



Mission statement of McKinleyville Community Services District:
“Provide McKinleyville with safe and reliable water, wastewater, lighting, open space, parks and recreation, library services, and other appropriate services for an urban community in an environmentally and fiscally responsible manner.”

**NOTICE IS HEREBY GIVEN THAT A *REGULAR* MEETING OF THE
MCKINLEYVILLE COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS
WILL BE HELD
WEDNESDAY, JULY 6, 2022 AT 6:30/7:00pm**

**LOCATION: AZALEA HALL
1620 Pickett Road
McKinleyville, California**

Or

**TELECONFERENCE Via ZOOM & TELEPHONE:
Use ZOOM MEETING ID: 859 4543 6653 (<https://us02web.zoom.us/j/85945436653>) or DIAL
IN TOLL FREE: 1-888-788-0099 (No Password Required!)**

To participate in person, please come to Azalea Hall.

To participate by teleconference, please use the toll free number listed above, or join through the internet at the Zoom App with weblink and ID number listed above, or the public may submit written comments to the Board Secretary at: comments@mckinleyvillecsd.com up until 4:30 p.m. on Tuesday, July 5, 2022.

All Public Comment received before the above deadline will be provided to the Board at 9 a.m. on Wednesday, July 6, 2022 in a supplemental packet information that will also be posted on the website for public viewing.

Please note that, due to potential technical difficulties, the quality of the Zoom meeting cannot be guaranteed. **If you have public input to provide on an agenda item, it is recommended you attend in person at Azalea Hall or submit written comments as outlined above.**

CLOSED SESSION AGENDA
6:30 p.m.

A. CALL TO ORDER

A.1 Roll Call

A.2 PUBLIC COMMENT AND WRITTEN COMMUNICATIONS

Any person may address the Board at this time upon any subject not identified on this Agenda but within the jurisdiction of the McKinleyville Community Services District; however, any matter that requires action will be referred to staff for a report of action at a subsequent Committee or Board meeting. As to matters on the Agenda, an opportunity will be given to address the Board when the matter is considered. **Comments are limited to 3 minutes.** Letters should be used for complex issues.

A.3 Closed Session Discussion

At any time during the regular session, the Board may adjourn to closed session to consider existing or anticipated litigation, liability claims, real property negotiations, license and permit determinations, threats to security, public employee appointments, personnel matters, evaluations and discipline, labor negotiations, or to discuss with legal counsel matters within the attorney-client privilege.

- a. Conference with Legal Counsel -- Anticipated Litigation (Government Code § 54956.9(d)(2))** Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: One (1) case, injury claimant: Jeremy Blake Nolen

REGULAR AGENDA

7:00 p.m.

A. CALL TO ORDER

A.1 Report Out of Closed Session

A.2 Roll Call

A.3 Pledge of Allegiance

A.4 Additions to the Agenda

Items may be added to the Agenda in accordance with Section 54954.2(b)(2) of the Government Code (Brown Act), upon a determination by two-thirds vote of the members of the legislative body present at the time of the meeting, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the McKinleyville Community Services District after the Agenda was posted.

A.5 Approval of the Agenda

B. PUBLIC HEARINGS

These are items of a Quasi-Judicial or Legislative nature. Public comments relevant to these proceedings are invited.

NO PUBLIC HEARING SCHEDULED

C. PUBLIC COMMENT AND WRITTEN COMMUNICATIONS

Any person may address the Board at this time upon any subject not identified on this Agenda but within the jurisdiction of the McKinleyville Community Services District; however, any matter that requires action will be referred to staff for a report of action at a subsequent Committee or Board meeting. As to matters on the Agenda, an opportunity will be given to address the Board when the matter is considered. **Comments are limited to 3 minutes.** Letters should be used for complex issues.

D. CONSENT CALENDAR

Consent Calendar items are expected to be routine and non-controversial, to be acted upon by the Board of Directors at one time without discussion. If any Board member, staff member, or interested person requests that an item be removed from the Consent Calendar, it shall be removed so that it may be acted upon separately.

D.1	Consider Approval of the Minutes of the Board of Directors Regular Meeting on June 1, 2022	Pg. 7
	Attachment 1 – Draft Minutes from June 1, 2022	Pg. 8
D.2	Consider Approval of May 2022 Treasurer’s Report	Pg. 13
D.3	Election Information for Gubernatorial Election November 8, 2022	Pg. 35
	Attachment 1 – County Office of Elections Letter for Officer Terms Expiring and District Preferences dated May 30, 2022	Pg. 37
D.4	Reaffirm Resolution 2021-27 Making Findings Pursuant to Government Code Section 5493, as Amended by Assembly Bill 361, and Authorizing the Continued Use of Virtual Meetings	Pg. 39
	Attachment 1 – Resolution 2021-27	Pg. 41
D.5	Distribution of the Annual Board Self-Evaluation	Pg. 43
	Attachment 1 – Self Evaluation Questions	Pg. 44
D.6	Consider Attendance to the California Special Districts Association (CSDA) 2022 Annual Conference, August 22-25, 2022 in Palm Desert, CA	Pg. 47
	Attachment 1 – CSDA Conference Schedule	Pg. 48
D.7	Approve Conveyance of Water, Sewer, and Street Lights Facilities Related to Imeson/Avelar Subdivision	Pg. 65
	Attachment 1 – Agreement for Conveyance and Acceptance of Imeson/Avelar Subdivision	Pg. 66

E. CONTINUED AND NEW BUSINESS

E.1	Consider Adoption of Resolution 2022-22 Delegating Authority to the General Manager to Give Notice of Any Hearing to Adopt a Resolution of Necessity Action (Action)	Pg. 67
	Attachment 1 – Resolution 2022-22	Pg. 68
E.2	Consider Adoption of Resolution 2022-21 Authorizing the District to Enter Into the Joint Powers Agreement Relating to California CLASS and Invest in California CLASS and Related Matters (Action)	Pg. 69
	Attachment 1 – Resolution 2022-21 for Joining the California CLASS Joint Powers Authority	Pg. 71
	Attachment 2 – Draft Joint Powers Agreement	Pg. 72
E.3	Consider Adjustment of Existing Utility Easement across APN 508-360-019 from 25-ft Width to 20-ft Width (Action)	Pg. 115
	Attachment 1 – Points West letter dated May 31, 2022, with Quitclaim Deed and Signed Grant Deed	Pg. 117

E.4	Approve Unified Field Services Corporation as the Successful Bidder Related to Bids Received for the Cochran Tank 1A Painting Request for Proposals (RFP), including Budget Amendment to Fiscal Year 2022/2023 and Authorize the General Manager to Execute Construction Contract (Action)	Pg. 125
	Attachment 1 - BACC Coating Consultant Proposal	Pg. 128
	Attachment 2 – BACC Professional Services Agreement 2022-07	Pg. 139
	Attachment 3 – FARR Construction Proposal	Pg. 146
	Attachment 4 – Unified Field Services Proposal	Pg. 147
	Attachment 5 – Unified Field Services Construction Contract	Pg. 148
E.5	Consider Approval of 2022 Strategic Plan Update for McKinleyville Community Service District (Action)	Pg. 167
	Attachment 1 – 2022 Update 2019-2024 Strategic Plan	Pg. 168

F. REPORTS

No specific action is required on these items, but the Board may discuss any particular item as required.

F.1 ACTIVE COMMITTEE REPORTS

- a. Parks and Recreation Committee (Binder/Clark-Peterson)
- b. Area Fund (John Kulstad/Clark-Peterson)
- c. Redwood Region Economic Development Commission (Clark-Peterson/Binder)
- d. McKinleyville Senior Center Board Liaison (Binder/Clark-Peterson)
- e. Audit and Finance Committee (Orsini/Couch)
- f. Employee Negotiations (Couch/Mayo)
- g. McKinleyville Municipal Advisory Committee (Orsini/Binder)
- h. Humboldt Local Agency Formation Commission (Couch)
- i. Environmental Matters Committee (Couch/Clark-Peterson)
- j. AdHoc Committee – Community Forest (Mayo/Orsini)

F.2 LEGISLATIVE AND REGULATORY REPORTS

F.3 STAFF REPORTS

- a. Support Services Department (Nicole Alvarado) **Pg. 181**
- b. Operations Department (James Henry) **Pg. 183**
- c. Parks & Recreation Department (Lesley Frisbee) **Pg. 189**
- d. General Manager (Pat Kaspari) **Pg. 191**
- Attachment 1 – WWMF Monthly Self-Monitoring Report **Pg. 195**

F.4 PRESIDENT’S REPORT

F.5 BOARD MEMBER COMMENTS, ANNOUNCEMENTS, REPORTS AND AGENDA ITEMS REQUESTS

G. ADJOURNMENT

Posted 5:00 pm on July 1, 2022

Pursuant to California Government Code Section 54957.5, this agenda and complete Board packet are available for public inspection on the web at McKinleyvillecsd.com/minutes or upon request at the MCSD office, 1656 Sutter Road, McKinleyville. A complete packet is also available for viewing at the McKinleyville Library at 1606 Pickett Road, McKinleyville. If you would like to receive the complete packet via email, free of charge, contact the Board Secretary at (707)839-3251 to be added to the mailing list.

McKinleyville Community Services District will, on request, make agendas available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. Individuals who need this agenda in an alternative format or who need a disability-related modification or accommodation in order to participate in the meeting should contact the Board Secretary at (707) 839-3251. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements for accommodations.

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McKinleyville Community Services District

BOARD OF DIRECTORS

June 1, 2022

TYPE OF ITEM: **ACTION**

ITEM: D.1 **Consider Approval of the Minutes of the Board of Directors**

PRESENTED BY: **April Sousa, Board Secretary**

TYPE OF ACTION: **Roll Call Vote – Consent Calendar**

Recommendation:

Staff recommends the approval of the Minutes of the Board of Directors for the June 1, 2022.

Discussion:

The Draft minutes are attached for the above listed meetings. A reminder that the minutes are approved by the legislative body that is the Board of Directors, not individual members of the Board who were present at a meeting.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Draft Minutes from June 1, 2022 Regular Meeting

MINUTES OF THE REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT HELD ON WEDNESDAY, JUNE 1, 2022 AT 6:30/7:00 P.M. IN PERSON AT AZALEA HALL – 1620 PICKETT ROAD, MCKINLEYVILLE, CALIFORNIA and TELECONFERENCE Via ZOOM & TELEPHONE: ZOOM MEETING ID: 859 4543 6653 (<https://us02web.zoom.us/j/85945436653>) and TOLL FREE: 1-888-788-0099

SPECIAL MEETING AGENDA ITEM A. CALL TO ORDER:

A.1 Roll Call: The special session of the Board of Directors of McKinleyville Community Services District convened at 6:32 p.m. with the following Directors and staff in attendance in person at Azalea Hall:

David Couch, President
Dennis Mayo, Director
Scott Binder, Director

Pat Kaspari, General Manager
April Sousa, Board Secretary
Joseph Blaine, IT Specialist

A.2 PUBLIC COMMENT AND WRITTEN COMMUNICATIONS:

None

A.3 CLOSED SESSION DISCUSSION:

The Board entered into Closed session at 6:33 p.m. to discuss the following items:

CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov. Code § 54956.8)

Property: APN 509-021-045-000

Agency Negotiator: Patrick Kaspari (MCSD General Manager); Michael Colantuono (MCSD Legal Counsel)

Negotiating Parties: Douglas Shaw (American Hospital Management Corp.)

Under Negotiation: Price and Terms of Payment

REGULAR MEETING AGENDA ITEM A. CALL TO ORDER:

A.1 Report Out of Closed Session

There was no reportable action from the Closed Session.

A.2 Roll Call: The regular session of the Board of Directors of McKinleyville Community Services District convened at 7:00 p.m. with the following Directors and staff in attendance in person at Azalea Hall:

David Couch, President
Dennis Mayo, Director
Scott Binder, Director

Pat Kaspari, General Manager
April Sousa, Board Secretary
Joseph Blaine, IT Specialist
Colleen Trask, Finance Director
Nicole Alvarado, Incoming Finance Director
Lesley Frisbee, Parks & Recreation Director (Zoom)
James Henry, Operations Director

A.3 Pledge of Allegiance: The Pledge of Allegiance was led by President Couch.

A.4 Additions to the Agenda: None

A.5 Approval of the Agenda:

Motion: It was moved to approve the agenda as stated.

Motion by: Director Mayo; **Second:** Director Binder

There were no comments from the Board or public.

Roll Call: Ayes: Binder, Mayo, and Couch Nays: None Absent: Clark-Peterson, Orsini

Motion Summary: Motion Passed

AGENDA ITEM B. PUBLIC HEARINGS:

None

AGENDA ITEM C. PUBLIC COMMENT AND WRITTEN COMMUNICATIONS:

Tom, a member of the public, gave comment on a proposal for a theme park in McKinleyville.

AGENDA ITEM D. CONSENT CALENDAR:

- D.1 Consider Approval of the Minutes of the Board of Directors Regular Meeting on May 4, 2022 and May 7, 2022 Special Meeting**
- D.2 Consider Approval of April 2022 Treasurer’s Report**
- D.3 Compliance with State Double Check Valve (DCV) Law**
- D.4 Reaffirm Resolution 2021-27 Making Finding Pursuant to Government Code Section 5493, as Amended by Assembly Bill 361, and Authorizing the Continued Use of Virtual Meetings**
- D.5 Consider Adoption of Resolution 2022-20 Amending the Rules and Regulations Rule 45.03.b Facility Use Fees and 45.03.c Event Services Fees**
- D.6 Consider Approval to Declare 2002 Ford Taurus Surplus**

Motion: It was moved to approve the Consent Calendar.

