**Mendocino County Waterworks District II**

**Special Meeting MINUTES**

**September 18, 2023, 4:30 p.m.**

**Location: ELAINE JACOB CENTER, 38550 South Highway One, Gualala, CA**

**OR VIA ZOOM**

**Pursuant To Executive Order N-6-23 Issued by Governor Newsom**

This was a special meeting of MCWD2 (moved from the originally scheduled date of Sept 21, 2023)

The meeting was called to order at 4:30pm by President Koza.

**ROLL CALL:** Jens Shelby PRESENT via Zoom, Alex Staidle PRESENT, Linda-Marie Koza PRESENT, Absences: NONE

In person: Chris Troyan, General Manager and Geraldine LiaBraaten, of GCSD. Also attending via Zoom: Laura Ratcliffe, counsel to MCWD2; Donna Lemmon, Board Member Designate;

Members of the Public: Louis and Patty Ozenne, and on Zoom: Sal Romo (AB Campground); Randy Vanderbilt (AB Campground); Jerry Galey (AB Campground); Matthew Field (AB Campground); Rich Hebert.

**ADOPTION OF AGENDA** Shelby: aye, Staidle: aye, Koza: aye. Nays: None

**Minutes of Regular Board Meeting –8/17/23 approved**: Shelby: aye, Staidle: aye, Koza: aye. Nays: None

**General Manager’s Report and MH#7 Emergency Update (Troyan)**

Other than the C-7 manhole issue there is not much to report on. The notice to the public was sent out and posted the week following the board meeting. I just signed Work Order #3, which I will attach a copy along with this report. This will allow MC Engineering to do the work necessary for the USDA Grant application, which John Pedri has been diligently working on getting all the required paperwork completed for the grant ahead of time in anticipation of getting the approval to save us time and he has almost completed his design drawings for the C-7 emergency bypass project. It is expected that the bypass construction will be completed by the first or second week in October.

The preliminary report came in from the geotechnical specialist and the soil around where we want to install the temporary bypass is in good soil. They drilled down between 11 and 13 feet in predetermined locations and the soil was a mix of clay and sand, which is great news. We are still waiting for the final report to see what his recommendations will be in regard what to do with the C-7 manhole once we bypass it. Worse case we may have to install pylons around the manhole to secure it from falling onto the beach.

The treatment plant has been operating great and the same can be said for the lift stations. All samples were taken for the month of August, and Troyan signed the contract for the sea level rise impact report. Troyan will meet with Dane Behrens who is the lead analyst for the study to do an initial inspection on the sea cave.

Regarding the Planning Grant Application, it will be submitted by John Pedri by the end of the month. The state has reduced available funding by $150 million, so we may need to reapply for the next cycle of funding next year. Priority is given to applicants with violations. If we don’t receive the Planning Grant, we could apply for Technical grants to do some of the focused projects we have been thinking about, such as cost/rate analysis.

**Administrator’s Report (LiaBraaten)**

Received the last property tax check from the county in late August but it was not deposited until September, so it will be in the next report.

Minor changes to Chart of Accounts: added accounts relating to the (potential) grant that MC Engineering is applying for, and for the emergency repair/relocating of MH7, which MCE believes we may get a reimbursement for as part of either the planning grant or, more likely, the construction grant. Added Mileage Reimbursement to account for paying Keith for his vehicle mileage (it had been posted under Permits and Fees). I will be working on the Chart of Accounts to make it easier to understand; this will be gradual, as things come up. Trying to make some expenses automatically paid through the debit card. So far just Further Reach. MCN is next.

Michael Celentano, the Auditor, is trying to finish the audit by October 1.

The new office is working out very well, with MCWD2 records organized and easier to find. Working on records retention: there are many, many documents that we are not required to keep, and we may be able to clear a few of the 10 file drawers MCWD2 is currently using, which will make it easier to locate files that we are required to keep. Geraldine has a list of what is required and how far back we need to maintain records.

Continuing to plan the changeover from QuickBooks Desktop to QB Online on January 1. We will also be putting the payroll on QBO so all the accounting will be on one platform, and we won’t have the ongoing expense of Pat Schwint doing payroll. (The way it was set up does not allow for getting payroll reports directly from QuickBooks, which is frustrating.) QB Online will allow a daily bank feed which will considerably lighten the burden of data entry and bank reconciliation. This will make working remotely much easier if/when the power goes out this winter; all areas of Mendocino County are not equally hit hard during storms, so if Geraldine can bring my laptop to a location that has power, she can access QBO.

Update on **appointment of new board** **members** – Donna Lemmon and Lisa Wieneke, who were already appointed by the Mendocino BOS to begin serving July 1, 2024, will be appointed 9/26 to begin serving the remainder of the terms through June 30, 2024. For purposes of Brown Act compliance, Lemmon and Wieneke are now included as if they were already on the board.

**Planning Grant update.** MC Engineering plans to have the application submitted by the end of the month. State reduced their fund by $150 billion, so there may not be funding available as soon as we hoped. Unless we have a violation, which moves application to top of list. He and John Pedri will talk to Matt Herman, at the Water Board, to see what we can do, perhaps the campground might help get around it. If not approved, we don’t need to pay to do a new application. Technical Assistance Grants might be available to do a rate study, other specific projects. There are other funders. Once the manhole issue is addressed, we can focus on next steps for our other needs.

