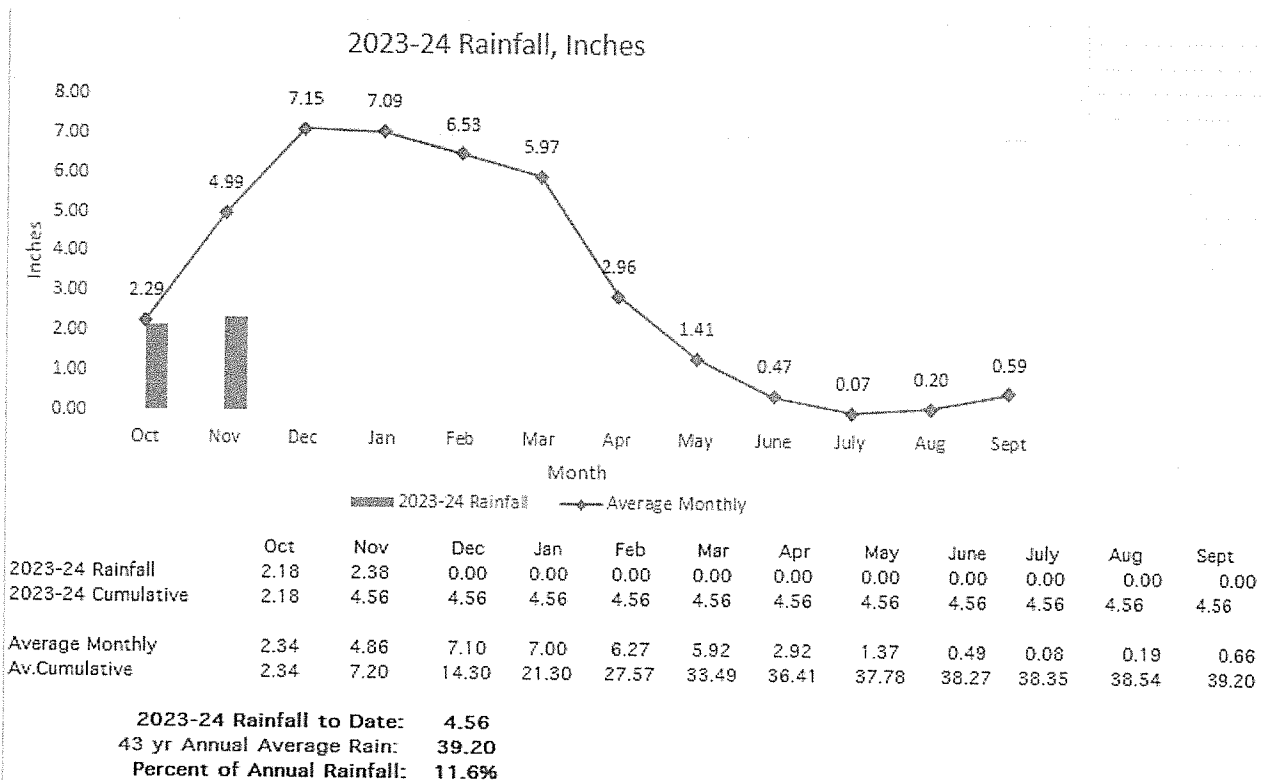


Figure 1, Table 1

Total Rainfall for Rain Year 2022-23 was 41.93" inches. Mendocino received 106% of normal annual rainfall during the last water year. By November 30, 2023, total rainfall since October 1, 2023 was 4.56" inches, 11.6% of average annual rainfall.