Motion by: Director Binder; **Second:** Director Mayo

There were no comments from the Board or public.

Roll Call: Ayes: Binder, Mayo, and Couch Nays: None Absent: Clark-Peterson, Orsini

Motion Summary: Motion Passed

AGENDA ITEM E. CONTINUED AND NEW BUSINESS:

- E.1 Consider Adoption of Resolution 2022-16 Recognizing, Honoring, and Commending Erik Jones for Twenty (20) Years of Service**

Operations Director James Henry opened the item by reading the proposed resolution. Board President Couch opened the floor up for comments from other directors, staff, and the public. An award was presented to Erik and pictures were taken.

Motion: It was moved to approve the Resolution 2022-16 Recognizing, Honoring, and Commending Erik Jones for Twenty (20) Years of Service.

Motion by: Director Binder; **Second:** Director Mayo

Roll Call: Ayes: Binder, Mayo, and Couch Nays: None Absent: Clark-Peterson, Orsini

Motion Summary: Motion Passed

- E.2 Consider Adoption of Resolution 2022-17 Recognizing and Honoring Colleen MR Trask on her Retirement**

General Manager Kaspari opened reviewed the staff note and read the proposed resolution. Board President Couch opened the floor up for comments from other Directors, Staff, and the Public. An award was presented to Colleen and pictures were taken.

Motion: It was moved to approve Resolution 2022-17 Recognizing and Honoring Colleen MR Trask on her Retirement.

Motion by: Director Mayo; **Second:** Director Binder

Roll Call: Ayes: Binder, Mayo, and Couch Nays: None Absent: Clark-Peterson, Orsini

Motion Summary: Motion Passed

E.3 Consider Approval of the Right of Entry, Design and Construction Agreement between the Humboldt Skate Park Collective and McKinleyville Community Services District

Recreation Director Lesley Frisbee gave an overview of the item. There were no questions or comments from the Board or the Public.

Motion: It was moved to approve the Right of Entry, Design, and Construction Agreement between the Humboldt Skate Park Collective and the McKinleyville Community Services District.

Motion by: Director Binder; **Second:** Director Mayo

Roll Call: Ayes: Binder, Mayo, and Couch Nays: None Absent: Clark-Peterson, Orsini

Motion Summary: Motion Passed

E.4 FY 2021-22 Budget Review and Potential Amendment

Finance Director Colleen MR Trask reviewed the item. There were no questions or comments from the Board or the Public.

Motion: It was moved to approve the proposed revised Budgets for FY 2021-22.

Motion by: Director Binder; **Second:** Director Mayo

Roll Call: Ayes: Binder, Mayo, and Couch Nays: None Absent: Clark-Peterson, Orsini

Motion Summary: Motion Passed

E.5 Consider approval of FY 2022-23 Proposed Budget and Approve Resolution 2022-18 Establishing Appropriations Limit

Incoming Finance Director Nicole Alvarado gave an overview of the item. She noted a typo on the Resolution: the fiscal year should be 2022-23 instead of 2021-22. Director Binder asked clarifying questions regarding the appropriation limits calculations. Director Mayo gave comments regarding population growth.

Motion: It was moved to approve Resolution 2022-18 establishing Appropriations limits for Fiscal Year 2022-23.

Motion by: Director Mayo; **Second:** Director Binder

Roll Call: Ayes: Binder, Mayo, and Couch Nays: None Absent: Clark-Peterson, Orsini

Motion Summary: Motion Passed

E.6 Consider Adoption of Resolution 2022-19, Instituting Stage 2 Water Conservation Measures as Required by Governor’s Executive Order N-7-20 & SWRCB Emergency Regulations

General Manager Kaspari reviewed the staff note for this item. Director Binder asked clarification regarding the fiscal analysis.

Motion: It was moved to approve Resolution 2022-19 Instituting Stage 2 Water Conservation Measures as Required by Governor’s Executive Order N-7-20 & SWRCB Emergency Regulations

Motion by: Director Mayo; **Second:** Director Binder

Roll Call: Ayes: Binder, Mayo, and Couch Nays: None Absent: Clark-Peterson, Orsini

Motion Summary: Motion Passed

E.7 Introduction to California CLASS and Discussion of Becoming Members to Joint Powers Agreement

General Manager Kaspari reviewed the item with Board members present. Director Mayo asked if this item could come back to the Board with a larger presentation.

This item was information only; no action taken.

AGENDA ITEM F. REPORTS

F.1 ACTIVE COMMITTEE REPORTS

- a. **Parks and Recreation Committee (Binder/Clark-Peterson):** Nothing further to report from Director Frisbee's report.
- b. **Area Fund (John Kulstad/Clark-Peterson):** No report
- c. **Redwood Region Economic Development Commission (Clark-Peterson/Binder):** Did not meet.
- d. **McKinleyville Senior Center Advisory Council (Binder/Clark-Peterson):** Director Binder gave a report on programing.
- e. **Audit and Finance (Orsini/Couch):** No report
- f. **Employee Negotiations (Couch/Mayo):** Did not meet.
- g. **McKinleyville Municipal Advisory Committee (Orsini/Binder):** General Manager Kaspari gave a brief report on the last meeting.
- h. **Local Agency Formation Commission (Couch):** President Couch gave a brief report on the past meeting.
- i. **Environmental Matters Committee (Couch/Clark-Peterson):** Did not meet.
- j. **Ad Hoc Community Forest Committee (Mayo/Orsini):** Director Mayo gave a brief report on the recent meeting.

F.2 LEGISLATIVE AND REGULATORY REPORTS

Director Mayo mentioned a survey from ACWA (Association of California Water Agencies) gathering public input and stated he would send General Manager Kaspari the survey link to pass on to the other Board members.

F.3 STAFF REPORTS

- a. **Support Services Department (Nicole Alvarado/Colleen M.R. Trask):** Finance Director Alvarado noted that the auditors would be starting their work on June 7th and 8th and gave a lock list update.
- b. **Operations Department (James Henry):** Operations Director James Henry had nothing further to add to his written report.
- c. **Parks & Recreation Department (Lesley Frisbee):** Recreation Director Lesley had nothing further to add to her written report
- d. **General Manager (Patrick Kaspari):** General Manager Kaspari highlighted cost savings, including the new practice of printing Board packets in black and white. He also noted the sheriff office expansion discussions with the County.

F.4 PRESIDENT'S REPORT: President Couch had nothing to report.

F.4 BOARD MEMBER COMMENTS, ANNOUNCEMENTS, REPORTS AND AGENDA ITEM REQUESTS: President Couch gave County Supervisor Madrone the opportunity to speak.

G. ADJOURNMENT:

Meeting Adjourned at 8:46p.m.

April Sousa, MMC, Board Secretary

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**McKinleyville Community Services District
Treasurer's Report
May 2022**

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Page 12	Summary of Long-Term Debt Report
Page 13	Cash Disbursement Report

Ratios

as of May 31, 2022

- Utility Accounts Receivable Turnover Days	12
- YTD Breakeven Revenue, Water Fund:	\$ 2,519,930
- YTD Actual Water Sales:	\$ 3,615,818
- Days of Cash on Hand-Operations Checking/MM	135

**McKinleyville Community Services District
Investments & Cash Flow Report
as of May 31, 2022**

Petty Cash & Change Funds		9,197.46
Cash		
Operating & Money Market - Beginning Balance		2,541,413.47
Cash Receipts:		
Utility Billings & Other Receipts	788,440.20	
Money Market Account Interest	14.32	
Transfers from County Funds #2560, #4240, CalTRUST, Meas. B	-	
Other Cash Receipts (Grants/Other Receivables)	-	
Total Cash Receipts		788,454.52
Cash Disbursements:		
Transfers to County Funds #2560, #4240, CalTRUST	-	
Payroll Related Expenditures (incl. CalPERS UAL pmt)	(241,878.81)	
Debt Service	(4,255.41)	
Capital & Other Expenditures	(568,920.37)	
Total Cash Disbursements		(815,054.59)
Operating & Money Market - Ending Balance		2,514,813.40
Total Cash		2,524,010.86
Investments	<i>(Interest and Market Valuation will be re-calculated as part of the year-end close, if material)</i>	
LAIF - Beginning Balance	139,190.19	
Interest Income	-	
LAIF - Ending Balance		139,190.19
Humboldt Co. #2560 - Beginning Balance	2,965,440.61	
Property Taxes and Assessments	5,462.51	
Transfer to/from Operating Cash	-	
Interest Income (net of adjustments)	3,805.64	
Humboldt Co. #2560 - Ending Balance		2,974,708.76
Humboldt Co. #4240 - Beginning Balance	3,444,960.98	
Transfer to/from Operating Cash	-	
Transfer to/from Biosolids Reserve	-	
Interest Income	3,618.13	
Humboldt Co. #4240 - Ending Balance		3,448,579.11
Humboldt Co. #9390 - Beginning Balance	663,032.08	
Reserves Recovery Deposits/Other Bal Withdrawals	-	
Humboldt Co. #9390 - Ending Balance		663,032.08
USDA Bond Reserve Fund - Beginning Balance	137,862.52	
Bond Reserve Payment/Transfer to Service Fund	4,255.41	
Debt Service Payment, Principal/Interest (Net)	-	
Interest Adjustment	0.54	
USDA Bond Reserve Fund - Ending Balance		142,118.47
Market Valuation Account		20,433.34
BNY COPS Series A & B - Beginning Balance	8,665,906.72	
Bond Principal Total (Series A & B)	-	
Bond Draws for Capital Projects	-	
Bond Reserve Payment/Transfer to Service Fund	-	
Debt Service Payment, Principal/Interest (Net)	-	
Bond Earned Interest	-	
BNY COPS Series A & B - Ending Balance		8,665,906.72
CalTRUST - Beginning Balance	10,263,913.97	
Net Transfer to/from Designated Reserves: PERS/OPEB	-	
Net Transfer to/from Capacity Fees/Catastrophe/Other Reserves	-	
Net: Interest Income/Unrealized Gain/Loss	49,236.98	
CalTRUST - Ending Balance		10,313,150.95
Total Investments		26,367,119.62
Total Cash & Investments - Current Month		28,891,130.48
Total Cash & Investments - Prior Month		28,850,909.67
Net Change to Cash & Investments This Month		40,220.81
Cash & Investment Summary		
Cash & Cash Equivalents		28,123,373.07
Davis-Grunsky Loan Reserve		625,638.94
USDA Bond Reserve		142,118.47
Total Cash & Investments		28,891,130.48

McKinleyville Community Services District
Consolidated Balance Sheet by Fund
as of May 31, 2022