**County Auditor and MCWD2 Audits/Budgets** – Koza reported that the County Auditor, Chamise Cubbison, hasn’t received audits or approved budgets for several years (as far back as the county’s records go) and the District is therefore not in good standing. The annual audits have been done by Michael Celentano CPA, and he confirms that there were approved budgets for each year. We will locate copies and forward them to the Auditor. One MCWD2 is in good standing with the Auditor’s Office, we will be able to apply to the County for permission to conduct a full audit every other year, instead of annually, based on District’s small size.

**Campground Insurance Claim** – Koza reported that Nationwide has accepted responsibility, but hasn’t notified us of the amount they will reimburse, despite several requests by phone and email.

**Website update** – Koza reported that the CSDA grant for which we applied may be available in late October, if funds remain, and if not, MCWD2 can reapply in December for a grant in 2024 to develop a required ADA-compliant website with Streamline. Meanwhile, we will see about putting our Agendas and Minutes on the domain mcwd2.org, or adding a page to GCSD’s website.

**Board Governance** (Ratcliffe) The website is one of many things we’re working on to bring MCWD2 into compliance with laws and regulations that govern special districts, including filing with Secretary of State, LAFCO, Statement of Facts about Board members, etc. Last month Board adopted Conflict of Interest Code, which is now being reviewed by County Counsel, they say it will be complete by our next meeting. Once COIC is approved by the county’s code reviewing body, then our Board members need to file Form 700 within 30 days. Laura will keep us posted, and offered to work 1-on-1 with any board members who want guidance on filing. AB 1234 State Law requires elected officials and board members to receive training on certain public ethics and government transparency laws, which is required training every two years. There are a number of outlets that offer the training. FPPC (Fair Political Practices Commission) all has free training on their website, a self-study course that will only be offered through end of this year. All board members are encouraged to find a place to take that training in the next few months. Public Records Act, Brown Act, Code 1090 Financial Interests, to get everyone up to speed. There is also training available at no cost through CSDA (California Special District Association). The board will focus on Brown Act at a meeting after new directors are onboard.

**LAFCO** **(Local Agency Formation Commission)** Koza reported she had spoken to Uma Hinman, executive director of LAFCO, which has started their every-five year municipal service review of both GCSD and MCWD2. (It hadn’t been done in the past for MCWD2). Hinman wants to schedule a time to visit both facilities in the near future.

**ACTION ITEMS**

**RCU Authorized Signatures** Resolution adding new board members to the authorized signers on Redwood Credit Union accounts, effective upon the new signers' appointment to the MCWD2 Board by the Mendocino County Board of Supervisors. (Resolution 23-24-05) Moved: Staidle, Seconded: Shelby, Staidle: Aye, Shelby: Aye, Koza: Aye. Motion passed.

**Resolution requiring two authorized signatures on bank checks.** Resolved that the Board of Directors of the Mendocino County Waterworks District #2 (MCWD2) wishes to require two authorized signers sign every check drawn on the District’s Redwood Credit Union checking, investment and share accounts #291307-10, 291307-20 and 291307-01. Moved: Staidle, Seconded: Shelby, Staidle: Aye, Shelby: Aye, Koza: Aye. Motion passed.

**Budget for FY 2023-2024** as submitted. Moved: Staidle, Seconded: Shelby, Staidle: Aye, Shelby: Aye, Koza: Aye. Motion passed. Moved: Shelby, Seconded: Staidle, Staidle: Aye, Shelby: Aye, Koza: Aye. Motion passed.

**Appointment of three Citizens’ Advisory Committees**, each ad hoc committee to draft for Board’s consideration a guiding document, to be completed within 4 months:

1. **Personnel Manual** – Donna Lemmon, LM Koza, Chris Troyan
2. **Conditions of Use Ordinance** – Jens Shelby, Alex Staidle, John Scholl, Jerry Galey, Chris Troyan
3. **Policy Manual** – Lisa Wieneke, LM Koza, Chris Troyan

Committees to report to Board at October 19 meeting: on names of members, schedule for completing draft, ideally by December 31st. Moved: Staidle, Seconded: Shelby, Staidle: Aye, Shelby: Aye, Koza: Aye. Motion passed.

**Approve Consulting Agreement with GCSD** Moved: Staidle, Seconded: Shelby, Staidle: Aye, Shelby: Aye, Koza: Aye. Motion passed.

**Approve $250/month rent to GCSD**, retroactive to August 1, 2023. Moved: Staidle, Seconded: Shelby, Staidle: Aye, Shelby: Aye, Koza: Aye. Motion passed.

**Meeting adjourned at 5:30pm.**

**Certification by Secretary:**

I hereby confirm and certify that these Minutes of the Meeting of the Board of Directors of Mendocino County Waterworks District II held in Gualala on September 18, 2023, constitute a true and accurate representation of the actions taken by the Board at that meeting.

Signed: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Jens Shelby, Director and Secretary

 Mendocino County Waterworks District II