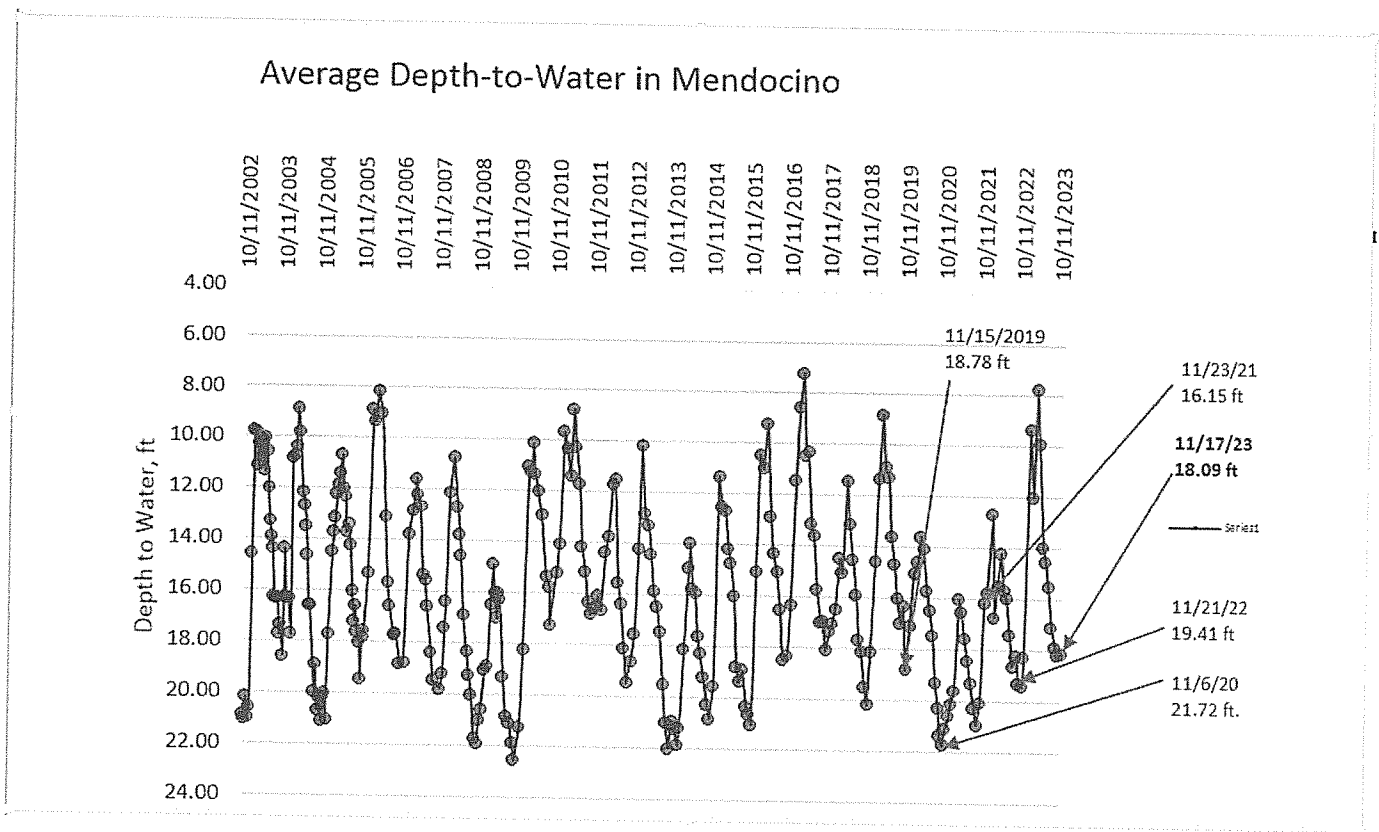
DAILY TOTAL RAINFALL														
2023-24											<i>Elevation 32 Feet</i>			
											<i>Latitude 39.306°</i>			
Data From: Community Service District							10AM						<i>Longitude -123.600°</i>	
Day	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep		
1	0.01													
2		.01												
3		0.03												
4		0.21												
5		0.37												
6		0.08												
7	0.02	0.01												
8	0.24	0.01												
9	0.08													
10	0.19													
11	0.02													
12	0.01	0.03												
13	0.01	0.16												
14		0.39												
15		0.03												
16	0.29	0.03												
17	0.02	0.47												
18	0.02	0.09												
19	0.01													
20														
21	0.26	0.01												
22	0.87	0.01												
23	0.01													
24														
25	0.10													
26														
27														
28		0.20												
29	0.02	0.01												
30		0.24												
31														
Sum	2.18	2.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
Count	17	18	0	0	0	0	0	0	0	0	0	0		
Max	0.87	0.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
Rainy Days		35												
Maximum Daily Rainfall				0.87								4.56		

Table 1 2023-24 Rainfall Record

November 2023 Depth-to-Water (DTW)

The average DTW measurements District-wide in the 24 monitoring wells on November 17, 2023 was 18.09' ft. DTW averages are about 0.07 ft. better than October of 2023, about 1.3 ft. better than November of 2022, and about 2 ft. lower than November of 2021. The DTW averages in the 5 drought monitoring wells reported at 22.13 ft.

Figure 2 November 2023, Depth-To-Water Chart



Following the Water Shortage Contingency Plan. The MCCSD Board declared on April 19, 2023 that no water shortage exists within the MCCSD boundaries. According to the Water Shortage Contingency Plan, (p. 14) "Calendar for Declaring Water Shortage,..." If a water shortage is not declared by the end of May, no further evaluation is required until the following January 31." MCCSD staff continue to monitor and follow the plan. The MCCSD water table is on average at its lowest during October and November. The Superintendent recommends continued caution and conservation.

Following a request for additional information related to Groundwater Management, staff would like to report: the following:

There were no applications for well modification or well replacement during the month.

The District continues to make progress towards compliance with groundwater extraction permitting. Nine commercial properties were sent letters on October 16, 2023 notifying them of potential compliance issues, and requested that they complete a groundwater extraction permit application. The good news is that District staff have heard back from all nine properties and received the requested GWEP applications as appropriate. District staff appreciate businesses taking the first step towards compliance. Staff have 30 days from the receipt of a GWEP application to determine if it is complete. Staff have requested additional documentation from some business. Staff have not fully reviewed all applications. We are optimistic that more properties will be receiving permit approvals in the near future.

District staff met with the State Division of Drinking Water staff on Tuesday 11/21 to learn that they were conducting some site visits on 11/27/23. The State is still encouraging consolidation of water systems. Some properties may face challenges, but they believe there is a path forward for most properties to receive a permit.

We are still waiting to hear from County planning how they plan to facilitate collaboration between MCCSD, the state Division of Drinking Water, and other regulatory agencies which have jurisdiction within Mendocino.

We have received notification from County planning of a few building permit applications within the District which may also trigger the need for groundwater extraction permit applications. As a reminder, per Ordinance 2020-01 all new development, changes in use, or expansion of existing use require a valid groundwater extraction permit. A GWEP shall be obtained prior to:

- 1) issuance of a Mendocino County Use Permit or Coastal Development;
- 2) issuance of a Mendocino County Building Permit for other than minor repair and maintenance; or
- 3) issuance of a Mendocino County Well Permit.