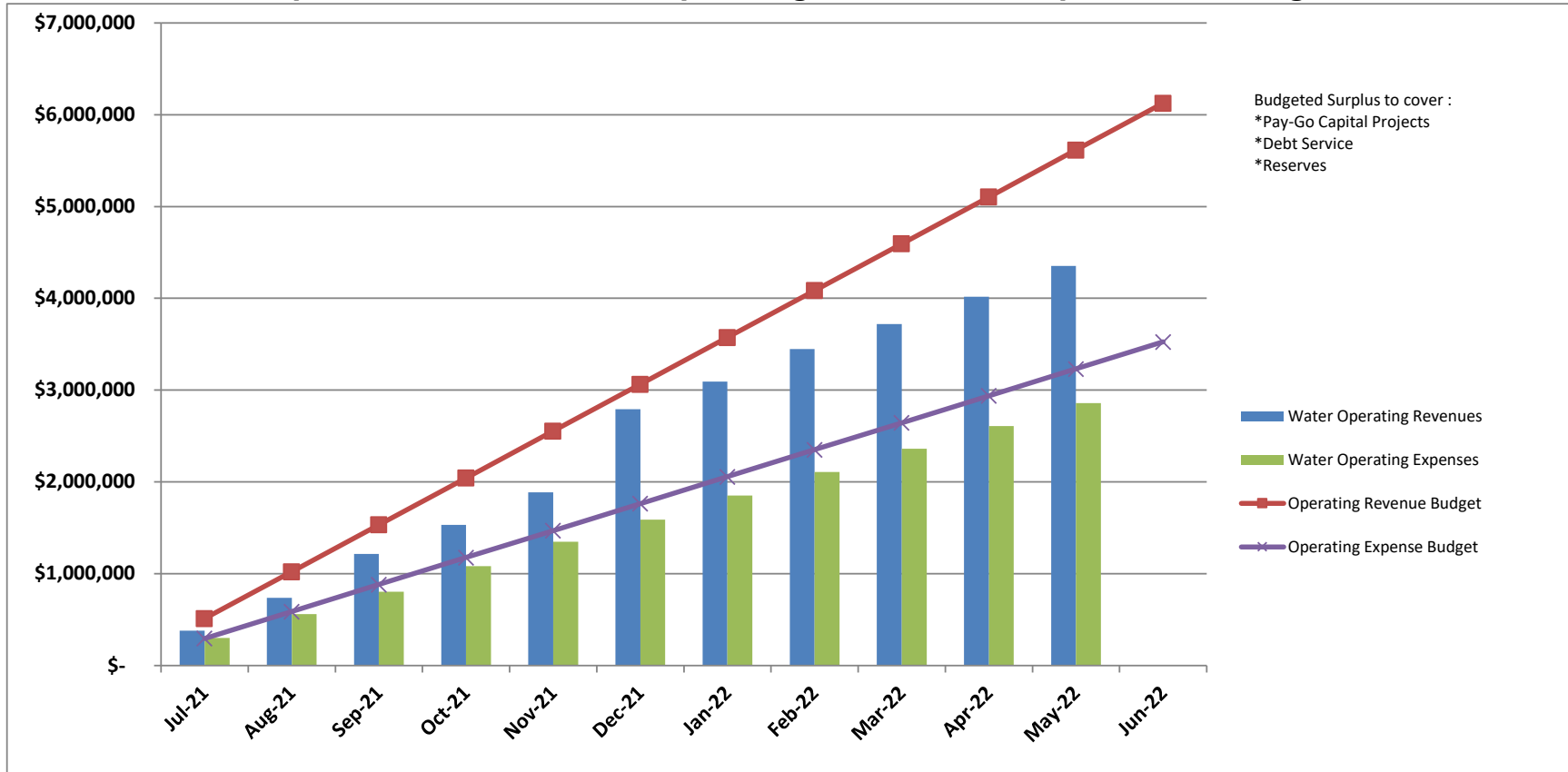
	Governmental Funds			Proprietary Funds		Total (Memorandum Only)
	Parks & General	Measure B	Streetlights	Water	Wastewater	
ASSETS						
Current Assets						
Unrestricted cash & cash equivalents	\$ 1,210,792.96	\$ (443,857.55)	\$ 115,360.61	\$ 9,119,499.67	\$ 9,628,082.88	\$ 19,629,878.57
Accounts receivable	3,267.23	-	3,565.60	760,266.76	3,938,168.94	4,705,268.53
Prepaid expenses & other current assets	949.43	2,206.61	421.13	96,063.20	37,081.40	136,721.77
Total Current Assets	1,215,009.62	(441,650.94)	119,347.34	9,975,829.63	13,603,333.22	24,471,868.87
Noncurrent Assets						
Restricted cash & cash equivalents	210,368.26	-	-	5,396,581.01	4,037,083.12	9,644,032.39
Other noncurrent assets	-	-	-	934,412.53	957,510.60	1,891,923.13
Capital assets (net)	-	-	-	8,228,208.78	30,890,451.78	39,118,660.56
Total Noncurrent Assets	210,368.26	-	-	14,559,202.32	35,885,045.50	50,654,616.08
TOTAL ASSETS	\$ 1,425,377.88	\$ (441,650.94)	\$ 119,347.34	\$ 24,535,031.95	\$ 49,488,378.72	\$ 75,126,484.95
LIABILITIES & FUND BALANCE/NET ASSETS						
Current Liabilities						
Accounts payable & other current liabilities	\$ 81,819.18	\$ 1,760.08	\$ 2,225.09	\$ 429,939.20	\$ 345,106.26	\$ 860,849.81
Accrued payroll & related liabilities	111,285.05	-	-	65,954.97	66,239.28	243,479.30
Total Current Liabilities	193,104.23	1,760.08	2,225.09	495,894.17	411,345.54	1,104,329.11
Noncurrent Liabilities						
Long-term debt	-	-	-	6,286,812.32	20,658,303.80	26,945,116.12
Other noncurrent liabilities	-	-	-	4,827,516.42	4,933,821.19	9,761,337.61
Total Noncurrent Liabilities	-	-	-	11,114,328.74	25,592,124.99	36,706,453.73
TOTAL LIABILITIES	193,104.23	1,760.08	2,225.09	11,610,222.91	26,003,470.53	37,810,782.84
Fund Balance/Net Assets						
Fund balance	(2,851,275.69)	(443,411.02)	117,122.25	-	-	(3,177,564.46)
Net assets	4,083,549.34	-	-	10,983,412.58	13,252,760.21	28,319,722.13
Investment in capital assets, net of related debt	-	-	-	1,941,396.46	10,232,147.98	12,173,544.44
Total Fund Balance/Net Assets	1,232,273.65	(443,411.02)	117,122.25	12,924,809.04	23,484,908.19	37,315,702.11
TOTAL LIABILITIES & FUND BALANCE/NET ASSETS	\$ 1,425,377.88	\$ (441,650.94)	\$ 119,347.34	\$ 24,535,031.95	\$ 49,488,378.72	\$ 75,126,484.95
Difference in Reclass from Cap Assets to Net Assets:						
Investment in General Capital Assets	\$ 3,666,553.81					
General Long-term Liabilities						
Meas. B Loan: Teen/Community Center	823,539.00			Non-debt Long-term Liabilities (included in Other Non-current Liabilities above)		
OPEB Liability	3,291,932.47			OPEB Liability	3,352,060.07	3,366,092.45
CalPERS Pension Liability/Deferred Inflows-Outflows	719,001.05			CalPERS Pension Liability	754,383.21	825,924.74
Accrued Compensated Absences	66,454.84					2,299,309.00
TOTAL GENERAL LONG-TERM LIABILITIES	\$ 4,900,927.36					

**McKinleyville Community Services District
Activity Summary by Fund, Approved Budget
May 2022**

Department Summaries	May	% of Year 91.67% YTD	Approved YTD Budget	Over (Under) YTD Budget	Over (Under) YTD Budget %	Notes
Water						
Water Sales	300,188	3,615,818	3,841,337	(225,519)	-5.87%	
Other Revenues	33,536	736,164	1,773,492	(1,037,328)	-58.49%	Includes YTD Capacity Fees \$227,244 Contrib.Construction \$0, Grants \$0 Includes CalTRUST unrealized gain/(loss) - unrealized loss of \$21,102.
Total Operating Revenues	333,724	4,351,981	5,614,829	(1,262,848)	-22.49%	
Salaries & Benefits	76,118	851,700	1,033,222	(181,522)	-17.57%	Budget spread evenly across 12 months, but actuals vary by schedule
Water Purchased	100,234	1,118,216	1,058,270	59,946	5.66%	
Other Expenses	43,125	525,344	772,930	(247,586)	-32.03%	Budget spread evenly across 12 months, but actuals vary by project & expenditure
Depreciation	33,333	363,580	366,667	(3,087)	-0.84%	
Total Operating Expenses	252,810	2,858,841	3,231,089	(372,248)	-11.52%	
Net Operating Income	80,915	1,493,141	2,383,740	(1,635,096)		
Interest Income	4,184	28,579	45,833	(17,254)	-37.64%	Interest rates lower than anticipated.
Interest Expense	(25,076)	(202,941)	(92,688)	110,253	118.95%	Water Fund 2021A COPs Issuance Exp - not anticipated in FY21-22 Budget
Net Income (Loss)	60,022	1,318,779	2,336,885	(1,018,106)		
Wastewater						
Wastewater Service Charges	324,876	3,677,085	3,833,271	(156,186)	-4.07%	
Other Revenues	109,833	1,758,634	2,044,276	(285,642)	-13.97%	Includes YTD Capacity Fees \$374,955 Contrib.Construction \$0, Grants \$1,025,590 Includes CalTRUST unrealized gain/(loss), & 2021B COPs issue premium
Total Operating Revenues	434,708	5,435,719	5,877,547	(441,828)	-7.52%	
Salaries & Benefits	97,384	1,096,724	1,086,391	10,333	0.95%	
Other Expenses	64,518	700,053	1,012,738	(312,685)	-30.88%	Budget spread evenly across 12 months, but actuals vary by project & expenditure
Depreciation	102,083	1,117,497	1,122,917	(5,420)	-0.48%	
Total Operating Expenses	263,985	2,914,274	3,222,046	(307,772)	-9.55%	
Net Operating Income	170,723	2,521,445	2,655,501	(134,056)		
Interest Income	6,242	50,096	68,750	(18,654)	-27.13%	Interest rates lower than anticipated.
Interest Expense	(34,362)	(390,006)	(241,090)	148,916	61.77%	Wastewater Fund 2021B COPs Issuance Exp - not anticipated in FY21-22 Budget
Net Income (Loss)	142,602	2,181,534	2,483,161	(301,627)		
Enterprise Funds Net Income (Loss)	202,625	3,500,314	4,820,046	(1,319,732)		

**McKinleyville Community Services District
May 2022**

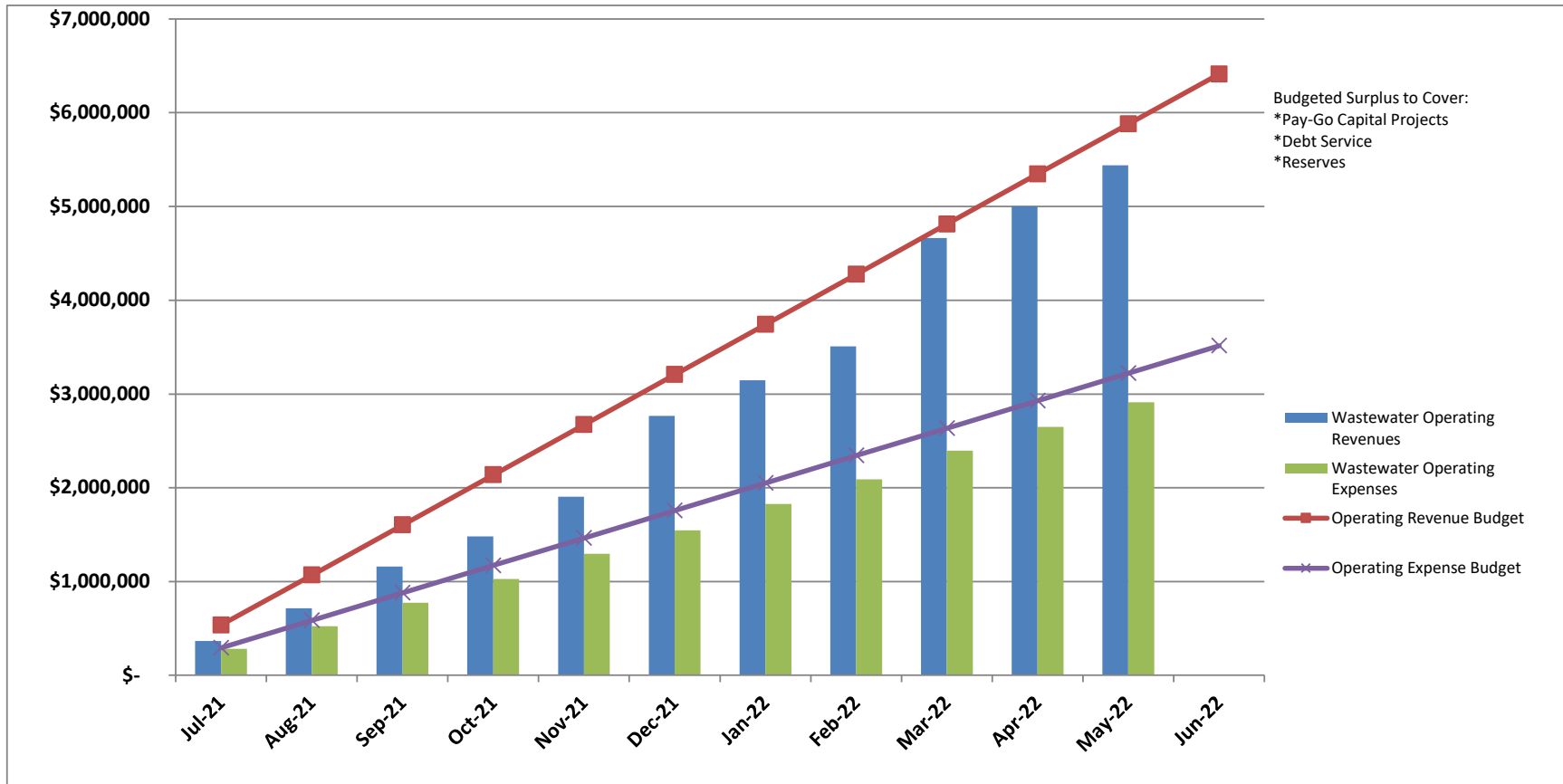
Comparison of Water Fund Operating Revenues & Expenses to Budget



