

MENDOCINO CITY COMMUNITY SERVICES DISTRICT
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Minutes of November 26, 2018

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

1. Agenda – No changes were made to the agenda.
2. Approval of Minutes October 29, 2018
Director Hauck inquired if the Auditor had responded to the Board's concerns regarding specific line items in the Audit as discussed at the last meeting. The Secretary provided the Board with a copy of the updated Audit, which included the changes, as discussed, but she would review her notes to verify the changes had been made.
MOTION Hauck/Kerstein To approve the minutes of October 29, 2018, as submitted.
ROLL CALL VOTE AYES: Directors Kerstein, Hauck and Schwartz
NOES: None
ABSENT: Director Rice
3. Communications
Fred Dickson, property owner located North of the Treatment Plant, informed the Board that he thought the research on the street lights really paid off. He thought they fit in with the village, and said congratulations to the Board, and wonderful job.
4. Public Comment
5. Old Business
6. New Business
7. Groundwater Management
 - a. Monthly Groundwater Management Report

October 1, 2018 was the beginning of the 2018-19 rain year. Average annual precipitation in Mendocino was 40.23 inches and average rainfall in November was 5.01 inches. 3.63 inches of rainfall had been measured in the District through November 26th. Total rainfall by November 26th was 49% of normal.

If water shortage was declared by the end of May, there should be additional evaluation dates on August 31, November 30, and December 31 to evaluate whether the water shortage condition should be continued, increased in stage, or terminated. Depth to groundwater and rainfall criteria shall determine if; (1) initial voluntary water conservation or other mitigation measures were sufficient to ease the water shortage restrictions, (2) conditions had worsened and more stringent water shortage restrictions and mandatory water conservation measures were necessary, or (3) conditions had remained unchanged.

November 30 was considered an interim date, so that if high rainfall occurred in November, water shortage conditions could be modified prior to December 31.

For the November 30 and December 31 evaluations, the decision-making data would consist of both rainfall and depth to groundwater. If rainfall and depth to groundwater evaluations did not agree, then the more conservative (severe) of the conditions would be used. The rainfall conditions were defined as cumulative rainfall since October 1 in relation to the pre-existing water shortage condition. Table 2 showed the criteria for modifying the water shortage stage based on Depth to Water in the five

drought monitoring wells and the DTW measurements for August 31 and November 19. The official November evaluation would take place on November 30.

The District was currently in a Stage 1 Water Shortage. The Board declared a Stage 1 Water Shortage at the May 29, 2018 meeting due to below normal rainfall. The drought stage would be evaluated on November 30 and December 31, 2018. On November 19, 2018, the District was in an undeclared Stage 2 Water Shortage. Depth-to-Water in the drought monitoring wells was 23.58 ft.

3 inches of rainfall was predicted for the remainder of November and 3 inches for December, which may impact a possible Stage 2 declaration at the January 2, 2019 meeting.

The average Depth to Water measurements District-wide in the 24 monitoring wells on November 19, 2018 was 20.19 ft. (Figure 2 & 3).

According to U.S. Drought Monitor, 50.41% of California and Nevada was abnormally dry.

8. Attorney's Report

9. District Superintendent's Report

Operators performed routine repair and maintenance at the wastewater treatment plant during November.

Fort Bragg Electric looked at the Heeser Drive Lift Station generator. The serviceman found a bad fuel valve, and had ordered a replacement part. He also found several bad sensors. The parts were still on order. Several electrical companies had worked on the generator and it was still inoperable. The Board will review the purchase of a new generator next spring and the District planned to utilize a temporary generator at the Heeser Drive Lift Station during the winter.

There were no MCCSD collection system sanitary sewer overflows during October 2018.

The District transferred 138,908 gallons of recycled water to the High School in October.

PG&E had completed installation of the Holophane decorative streetlights in the historic downtown area of Mendocino. Thirteen of the luminaires required shields to help prevent light trespass to residential buildings located close to the street. The PG&E contractor also was in the process of replacing the old high-pressure sodium bulbs on the eastside of the District with 2,700 kelvin LEDs. All of the streetlights in Mendocino would be dark-sky compliant when there were finished with the work.

The Safety Officer conducted the monthly safety inspection of the plant and safety meeting on November 19, 2018, which was *Confined Space Entry Procedures*.

10. Committee Updates

11. District Secretary's Report

a. Monthly Register of Cash Disbursement

MOTION Hauck/Kerstein To approve cash disbursements for checks 14088-14126 and online CalPERS, State and Federal Tax Deposits. No checks were void.

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

b. Update on Delinquent Sewer Accounts and Certificate of Liens

The Board reviewed the delinquent sewer accounts and Certificate of Liens

12. Matters from Board Members

a. Discussion of Obtaining a Line of Credit

The original plant upgrade and recycled water extension project engineering and architect budget was \$66,512. The District had paid \$374,365 in upfront engineering costs for the project. The

District had approximately \$200,000 in remaining cash reserves to cover the remaining engineering costs. The amount paid and cash reserves available for upfront costs for the project totaled \$574,365. That would leave a balance of \$92,147 to be paid from user fees over the next six months or about \$16,000 per month if all original budget costs were incurred prior to the USDA repayment to the District for upfront expenses.

During the engineering phase of the project, it was determined that the plant electrical service and the plant wiring needed to be upgraded as well. USDA approved an additional \$515,000 grant for the wiring. \$290,000 was for engineering. The new budget total for engineering was increased to \$956,512.

The District did not have enough cash reserves to pay for the new engineering budget if the engineering work was completed prior to the USDA payment for upfront costs. Staff recommended obtaining a \$500,000 line of credit from the Savings Bank of Mendocino County to pay for upfront costs that exceeded the District's cash reserves. Director Hauck suggested contacting Community First Credit Union and also talk to Tom Herman, SHN, regarding his experience with Project lines of credit. MCCSD had preliminary discussions with the Savings Bank earlier in the project about a bridge loan or line of credit. Staff recommended that the Board approve the resumption of the bridge loan or line of credit discussion with the Savings Bank.

The Board supported the Superintendent's recommendation, however, they agreed to ask for \$750,000 since the District may not see any funding until June or July of 2019.

Board guidance was given to the Superintendent to speak with the Savings Bank to gather information on loan costs, interest, timeline for approval, and whether loan costs were reimbursed from USDA loan funds. The Board agreed to hold a special meeting if needed to approve the loan.

Since the December meeting was scheduled on December 31st, New Year's Eve, the Board re-scheduled the regular December meeting to January 2nd, 2019.

The meeting adjourned at 8:50 p.m.

Respectfully submitted,



Jodi Mitchell, District Secretary