Treasurer's Report Page 5, Selected Graphic Comparisons

**McKinleyville Community Services District
May 2022**

Comparison of Wastewater Fund Operating Revenues & Expenses to Budget



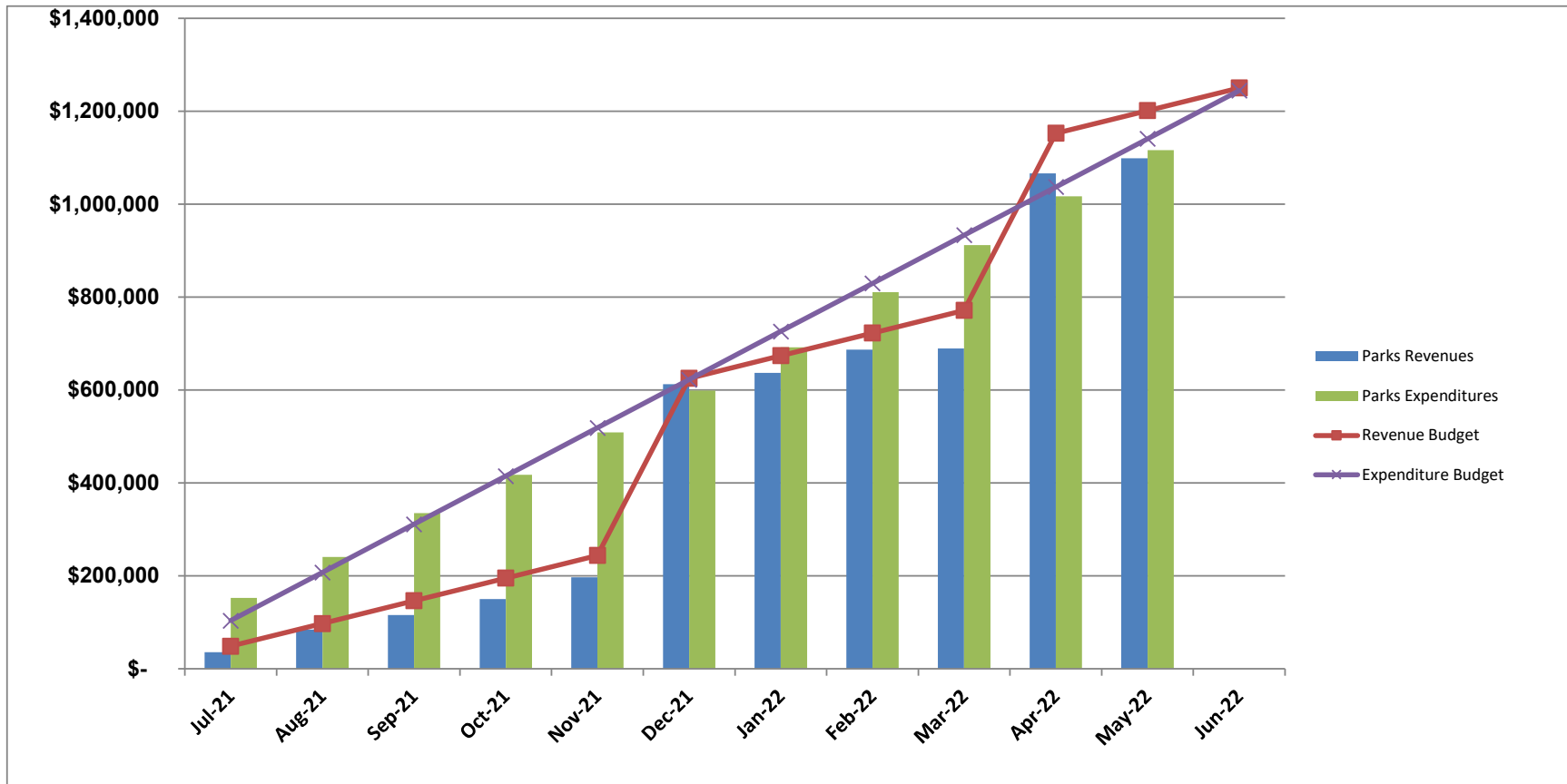
Treasurer's Report Page 6, Selected Graphic Comparisons

**McKinleyville Community Services District
Activity Summary by Fund, Approved Budget
May 2022**

	May	% of Year 91.67% YTD	Approved YTD Budget	Over (Under) YTD Budget	Over (Under) YTD Budget %	Notes
Department Summaries						
*Parks & Recreation						
Program Fees	8,795	176,204	222,090	(45,886)	-20.66%	Budget spread evenly across 12 months, but actuals vary by schedule
Rents & Facility Related Fees	6,071	71,940	46,495	25,445	54.73%	More facility rentals than anticipated in budget
Property Taxes	(5,912)	735,423	609,422	126,001	20.68%	Actuals now available, correction of estimate posted in December
Other Revenues	18,506	104,168	235,941	(131,773)	-55.85%	Budget spread evenly across 12 months, but actuals vary by schedule
Interest Income	4,726	10,982	32,083	(21,101)	-65.77%	Net of an unrealized loss on CalTrust balances
Total Revenues	32,185	1,098,718	1,146,031	(47,313)	-4.13%	
Salaries & Benefits	83,273	862,029	803,326	58,703	7.31%	
Other Expenditures	16,295	221,601	225,610	(4,009)	-1.78%	
Capital Expenditures	-	32,528	111,833	(79,305)	-70.91%	Budget spread evenly across 12 months, but actuals vary by project schedule
Total Expenditures	99,568	1,116,158	1,140,769	(24,611)	-2.16%	
Excess (Deficit)	(67,383)	(17,440)	5,262	(22,702)		
*Measure B Assessment						
Total Revenues	13,003	234,887	206,254	28,633	13.88%	Actuals now available, correction of estimate posted in December
Salaries & Benefits	8,807	77,439	53,860	23,579	43.78%	Budget spread evenly across 12 months; actuals vary by maintenance schedule
Other Expenditures	2,162	28,891	66,063	(37,172)	-56.27%	Budget spread evenly across 12 months, but actuals vary seasonally
Capital Expenditures/Loan Repayment	-	63,147	85,868	(22,721)	-26.46%	Budget is spread evenly across 12 months. Loan pmts are October & April
Total Expenditures	10,969	169,477	205,791	(36,314)	-17.65%	
Excess (Deficit)	2,033	65,409	463	64,946		
*Street Lights						
Total Revenues	10,743	112,937	109,482	3,455	3.16%	
Salaries & Benefits	3,823	36,141	46,201	(10,060)	-21.78%	Budget spread evenly across 12 months; actuals vary by maintenance schedule
Other Expenditures	3,095	38,322	36,002	2,320	6.44%	Internal labor on photo cell replacement - will be adjusted at year-end
Capital Expenditures/Loan Repayment	-	-	43,083	(43,083)	-100.00%	Budget spread evenly across 12 months, but actuals vary by project
Total Expenditures	6,918	74,462	125,286	(50,824)	-40.57%	
Excess (Deficit)	3,824	38,475	(15,804)	(54,279)		
Governmental Funds Excess (Deficit)	(61,525)	86,444	(10,079)	96,523		

**McKinleyville Community Services District
May 2022**

Comparison of Parks & Recreation Total Revenues & Expenditures to Budget

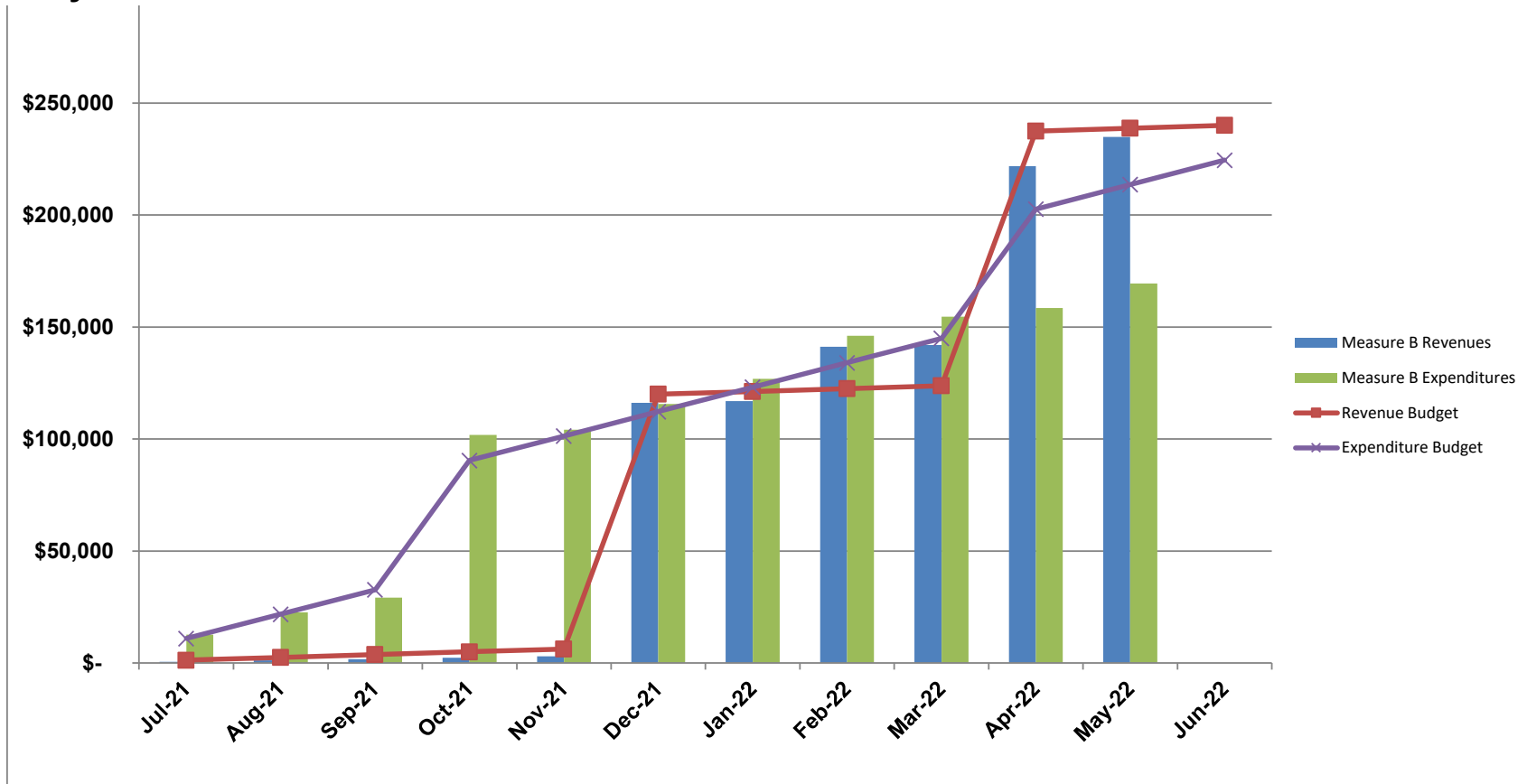


Treasurer's Report Page 8, Selected Graphic Comparisons

Comparison of Measure B Fund Total Revenues & Expenditures to Budget

\$300,000

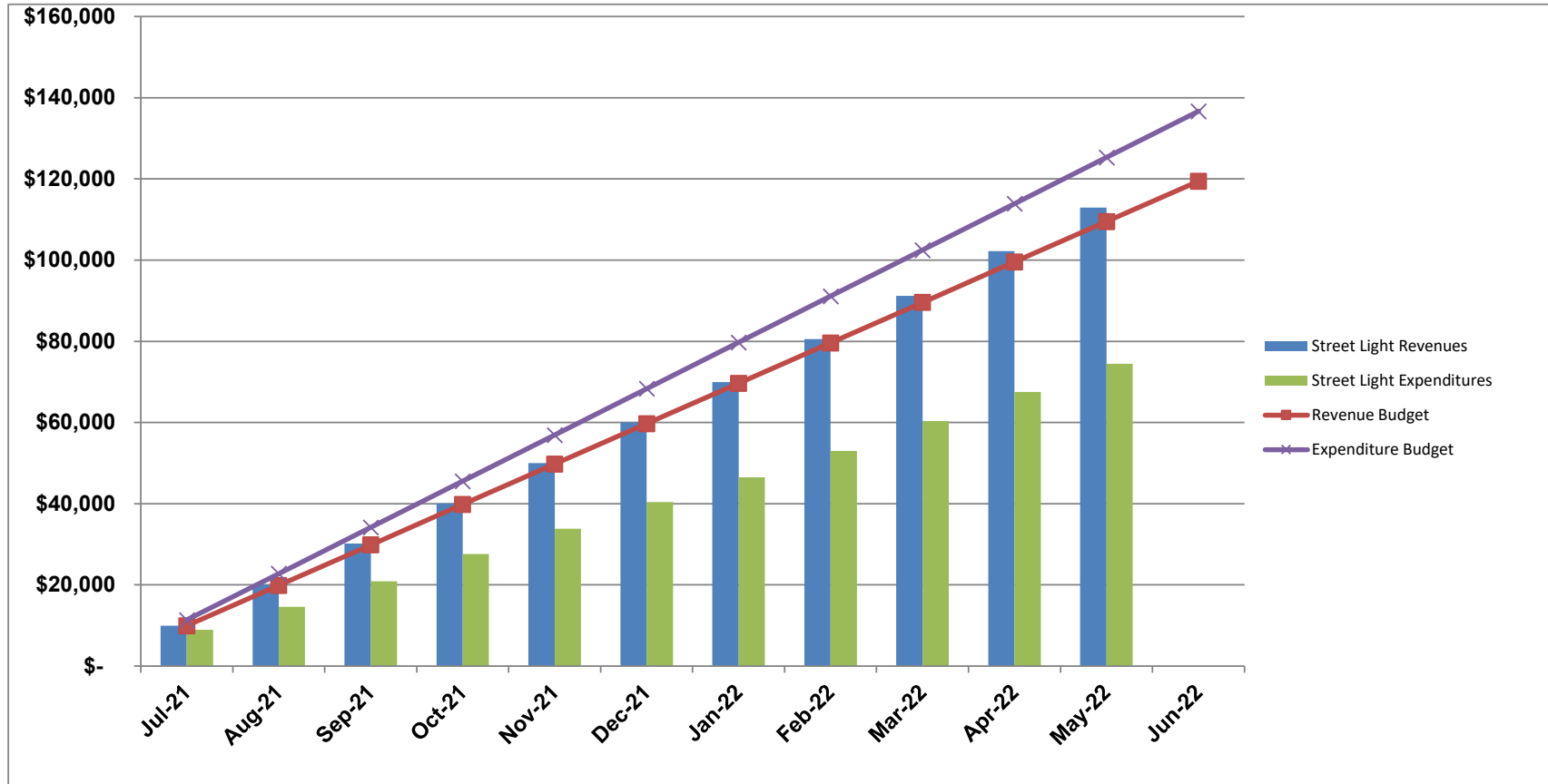
McKinleyville Community Services District May 2022



Treasurer's Report Page 9, Selected Graphic Comparisons

**McKinleyville Community Services District
May 2022**

Comparison of Street Light Fund Total Revenues & Expenditures to Budget



Treasurer's Report Page 10, Selected Graphic Comparisons

**McKinleyville Community Services District
Capital Expenditure Report
as of May 31, 2022**

	May	YTD Total	FY 21-22 Budget	Remaining		Notes
				Budget \$	Budget %	
Water Department						
Ramey Pump Upgrades	-	-	-	-	#DIV/0!	
Water Tank Painting	-	-	500,000	500,000	100%	Water Tank Painting & Cathodic
4.5m New Water Tank	46,824	88,598	4,132,000	4,043,402	98%	Drilling, LACO Assoc.
Production Meter Replacements	-	-	8,000	8,000	100%	Production Meter Replacement
McCluski Tank3 Replace Roof Vents	-	-	6,000	6,000	100%	McCluski Tank3 Replace Roof Vents
Emergency Generator-Cochran	-	-	50,000	50,000	100%	CochranEmergency Generator
Fire Hydrant System Upgrade	-	-	7,000	7,000	100%	Fire Hydrant System Upgrade
Blake Station Upgrades	-	6,619	8,000	1,381	17%	Blake Station Upgrades
Digital Control & Radio Telemetry Upgrade	-	-	10,000	10,000	100%	Radio Telemetry upgrade
Water Main Rehab & Replacement	17,718	128,295	1,000,000	871,705	87%	Water Main Rehab
Property Purchase- Tank Site	-	-	-	-	#DIV/0!	Property Purch/Imprv.Tank Site
Subtotal	64,543	223,512	5,721,000	5,497,488	96%	
Wastewater Department						
Sewer Main Rehab & Replacement	17,160	179,869	1,000,000	820,131	82%	Sewer Main Rehab
WWMF Sludge Disposal - next	-	777,012	240,000	(537,012)	-224%	Sludge handling/disposal
WWMF Recirculation Valve Replacement	-	6,512	15,000	8,488	57%	Recirculation Valve replacem
WWMF Pond Armoring	-	49,300	51,000	1,700	3%	WWMF Pond Armoring
WWMF Secondary Effluent Motor	-	-	6,000	6,000	100%	WWMF Secondary Effluent Motor
Collection Upgrades-UndercrossingsProj	-	14,666	1,149,000	1,134,334	99%	Collection System upgrades
Fischer Lift Station Generator	-	-	40,000	40,000	100%	Fischer Lift Stn Generator
Solar Project - CWSRF Grant/Loan	277,983	2,622,197	3,500,000	877,803	25%	WWMF Solar Project
WWMF - CEQA/ NPDES Permit	-	-	55,000	55,000	100%	NPDES Permit Project
Underground pipe locator & camera	-	-	5,000	5,000	100%	Underground pipe locator & camer
WWMF Lab Cabinets	-	8,918	10,000	1,082	11%	WWMF Lab Cabinets
Subtotal	295,143	3,658,474	6,071,000	2,412,526	40%	
Water & Wastewater Operations						
Heavy Equipment	-	38,734	150,000	111,266	74%	backhoe, aircompressor
Utility Vehicles	-	43,184	42,000	(1,184)	-3%	CCTV truck, 3/4 or 1-ton Pickup
Office, Corporate Yard & Shops	-	-	75,000	75,000	100%	Facilities upgrade/sealcoat
Computers & Software	-	5,019	19,000	13,981	74%	Server, PCs, GIS/SEMS/CADD
Fischer Ranch - Reclamation Site Upgrade (tree f	17,562	83,971	100,000	16,029	16%	Match to 3rd party grant funding
Fischer Ranch - Barn & Fence upgrades, Irrig	2,462	25,696	80,000	54,304	68%	Barn/ house/ fence, Irrig. pipe, Unc
Property behind main office - purchase	-	-	400,000	400,000	100%	Purch property behind main offc
Small Equipment & Other	-	-	40,000	40,000	100%	Misc,response, & GPS surveying
Subtotal	20,024	196,604	906,000	709,396	78%	
Enterprise Funds Total	379,710	4,078,590	12,698,000	8,619,410	68%	
Parks & Recreation Department						
Pierson Park - Landscaping & signage	-	-	8,000	8,000	100%	Pierson Pk-Landscape & signage
Azalea Hall Projects	-	-	6,000	6,000	100%	Major appliance replacem
McKinleyville Activity Center Upgrades	-	-	85,000	85,000	100%	Flooring replacement
Law Enforcement Facility Improvements	-	-	10,000	10,000	100%	LEF flooring/Library Carpet
Projects Funded by Quimby/Grants/ Other	-	-	505,000	505,000	100%	CommForest,SkatePk,LandAcq
Other Parks Projects & Equipment	-	32,528	8,000	(24,528)	-307%	Utility truck from Ops?
Subtotal	-	32,528	622,000	589,472	95%	
Streetlights						
LED Repairs	-	-	7,000	7,000	100%	
Pole Inspection	-	-	40,000	40,000	100%	Pole Inspection/Replacement
Subtotal	-	-	47,000	47,000	100%	
Governmental Funds Total	-	32,528	669,000	636,472	95%	
All Funds Total	379,710	4,111,118	13,367,000	9,255,882	69%	

**McKinleyville Community Services District
Summary of Long-Term Debt Report
as of May 31, 2022**

**Principal Maturities and
Scheduled Interest**

				Maturity	Balance- Apr	Balance- May		
	%	Date			30, 2022	31, 2022	FY-22	Thereafter
Water Fund:								
I-Bank		8/1/30	P		527,704.77	527,704.77	-	527,704.79
Interest	3.37%		I				-	83,950.11
State of CA Energy Commission (ARRA)		12/22/26	P		60,575.24	54,651.86	-	54,651.66
Interest	1.0%		I				-	1,376.83
State of CA (Davis Grunsky)		1/1/33	P		1,182,074.72	1,182,074.72	-	1,182,074.72
State of CA (Davis Grunsky) Deferred Interest		1/1/33	P		187,380.97	187,380.97	-	187,380.97
Interest	2.5%		I				-	184,599.31
COPS - Series 2021A, Water Fund		8/1/51	P		4,335,000.00	4,335,000.00	-	4,335,000.00
Interest	2.93%	8/1/51	I		-	-	-	2,724,548.61
Total Water Fund-Principal					6,292,735.70	6,286,812.32	-	6,286,812.14
Total Water Fund-Interest							-	2,994,474.86
Total Water Fund					6,292,735.70	6,286,812.32	-	9,281,287.00
Wastewater Fund:								
WWMF SRF Loan		7/31/47	P		14,012,514.71	14,012,514.71	-	14,473,509.30
Interest	1.6%		I				-	3,226,319.37
Chase Bank (Pialorsi Property)		3/8/35	P		1,335,000.00	1,335,000.00	-	1,335,000.00
Interest	2.9%		I		-	-	-	177,948.30
USDA (Sewer Bond)		8/1/22	P		65,000.00	65,000.00	-	65,000.00
Interest	5.0%		I				-	1,625.00
COPS - Series 2021B, Wastewater Fund		9/15/51	P		3,560,000.00	3,560,000.00	-	3,560,000.00
Interest	2.93%	9/15/51	I		-	-	-	2,174,325.00
Total Wastewater Fund-Principal					15,412,514.71	18,972,514.71	-	15,873,509.30
Total Wastewater Fund-Interest							-	3,405,892.67
Total Sewer Fund					15,412,514.71	18,972,514.71	-	19,279,401.97
Meas. B Fund: Teen/Comm Center Loan		11/1/29	P		823,539.00	823,539.00	-	832,319.00
	3.55%		I				-	123,030.36
Total Principal					22,528,789.41	26,082,866.03	-	22,992,640.44
Total Interest							-	6,523,397.89
Total					22,528,789.41	26,082,866.03	-	29,516,038.33

Non-debt Long Term Liabilities, District-wide

OPEB Liability
CalPERS Pension Liability

10,010,084.99
2,299,309.00

McKinleyville Community Services District
 Summary of Grants
 as of May 31, 2022

District Grants	Total Grant Amount	Required District Match	Estimated District Asset Value
CalOES Hazard Mitigation Grant - 4.5 mg Tank	\$ 7,576,448	\$ 1,894,112	\$ 9,553,440
CalOES Hazard Mitigation Grant - Sewer Undercrossings	\$ 2,538,300	\$ 846,100	\$ 2,137,000
SWRCB Energy Efficiency Grant/Loan	\$ 2,500,000	\$2,500,000 Loan	\$ 4,100,000
CA State Dept of Parks & Rec - Habitat Conservation Fund	\$ 56,600	\$ -	\$ 56,600
State of CA Prop 68 - BMX Track	\$ 2,331,375	\$ -	\$ 2,331,375
State of CA Prop 68 Per Capita - Azalea Hall Upgrades	\$ 177,952	\$ -	\$ 177,952

Non-District Grants	Total Grant Amount	Required District Match	Estimated District Asset Value
CalTrout US Fish & Wildlife - Mad River Restoration	\$ 20,000	\$ -	\$ 20,000
CalTrout NOAA - Mad River Restoration	\$ 490,167	\$ 48,000	\$ 300,000
Trust for Public Lands	\$ 3,858,378	\$ -	\$ 3,858,378

McKinleyville Community Services District
Cash Disbursement Report
For the Period May 1 through May 31, 2022

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
Accounts Payable Disbursements						
39690	5/4/2022	*0062	AH DEPOSIT REFUND IO	100.00	116912	AH DEPOSIT REFUND IO
39691	5/4/2022	BAD01	BADGER METER, Inc.	359.52	80097643	BEACON MBL HOSTING
39692	5/4/2022	BAL01	FSA REIMB DB	161.36	C20503	FSA REIMB DB
39693	5/4/2022	COU06	COUNTY OF HUMBOLDT	325.00	C20503	GRADING APPLICATION FEE
39694	5/4/2022	HAR13	The Hartford - Priority A	492.15	47928	GROUP LIFE INSURANCE
39695	5/4/2022	HUM01	HUMBOLDT BAY MUNICIPAL WATER DISTRICT	99,837.71	C20503	WTR PURCHASED
39696	5/4/2022	IND01	INDEPENDENT BUS. FORMS	41.08	41218	OFFICE SUPPLIES
39697	5/4/2022	MAY02	DENNIS MAYO	125.00	C20503	BOARD MEETING 4/6/2022
39698	5/4/2022	MCK01	MCKINLEYVILLE CHAMBER OF COMMERCE	88.00	6088	SUBSCRIPTIONS
39699	5/4/2022	MEN01	MENDES SUPPLY CO.	40.64	C20503	REPAIRS/SUPPLY
39700	5/4/2022	MIL01	Miller Farms Nursery	148.28	C20503	REPAIRS/SUPPLY
39701	5/4/2022	PEA02	Volunteer LIVESCAN REIMB RF	35.00	C20503	Volunteer LIVESCAN REIMB RF
39702	5/4/2022	PGE11	PG&E STREETLIGHTS	20.16	C20503	STREETLIGHTS - ACCT 6945
39703	5/4/2022	PGE12	PG&E	153.78	C20503	GAS & ELECTRIC - ACCT 577
39704	5/4/2022	SEM01	SEMS TECHNOLOGIES LLC.	6,206.27	INV1160	SUBSCRIPTION RENEWAL
39705	5/4/2022	SEQ01	Sequoia Gas Co.	92.05	C20503	FUEL PURCHASED

Check Number	Check Date	Vendor Number	Vendor Name	Net Amount	Invoice #	Description
39706	5/4/2022	SOL01	SOLO SPORTS	830.03	22-0080	REC PROGRAM SUPPLIES
39707	5/4/2022	STR01	STREAMLINE	300.00	18	WEBSITE MONTHLY FEE
39708	5/4/2022	TRE05	SAFETY ALLOWANCE REIMB JT	130.00	C20503	SAFETY ALLOWANCE REIMB JT
39709	5/4/2022	UND02	UNDERGROUND SERVICE ALERT	3,569.35	DIG152434	ANNUAL FEES
39710	5/4/2022	VER01	VERIZON WIRELESS	77.78	C20503	CELL PHONES/TABLET
39711	5/4/2022	WIL09	WILLDAN FINANCIAL SERVICE	4,420.00	1051079	WATER/SEWER RATE STUDY
39712	5/4/2022	\A006	MQ CUSTOMER REFUND FOR AV	106.50	000C20501	MQ CUSTOMER REFUND FOR AV
39713	5/4/2022	\B015	MQ CUSTOMER REFUND FOR BE	204.29	000C20501	MQ CUSTOMER REFUND FOR BE
39714	5/4/2022	\B016	MQ CUSTOMER REFUND FOR BR	129.53	000C20501	MQ CUSTOMER REFUND FOR BR
39715	5/4/2022	\C012	MQ CUSTOMER REFUND FOR CA	56.06	000C20501	MQ CUSTOMER REFUND FOR CA
39716	5/4/2022	\C013	MQ CUSTOMER REFUND FOR CO	268.92	000C20501	MQ CUSTOMER REFUND FOR CO
39717	5/4/2022	\D008	MQ CUSTOMER REFUND FOR DU	66.77	000C20501	MQ CUSTOMER REFUND FOR DU
39718	5/4/2022	\G010	MQ CUSTOMER REFUND FOR GI	92.45	000C20501	MQ CUSTOMER REFUND FOR GI
39719	5/4/2022	\G020	MQ CUSTOMER REFUND FOR GR	109.75	000C20501	MQ CUSTOMER REFUND FOR GR
39720	5/4/2022	\J007	MQ CUSTOMER REFUND FOR JL	63.70	000C20501	MQ CUSTOMER REFUND FOR JL
39721	5/4/2022	\L005	MQ CUSTOMER REFUND FOR LI	56.22	000C20501	MQ CUSTOMER REFUND FOR LI
39722	5/4/2022	\M008	MQ CUSTOMER REFUND FOR MA	56.06	000C20501	MQ CUSTOMER REFUND FOR MA
39723	5/4/2022	\M013	MQ CUSTOMER REFUND FOR ME	36.39	000C20501	MQ CUSTOMER REFUND FOR ME
39724	5/4/2022	\M015	MQ CUSTOMER REFUND FOR MI	106.37	000C20501	MQ CUSTOMER REFUND FOR MI
39725	5/4/2022	\O008	MQ CUSTOMER REFUND FOR OL	53.25	000C20501	MQ CUSTOMER REFUND FOR OL
39726	5/4/2022	\O009	MQ CUSTOMER REFUND FOR OT	150.00	000C20501	MQ CUSTOMER REFUND FOR OT

Check Number	Check Date	Vendor Number	Vendor Name	Net Amount	Invoice #	Description
39727	5/4/2022	\P010	MQ CUSTOMER REFUND FOR PA	16.81	000C20501	MQ CUSTOMER REFUND FOR PA
39728	5/4/2022	\R001	MQ CUSTOMER REFUND FOR RA	42.01	000C20501	MQ CUSTOMER REFUND FOR RA
39729	5/4/2022	\R011	MQ CUSTOMER REFUND FOR RY	58.87	000C20501	MQ CUSTOMER REFUND FOR RY
39730	5/4/2022	\S015	MQ CUSTOMER REFUND FOR SN	56.06	000C20501	MQ CUSTOMER REFUND FOR SN
39731	5/4/2022	\S017	MQ CUSTOMER REFUND FOR ST	131.77	000C20501	MQ CUSTOMER REFUND FOR ST
39732	5/4/2022	\W005	MQ CUSTOMER REFUND FOR WA	228.22	000C20501	MQ CUSTOMER REFUND FOR WA
39733	5/4/2022	\W006	MQ CUSTOMER REFUND FOR WH	136.15	000C20501	MQ CUSTOMER REFUND FOR WH
39734	5/5/2022	BIN02	SCOTT BINDER	172.50	C20505	TRVL ADV CSDA LEG. DAYS 5
39735	5/5/2022	GHD01	GHD	19,584.64	12224	MICROGRID
				45,038.60	C20505	WATER & SEWER MAINLINE PROJECT
			Check Total:	<u>64,623.24</u>		
39736	5/5/2022	HUM08	HUMBOLDT SANITATION	598.70	24X01798	TRASH SERVICE
				568.70	24X01799	TRASH SERVICE
				283.75	24X01800	TRASH SERVICE
				568.70	24X01898	TRASH SERVICE
			Check Total:	<u>2,019.85</u>		
39737	5/5/2022	INF02	INFOSEND	3,014.15	211781	OFFICE SUPPLIES/POSTAGE
39738	5/5/2022	INF03	INFINITE CONSULTING SERVICE	4,030.00	9757	SUBSCRIPTIONS
39739	5/5/2022	MAY03	DENNIS MAYO	172.50	C20505	TRVL ADV CSDA LEGISLATIVE DAYS
39740	5/5/2022	MCK04	MCK ACE HARDWARE	427.28	C20505	REPAIRS/SUPPLY
39741	5/5/2022	NOR13	NORTHERN CALIFORNIA SAFETY CONSORTIUM	120.00	28201	SAFETY TRAINING SUBSCRIPTION
39742	5/5/2022	ORS03	GREG ORSINI	172.50	C20505	TRVL ADV CSDA LEGISLATIVE DAYS
39743	5/5/2022	THO02	Thomas Home Center	626.55	C20505	REPAIRS/SUPPLY

Check Number	Check Date	Vendor Number	Vendor Name	Net Amount	Invoice #	Description
39744	5/13/2022	*0063	CT DEPOSIT REFUND SL	100.00	116916	CT DEPOSIT REFUND SL
39745	5/13/2022	*0064	AH DEPOSIT REFUND RN	100.00	116914	AH DEPOSIT REFUND RN
39746	5/13/2022	*0065	LIBRARY DEPOSIT REFUND MM	100.00	116915	LIBRARY DEPOSIT REFUND MM
39747	5/13/2022	*0066	AH DEPOSIT REFUND RC	100.00	116913	AH DEPOSIT REFUND RC
39748	5/13/2022	ACW01	CB&T/ACWA-JPIA	9,384.26	686153	GRP. HEALTH INS
39749	5/13/2022	AME02	AMERESCO	265,682.21	C20512	MICROGRID PROJECT
39750	5/13/2022	AUT03	AUTOZONE, INC.	153.31	C20512	VEHICLE REPAIRS
39751	5/13/2022	FED01	FedEx Office	467.71	774049941	LAB TESTS TREATMENT
39752	5/13/2022	GHD01	GHD	1,066.01	12323	PROFESSIONAL SERVICES
			Check Total:	<u>1,040.00</u>	12324	WATER RECYCLING PROGRAM
				<u>2,106.01</u>		
39753	5/13/2022	HAR03	HARPER MOTORS CO.	641.97	C20512	VEHICLE REPAIRS
39754	5/13/2022	MER03	MERCER, FRASER COMPANY	696.24	C20512	REPAIRS/SUPPLY
39755	5/13/2022	MIT01	MITCHELL LAW FIRM	629.00	50006	LEGAL
			Check Total:	<u>671.00</u>	50007	LEGAL
				<u>1,300.00</u>		
39756	5/13/2022	MIT02	MITEL	773.39	39872895	TELEPHONE
39757	5/13/2022	NOR35	NORTHERN HUMBOLDT EMPLOYMENT SVCS	1,039.20	ES22-163	OPEN SPACE MAINTENANCE
			Check Total:	<u>573.46</u>	ES22-164	OPEN SPACE MAINTENANCE
				<u>1,612.66</u>		
39758	5/13/2022	ORE01	O'REILLY AUTOMOTIVE, INC.	29.03	C20512	REPAIRS/SUPPLY
39759	5/13/2022	PAC05	PACIFIC ECORISK	867.09	18045	LAB TESTS TREATMENT
39760	5/13/2022	PGE01	PG & E (Office & Field)	24,078.69	C20512	GAS & ELECTRIC
39761	5/13/2022	POI01	POINTS WEST SURVEYING CO.	767.50	12494	4.5 MG TANK PROJECT

Check Number	Check Date	Vendor Number	Vendor Name	Net Amount	Invoice #	Description
39762	5/13/2022	SEC03	SECURITY LOCK & ALARM	195.93	220006599	PROFESSIONAL SERVICES
39763	5/13/2022	STA11	STAPLES CREDIT PLAN	445.86	C20512	OFFICE SUPPLIES
39764	5/13/2022	THR02	DAZEY'S SUPPLY	134.58	C20512	REPAIRS/SUPPLY
39765	5/13/2022	UMP01	UMPQUA BANK	314.23	0522CT	OFFICE SUPPLIES
				4.38	0522DS	OFFICE SUPPLIES
				47.53	0522JH	REPAIRS/SUPPLY/ADS/MARKET
				76.01	0522LF	LEISURE CLASS SUPPLIES
				46.75	0522PK	INTERNET SERVICES
				1,593.72	0522BOARD	OFFICE SUPPLIES/TRAVEL/SUPPLIES
				399.82	0522PARKS	OFFICE AND ACTIVITY SUPPLIES
				7.56	0522ROUND	ROUND UP ON ACCT
			Check Total:	<u>2,490.00</u>		
39766	5/13/2022	VAL01	VALLEY PACIFIC PETROLEUM	1,029.49	493645	GAS/OIL/LUBE
39767	5/13/2022	VAL02	VALLEY PACIFIC PETROLEUM	3,810.77	492745	GAS/OIL/LUBE
39768	5/13/2022	WAH02	WAHLUND CONSTRUCTION INC.	13,150.00	2204301	MICROGRID PROJECT
39769	5/17/2022	*0067	AH DEPOSIT REFUND LB	100.00	116917	AH DEPOSIT REFUND LB
39770	5/17/2022	BAD01	BADGER METER, Inc.	14.03	1500317	REPAIRS/SUPPL
39771	5/17/2022	BAS01	PACE ANALYTICAL SERVICES	350.75	220457228	LAB TESTS TREATMENT
39772	5/17/2022	CUM01	CUMMINS PACIFIC, LLC.	259.50	Y7-3819	REPAIRS/SUPPLY
39773	5/17/2022	FED01	FedEx Office	464.34	25041	LAB TESTS TREATMENT
				388.91	63472	LAB TESTS TREATMENT
			Check Total:	<u>853.25</u>		
39774	5/17/2022	3-May	DENNIS MAYO	72.66	C20516	BOARD TRAVEL REIMBURSEMENT
39775	5/17/2022	NOR01	NORTH COAST LABORATORIES	3,990.00	C20516	LAB TESTS
39776	5/17/2022	PGE10	PG&E STREETLIGHTS	4.24	C20516	STREETLIGHTS-ACCOUNT 0160

Check Number	Check Date	Vendor Number	Vendor Name	Net Amount	Invoice #	Description
39777	5/17/2022	PIT01	PITNEY BOWES	481.37	779165	POSTAGE METER LEASE
39778	5/17/2022	STA09	S.W.R.C.B.	190.00	C20516	CERT RENEWAL DS
39779	5/17/2022	THR01	THRIFTY SUPPLY COMPANY	3,454.09	C20516	REPAIRS/SUPPLY
39780	5/17/2022	TIM01	TIMES-STANDARD	402.30	C20516	ADS/MARKETING
39781	5/17/2022	WIL09	WILLDAN FINANCIAL SERVICE	2,595.00	010-51335	WATER/SEWER RATE STUDY
39782	5/25/2022	*0068	AH DEPOSIT REFUND AF	100.00	116920	AH DEPOSIT REFUND AF
39783	5/25/2022	*0069	AH DEPOSIT REFUND SM	100.00	116919	AH DEPOSIT REFUND SM
39784	5/25/2022	ATT01	AT&T	1,417.47	C20523	TELEPHONE/INTERNET
39785	5/25/2022	ATT04	AT&T	926.13	C20523	SWITCHED ETHERNET SERVICE
39786	5/25/2022	ATT06	AT&T	276.15	C20523	AH TELEPHONE
39787	5/25/2022	COA01	COASTAL BUSINESS SYSTEMS	1,235.53	31646174	COPIER MONTHLY PAYMENT
39788	5/25/2022	COL06	COLANTUONO, HIGHSMITH & LEVIN	1,462.50	51693	4.5 MG TANK PROJECT
39789	5/25/2022	COR01	CORBIN WILLITS SYSTEMS, INC	963.05	C205151	MOMS MONTHLY MAINTENANCE
39790	5/25/2022	HUM17	HUMBOLDT COUNTY DEPT.	5,320.73	C20523	HAZ MAT FEES
39791	5/25/2022	PAP04	PAPERWORLD INC.	726.20	24292	OFFICE SUPPLIES
39792	5/25/2022	TPX01	TPx COMMUNICATIONS	2,723.78	157108938	INTERNET SERVICES
39793	5/25/2022	TUR03	CHRIS TURNER	8,205.00	2022-02	RELAMATION SITE UPGRADE
39794	5/25/2022	USB01	U.S. BANK TRUST N.A.	4,255.41	C20523	SEWER BOND PAYMENT
39795	5/25/2022	USP02	USPS: ARCATA BMEU	265.00	C20523	PERMIT 239 RENEWAL
39803	6/10/2022	CAS10	Volunteer LIVESCAN REIMB RF	-	C20602u	Ck# 039803 Reversed
39826	6/10/2022	USA01	USA BLUEBOOK	-	381321u	Ck# 039826 Reversed

Check Number	Check Date	Vendor Number	Vendor Name	Net Amount	Invoice #	Description
				-	967016u	Ck# 039826 Reversed
			Check Total:	-		
D00072	5/31/2022	BIN01	BINDER, SCOTT	125.00	C20531	BOARD MEETING 5/4/22
D00072	5/31/2022	COU09	COUCH, DAVID	125.00	C20531	BOARD MEETING 5/4/22
D00072	5/31/2022	ORS01	ORSINI, GREGORY	125.00	C20531	BOARD MEETING 5/4/22
D00072	5/31/2022	PET01	PETERSON, JOELLEN	125.00	C20531	BOARD MEETING 5/4/22
			Check Total:	500.00		
Total Disbursements, Accounts Payable:				566,618.72		

Payroll Related Disbursements

18114-18132	5/9/2022		Various Employees	11,576.90		Payroll Checks
18133	5/9/2022	CAL12	CalPERS 457 Plan	8,614.95	C20509	RETIREMENT
				827.22	1C20509	PERS 457 LOAN PMT
			Check Total:	9,442.17		
18134	5/9/2022	DIR01	DIRECT DEPOSIT VENDOR- US	39,406.91	C20509	Direct Deposit
18135	5/9/2022	EMP01	Employment Development	1,606.24	C20509	STATE INCOME TAX
				811.64	1C20509	SDI
			Check Total:	2,417.88		
18136	5/9/2022	HEA01	HEALTHEQUITY, ATTN: CLINT	150.00	C20509	HSA
18137	5/9/2022	HUM29	UMPQUA BANK--PAYROLL DEP.	5,709.79	C20509	FEDERAL INCOME TAX
				9,183.46	1C20509	FICA
				2,147.80	2C20509	MEDICARE
			Check Total:	17,041.05		
18138	5/9/2022	ACW01	CB&T/ACWA-JPIA	61,183.77	C20430	MED-DENTAL-EAP INSUR
18139	5/9/2022	PUB01	Public Employees PERS	21,469.71	C20430	PERS PAYROLL REMITTANCE
18140-18158	5/24/2022		Various Employees	11,256.63		Payroll Checks
18159	5/24/2022	CAL12	CalPERS 457 Plan	8,520.12	C20524	RETIREMENT
				920.36	1C20524	PERS 457 LOAN PMT

Check Number	Check Date	Vendor Number	Vendor Name	Net Amount	Invoice #	Description
Check Total:				<u>9,440.48</u>		
18160	5/24/2022	DIR01	DIRECT DEPOSIT VENDOR- US	39,072.33	C20524	Direct Deposit
18161	5/24/2022	EMP01	Employment Development	1,648.83	C20524	STATE INCOME TAX
				807.88	1C20524	SDI
Check Total:				<u>2,456.71</u>		
18162	5/24/2022	HEA01	HEALTHEQUITY, ATTN: CLINT	150.00	C20524	HSA
18163	5/24/2022	HUM29	UMPQUA BANK--PAYROLL DEP.	5,603.85	C20524	FEDERAL INCOME TAX
				9,085.60	1C20524	FICA
				2,124.82	2C20524	MEDICARE
Check Total:				<u>16,814.27</u>		
Total Disbursements, Payroll:				<u>241,878.81</u>		
Total Check Disbursements:				808,497.53		

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McKinleyville Community Services District

BOARD OF DIRECTORS

July 6, 2022

TYPE OF ITEM: **INFORMATIONAL**

ITEM: D.3 **Election Information for Gubernatorial Election
November 8, 2022**

PRESENTED BY: **April Sousa, Board Secretary**

TYPE OF ACTION: **None**

Recommendation:

Staff recommends that the board review the information presented.

Discussion:

The next Gubernatorial General Election will be on November 8, 2022. For each election, the County Office of Elections and Voter Registration sends a letter (**Attachment 1**) requesting District preferences for candidate statements and tie breakers. This letter was received by the District Office on the day it was due, and preferences were marked according to how the district has approved in the past, which includes the candidate paying for their own publication of their candidate statement and for a tie breaker to be resolved by lot.

The nominations period will open on July 18, 2022 and will run through August 12, 2022. There are three Board Director seats that will be open for election. Each seat is for a four (4) year term. The incumbents are Joellen Clark-Peterson, David R. Couch, and Dennis Mayo. As a Special District, all nomination paperwork is done through the County Office of Elections. For those who are interested in the process, they may contact the Board Secretary for information or go directly to the Office of Election to obtain the proper nomination paperwork. Elections in McKinleyville Community Services District are held at large, which means that the only requirement is that each candidate must be a registered voter residing within the MCSD service area.

Alternatives:

Take Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – County Office of Elections Letter for Officer Terms Expiring and District Preferences dated May 30, 2022.



COUNTY OF HUMBOLDT
Office of Elections & Voter Registration
 2426 6th Street
 Eureka, CA 95501-0788
 707-445-7481 / Fax 707-445-7204
 humboldt_elections@co.humboldt.ca.us

TO: McKinleyville Community Services District
 FROM: Christina Strevey, Administrative Analyst
 DATE: May 30, 2022
 SUBJECT: Gubernatorial General Election on November 2, 2022
Officer Terms Expiring & District Preferences

RECEIVED
JUN 7 2022
McK. C.S.D.

The Office of Elections is preparing for the Gubernatorial General Election on November 2, 2022 and requests your assistance. Please complete and return this form **by June 7, 2022**.

Mailing Address: 2426 6th Street, Eureka, CA 95501
 Email: cstrevey@co.humboldt.ca.us

OFFICER TERMS EXPIRING IN 2022

Elections records indicate your board has officer terms that will expire in 2022. Please review the below information and make necessary corrections or notations.

Title	Incumbent
Director, 4 yr	David R Couch
Director, 4 yr	Dennis Mayo
Director, 4 yr	Joellen Clark Peterson

DISTRICT PREFERENCES & CHANGES

Please provide the Office of Elections with the below information.

Candidacy

Who will pay for candidate statements? Circle one.

DISTRICT

CANDIDATE

Maximum word length for candidate statements. Circle one.

200 words

400 words

Tie Breaker

How will your district resolve a tie? Circle one.

BY LOT


RUNOFF

Boundary Changes

Has there been changes to district borders in the last two years? Circle one.
 (If "YES", please return a new map with current district boundaries.)

YES

NO

Signature 

Date 6/7/22

Print Name & Title April Sousa, Board Secretary

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McKinleyville Community Services District

BOARD OF DIRECTORS

July 6, 2022

TYPE OF ITEM: **ACTION**

ITEM: D.4 **Reaffirm Resolution 2021-27 Making Findings Pursuant to Government Code Section 5493, as Amended by Assembly Bill 361, and Authorizing the Continued Use of Virtual Meetings**

PRESENTED BY: **April Sousa, Board Secretary**

TYPE OF ACTION: **Roll Call Vote – Consent Calendar**

Recommendation:

Staff recommends that the Board review the provided material and reaffirm Resolution 2021-27 (**Attachment 1**), authorizing the continued use of virtual meetings.

Discussion:

At the beginning of the pandemic, Governor Newsom issued Executive Orders N-08-21, N-25-20, and N-29-20, which allowed for relaxed provisions of the Ralph M. Brown Act (Brown Act) that allowed legislative bodies to conduct meetings through teleconferencing without having to meet the strict compliance of the Brown Act.

The Governor slated these orders to sunset at the end of September 2021.

On September 17, 2021, Governor Newsom signed into law Assembly Bill 361, which amends the Government Code to provide relief from strict teleconferencing provisions of the Brown Act under certain circumstances. In order to continue in this matter, the legislative body would need to make certain findings that would require the need for the legislative body to conduct meetings in this matter. These findings would include any sort of proclaimed state of emergency.

A state of emergency was proclaimed by the Governor on March 4, 2020, which remains in effect today. Additionally, the Humboldt County Health Officer has imposed recommendations to continue to promote social distancing in his August 6, 2021 order, as well as other prior orders and guidance.

As this state of emergency continues to directly impact the ability for some members of the public to meet in person as well as, at times, members of the Board of Directors to safely meet in person, the continuance of public meetings via teleconference is advisable.

The Board of Directors previously discussed continuing with a teleconference option for all board meetings at the August 2021 Board meeting. With the passing of Resolution 2021-27, any Board member that finds themselves unable to attend in person due to a sudden COVID matter will be able to continue to meet as a member of the Board via a teleconference option without the strict teleconferencing provisions, which includes disclosing the location of each Board Director who is meeting virtually.

Resolution 2021-27 was originally approved on October 6, 2021.

It is recommended by legal counsel that this resolution be reaffirmed in 30 days, and every 30 days after, until such time it is no longer needed.

Alternatives:

Staff analysis consists of the following potential alternative:

- Take No Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Resolution 2021-27

RESOLUTION NO 2021-27

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT MAKING FINDINGS PURSUANT TO GOVERNMENT CODE SECTION 54953, AS AMENDED BY ASSEMBLY BILL 361, AND AUTHORIZING THE CONTINUED USE OF VIRTUAL MEETINGS

WHEREAS, as a result of the COVID-19 pandemic, the Governor issued Executive Order Nos. N-08-21, N-25-20 and N-29-20, which suspended certain provisions of the Ralph M. Brown Act to allow legislative bodies to conduct public meetings without strict compliance with the teleconferencing provisions of the Brown Act; and

WHEREAS, Assembly Bill 361, which was signed into law on September 17, 2021, amended Government Code section 54953, to provide relief from the teleconferencing provisions of the Brown Act under certain circumstances provided the legislative body makes certain findings; and

WHEREAS, as a result of the COVID-19 pandemic, the Governor proclaimed a state of emergency on March 4, 2020, in accordance with the section 8625 of the California Emergency Services Act, and the state of emergency remains in effect; and

WHEREAS, as a result of the COVID-19 pandemic, the Humboldt County Health Officer has imposed and has recommended measures to promote social distancing as more particularly set forth in his August 6, 2021, Order, among other prior orders and guidance; and

NOW, THEREFORE, the Board of Directors of the McKinleyville Community Services District does hereby find and resolve as follows:

1. That the Board has reconsidered the circumstances of the previously declared and existing state of emergency arising from the COVID-19 pandemic; and
2. That the state of emergency continues to directly impact the ability of the members of the Board to meet safely in person, and further that local officials continue to impose or recommend measures to promote social distancing; and
3. That the Board may continue to conduct public meetings in accordance with Government Code section 54953(e); and
4. That the Board will reconsider the above findings within 30-days of this Resolution.

PASSED AND ADOPTED on the 6th day of October 2021 by the following vote:

AYES: Binder, Clark-Peterson, Couch, Orsini, and Mayo
 NAYS: None
 ABSENT: None
 ABSTAIN: None



 Dennis Mayo, Board President

Attest:



 April Sousa, MMC, Board Secretary

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McKinleyville Community Services District

BOARD OF DIRECTORS

July 6, 2022

TYPE OF ITEM: **CONSENT**

ITEM: D.5 **Distribution of the Annual Board Self-Evaluation**

PRESENTED BY: **April Sousa, Board Secretary**

TYPE OF ACTION: **Information Only - Consent**

Recommendation:

Staff recommends that the Board review, discuss and take public comment regarding the Annual Board Self-Evaluation.

Discussion:

At the March 2016 Board meeting, a modification to the Board of Director's Policy Manual adding Part 11, Annual Board Self Evaluation, was approved. The policy provides the Directors with a tool to assess its own performance as a Board in order to help identify strengths and areas in which it may improve function.

At the November 2020 Board meeting, modifications to the Board Self-Evaluation worksheet were approved. Modifications to the worksheet included changes to the evaluation questions in order to ensure the desired expectations of this evaluation, which are to clarify roles, enhance harmony and understanding among Board members, and to improve the efficiency and effectiveness of the Board meetings. Additionally, it was approved to move the evaluation to a digital platform, which will automatically compile the results.

At tonight's meeting, the evaluation questions are provided in hard copy form (**Attachment 1**). A digital link will be sent to each Board Member for completion. This evaluation must be completed on or before July 22, 2022. If any Board Director needs assistance completing the digital questionnaire, they can contact the Board Secretary.

The compiled evaluation will be reviewed at the August 3, 2022 meeting.

Alternatives:

Take Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 - Self-Evaluation Questions

7. Do you have any suggestions for improving the working relationship between the General Manager and the Board?

8. What are MCSD's major programs and services that you would like to know more about?

9. Do you follow trends and important developments in industries and services that MCSD provides? If yes, please give examples. If no, what would help you to do more in this area?

10. Do you understand MCSD's financial statements? What would help you with this?

11. Do you feel that the District and Board act knowledgeably and prudently when making recommendations about MCSD finances and financial policies in consideration of the District as a whole?

12. In what ways do you prepare for and participate at Board/Committee meetings as well as other MCSD events?

13. What skills do you possess that you would be willing to volunteer to further the MCSD vision and mission?

14. Do you complete assignments and responsibilities assigned to you in a responsible and timely manner? If no, what can assist you in this?

15. How often do you take advantage of opportunities to enhance the MCSD public image by periodically speaking to others about the work of the District?

16. Do you have additional ideas for programs or outreach to enhance MCSD's public image?

17. What are the potential challenges you see impacting the Board and/or District in the next 1-3 years? What can be done to limit or overcome these challenges?

McKinleyville Community Services District

BOARD OF DIRECTORS

July 6, 2022

TYPE OF ITEM: **CONSENT**

ITEM: D.6 **Consider Attendance to the California Special District's Association (CSDA) 2022 Annual Conference, August 22-25, 2022 in Palm Desert, CA**

PRESENTED BY: **April Sousa, Board Secretary**

TYPE OF ACTION: **Roll Call Vote - Consent**

Recommendation:

Staff recommends that the Board review the information provided for the California Special Districts Association (CSDA) Annual Conference in Palm Desert, CA and consider authorization for interested Board members to attend.

Discussion:

The 2022 CSDA Annual Conference will be held in Palm Desert, CA on August 22-25, 2022. The leadership conference for special districts will cover special district governance, trends, issues, and legislation.

The conference is designed for special district leaders from across the state to meet with industry suppliers, hear from the best in special district-specific topics with over 30 breakout session options, network with peers. CSDA encourages Directors and General Managers to attend the annual conference. The opportunity to gain knowledge and inspiration is invaluable to the leadership and staff of special districts.

Additionally, there is the opportunity to take pre-conference workshops, including Governance Foundations, a requirement for the Special District Leadership Foundation (SDLF) District of Distinction Award.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

The cost for early conference registration is \$650 (on/before July 22, 2022). Additional meal per diem will be \$195 per person for meals not provided through the conference. Hotel room reservations for the conference begin at \$132 per night for a total of \$396 not including tax and are based on availability. In order to book a hotel room, you must first register for the conference in order to obtain a CSDA room reservation code. Room reservation cut-off is July 22, 2022; however, space is limited and may sell out before this date. Airfare is approximately \$404 (to Palm Springs) Approximate cost for travel and attendance to the conference is \$1645 per attendee.

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – CSDA Conference Brochure



**California Special
Districts Association**
Districts Stronger Together

2022 CSDA Annual Conference & Exhibitor Showcase

*The Leadership Conference
for Special Districts*

**August 22–25, 2022
Palm Desert, California**





JW Marriott **Desert Springs Resort & Spa**

Room reservations for the CSDA Annual Conference and Exhibitor Showcase begin at \$139 plus tax plus discounted \$15 resort charge and are based on availability. The room reservation cut-off is July 22, 2022; however, space is limited and may sell out before this date. Information with the link to book hotel reservations in the CSDA room block will be emailed to the attendee within 24 hours of registration.

SDRMA Credit Incentive Points



Special District Risk Management Authority (SDRMA) is committed to establishing a strategic partnership with our members to provide maximum protection, help control losses, and positively impact the overall cost of property/liability and workers' compensation coverage through the Credit Incentive Program. Credit incentive points (CIPs) can be earned based on an agency's attendance at the CSDA Annual Conference & Exhibitor Showcase, reducing SDRMA members' annual contribution amounts.

Monday, August 22, 2022



8:00 a.m.

Pre-Conference Program Events

(pre-registration/payment required)



SDLF Scramble for Scholarships Golf Tournament

Join special district elected officials, staff, and business affiliates at this optional fun event. Great golf skills are not necessary!

Proceeds benefit the Special District Leadership Foundation scholarship fund.

\$120 includes golf with cart, lunch, and prizes!



9:00 a.m. – 3:30 p.m.

Pre-Conference Workshops

(pre-registration/payment required)

Special District Leadership Academy Module 1: Governance Foundations

 **CIP ELIGIBLE**

As the core curriculum of CSDA's Special District Leadership Academy, this workshop serves as the "foundation" for the series on effective governance of special districts. It is specifically designed for special district board members and meets the requirement for six hours of governance training for Special District Leadership Foundation programs.

*\$225 CSDA Member / \$340 Non-member**

So, You Want to Be a General Manager?

This is a practical career development workshop for senior executives and emerging leaders in special districts. This action-oriented workshop includes group and panel discussions on the journey, roles, and skillsets of a general manager; identifying general manager opportunities; developing positive relations with the board, staff, and peer agency executives; and leadership best practices.

*\$100 CSDA Member and Non-member**

NEW! Special District Finance Professionals Forum

Join industry experts and special district professionals for a full-day forum with education and information specifically for special district finance professionals ahead of the CSDA Annual Conference & Exhibitor Showcase. Topics include local government investing, GFOA best practices, long-range financial planning and modeling, GASB reporting, cost-saving measures, and managing pension costs.

*\$50 CSDA Member / \$100 Non-member**

**Pre-Conference Workshop Registration Fee includes continental breakfast and lunch. Limited class size, register early!*



5:15 – 7:30 p.m.

Conference Officially Begins! President's Reception with the Exhibitors

Join us in the exhibit hall as we network with business professionals who provide all types of goods and services to special districts. Appetizers, refreshments, and entertainment are provided.

(all registered attendees welcome)



11:30 a.m. – 3:00 p.m.

Pre-Conference Tour:

Southern California Edison (SCE) Green Energy Tour

Join your fellow attendees and representatives of Southern California Edison (SCE) for lunch and a tour of the Devers Substation. Attendees will learn about SCE operations as well as green energy efforts in the area including solar and wind.

\$10 per person, includes transportation to/from the hotel, lunch, and tour

Early registration is encouraged. Limited to 50 attendees.



1:30 – 3:30 p.m.

Certified Special District Manager (CSDM) Exam, Special District Leadership Foundation

(optional, must be scheduled prior to conference)



3:45 – 5:15 p.m.

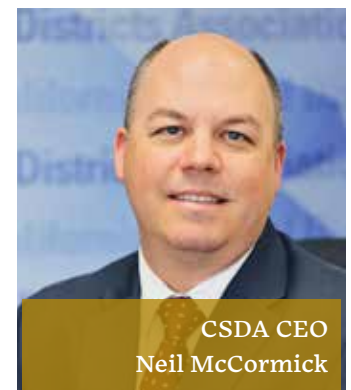
Chapter Roundtable Discussion

(optional, no fee but must be attending the conference)

Join CSDA board members and local chapter leaders from across the state to share best practices and discuss issues and opportunities.



CSDA Board President
Ryan Clausnitzer, CSDM



CSDA CEO
Neil McCormick



7:30 – 8:30 a.m.

CSDA Board Meeting



7:30 a.m. – 6:30 p.m.

Exhibitor Showcase Open



7:30 – 8:30 a.m.

Continental Breakfast in the Exhibit Hall (Raffle)



8:45 – 10:45 a.m.

Opening General Session and Keynote

The Courage to Go Together: Three Questions to Change How You Work, Live and Lead

CEO and Founder of Go Together Global and best-selling author, Shola Richards presents “The Courage to Go Together: Three Questions to Change How You Work, Live and Lead.”

In his inspiring flagship keynote, Shola will introduce the transformative concept of Ubuntu (pronounced, “oo-BOON-too”) which translates to “I am, because we are.” The Ubuntu philosophy, along with three powerful questions, will provide the audience with actionable strategies to transform their work culture, amplify team civility, and inspire themselves and others to consistently bring their best to their work.

The audience will leave with:

- The three key questions that they need to ask themselves to increase the likelihood of civil, engaged, and productive work culture.
- The answers to the most common objections to beginning the important (and challenging) work of positively transforming their work culture.
- The self-awareness to become mindful of how their words, actions, and behaviors affect others.

Awards Presented

General Manager of the Year, Board Member of the Year, and Staff Member of the Year, SDLF New and Renewing CSDM, and SDLF Certificate in Special District Governance.





11:00 a.m. – 12:00 p.m.

Breakout Sessions

It's All About the Projects

Probolsky Research, Orange County Sanitation District, Santa Margarita Water District

Special districts spend billions of dollars every year on infrastructure projects from pipe replacements and building retrofitting to treatment plants and new trail systems. The public likes to know where their tax and ratepayer dollars are going.

- Learn how to gain public trust by promoting your projects, big and small
- See how other agencies have successfully highlighted infrastructure projects
- Get unique insight from recent research on how to best communicate your infrastructure successes with the public

Violence in the Workplace—Mitigating Risk and Proactively Responding to Threats

Renne Public Law Group

This session will address how special districts can develop policies and procedures aimed at both preventing workplace violence from occurring and responding promptly to threats that do arise.

- The legal standard for obtaining a workplace violence temporary restraining order (TRO) and related court procedures
- How or whether a special district may respond to threatening

- behavior from an employee at work.
- What type of threatening behavior (i.e., on or off duty) warrants a response from the special district
- Guidance on developing workplace violence and related policies to mitigate and manage risk

Lessons Learned from a Disrupted Redistricting Process

Best Best & Krieger LLP and Goleta Sanitary District

The 2021 Redistricting Cycle saw challenges at every turn. From delayed data releases to a lack of qualified demographers to handle the increased workload due to changes in the California Voting Rights Act, Redistricting 2021 has taxed teams and organizations across the state. Participants in this informative session can share their own stories while hearing the good, bad, and ugly about how this massive statewide endeavor unfolded. Revisiting this topic will provide insight into how agencies may plan for other future projects that involve collaboration with a limited number of vendors, as well as how they can interact with other agencies going through the same process, share resources, and solve problems with creativity and optimism.

In this session, participants will learn about:

- redistricting strategies that do or do not work

- how to leverage successful strategies from redistricting to solve other agency problems
- how the legislature impacted key decision making at the local level
- what to plan for in the future

Change of Course: Master Plan Mini-Updates Using Internal Knowledge

Monte Vista Water District

Staff has first-hand knowledge of a district's infrastructure needs and vulnerabilities. In 2020, Monte Vista Water District put this knowledge to use in reevaluating and updating its capital improvement strategy. Through a series of structured workshops with field and administrative staff, MVWD developed a water system master plan "mini-update," including a prioritized five-year capital improvement and pipeline replacement program. Staff then developed and presented to the Board of Directors funding options based on prioritized needs, resulting in an updated five-year financial master plan. Finally, the results of these updated plans were integrated into MVWD's annual budget and five-year strategic plan, ensuring consistency between near- and long-term goals. The presenters will demonstrate how conducting a structured re-evaluation of master plans using internal knowledge led to a successful reorientation of its capital program.

Learning outcomes:

- re-evaluation of capital and

- financial master plans
- use of internal staff knowledge
- near- and long-term planning integration

Social Media Issues: Free Speech, Public Records, and Public Meetings *Meyers Nave*

The use of social media by public entities, elected officials, and employees presents significant legal and regulatory issues. The session will address the three most important social media issues facing special districts:

1. First Amendment – Does a public official violate First Amendment rights by blocking someone from the official’s social media account?
2. Public Records – Are electronic communications through a social media account provided by a government entity, such as a special district’s Facebook page, subject to the Public Records Act?
3. Public Meetings – What social media activities do and do not comply with public notice,

public access, and public comment requirements of the Brown Act?

MCLE CREDIT

This presentation has been approved for 1 hour of MCLE credit by the State Bar of California.

Meyers Nave, a Professional Law Corporation, is a MCLE licensed provider. PN #10416

Post Pandemic COVID-19 Workplace Accommodation Challenges *Atkinson, Andelson, Loya, Ruud & Romo*

California public employers have adjusted and adapted to the evolving workplace during the pandemic. As it becomes more likely that employers will now have to work and live side-by-side with COVID-19, employers will be challenged with the new expectations and accommodation requests from the workforce. We will begin with a refresher of the reasonable accommodation process and best practices, and move to a discussion of COVID-19 related

requests for accommodations and how to navigate the process to ensure compliance, maintain productivity, and limit missteps.

How the General Manager Performance Evaluation Can Make a Real Difference for both the Manager and the Board *Rauch Communication Consultants, Inc.*

Rauch Communication Consultants, Inc.

This session details a proven process that will improve communication and understanding between the manager and board, incorporates both subjective and objective metrics, and ensures there is policy level direction to clarify the manager’s goals for the coming year.

Learning Outcomes:

- How to plan and implement a general manager performance evaluation
- The role of the board, manager, and legal counsel
- How and when to consider a 360-degree evaluation
- How to set up goals, use of forms, and more



12:15 – 1:30 p.m.

Lunch with the Exhibitors

All conference attendees are welcome to attend lunch in the exhibit hall. Enjoy your lunch while taking time to learn more about our exhibitors and the valuable services they provide. From risk management to accounting, HR, legal, banking services, and more – our exhibitors have some of the best of what you’re looking for!

Lunch is included in conference registration.





1:45 – 3:00 p.m.

Breakout Sessions

Required Ethics Compliance Training – AB 1234 (Part 1)

Meyers Nave

AB 1234 mandates agency officials receive two hours of ethics training every two years. This training covers all required topics, including conflicts, financial gain, prerequisites of office, transparency, and fair process.

MCLE CREDIT

This presentation has been approved for 2 hours of MCLE credit by the State Bar of California. Meyers Nave, a Professional Law Corporation, is a MCLE licensed provider. PN #10416

It's Easier Than You Think! Building and Maintaining an Effective Investment Program for Your Special District

Public Trust Advisors / California CLASS

A comprehensive investment program for public agencies should strive to optimally balance safety, liquidity, and yield considerations. This session will explore some possible ways to evaluate and utilize the different investment vehicles and structures available to California special districts: stable \$1.00 Net Asset Value investment pools; variable Net Asset Value investment pools; and separately managed accounts (SMAs). The session will discuss the application of pools and SMAs in establishing a cash management and investment program at a public agency. Attendees will leave

this session with a more holistic understanding of the role that an investment adviser can fill in helping establish and operate an investment program, both through an investment pool and an SMA.

Setting Your Agency Up for Success: Building Goals and Priorities

Tripepi Smith

As new issues and challenges arise every day, agencies may find themselves shifting and changing policies, processes, service delivery, and more. To set themselves on the right track, these agencies would benefit from reestablishing organizational goals, narrowing their focus on priorities, and reviewing the progress made on current goals. By doing so effectively, agencies can identify areas for improvement and make significant progress towards success and growth.

In this session, Tripepi Smith President Ryder Todd Smith, Director Mike Egan and Director Jennifer Fitzgerald will reflect on their experiences in public service and in assisting agencies with processes such as this to:

- Consider the purpose and benefits of establishing goals for agency staff and the communities they serve
- Review how to remain effective in the goal-setting process
- Discuss accountability and goal measurement practices

- Analyze how building goals can impact the agency's culture

Seriously? Crucial Conversations in a Stressful Environment

Best Best & Krieger LLP

Everyone has experienced a difficult conversation at work, some of their own making and some the result of another person's behavior. This session will both entertain and educate the participants on how to handle crucial conversations, manage stressful situations without regrets and deal with various communication styles of today's multi-generational workplace.

Brown Act: Principles, Traps and Avoiding Unintentional Violations

Lozano Smith, Attorneys at Law

This workshop will use entertaining hypotheticals to engage participants in a wide-ranging, hands-on overview of the Brown Act to help board members stay in compliance when it comes to closed sessions, public comments, serial meetings, and e-communications.

Promoting Civility in Times of Heightened Partisanship and Polarization

Panel moderated by Institute for Local Government

In the wake of contentious elections, local officials statewide are faced with navigating polarization and partisanship at the federal, state, and local levels. Local governments are working

hard to balance this while also managing new board dynamics, continued uncertainty resulting from the COVID crisis and a myriad of other challenges local governments face daily. Join a panel of special district officials to hear strategies and lessons learned about how to manage relationships, increase civility, continue operations, and

communicate effectively with your community.

The Five Functions That Drive Team Success

David Aranda, CSDM

Special districts face unique challenges with individual board members coming together as a unified board and working as a team along with the general

manager. This presentation will discuss the five best practices of an effective team, as based on Patrick Lencioni's book, "The Five Dysfunctions of a Team." The instructor will also share insights and lessons learned from over three decades of serving as a general manager and board member.



3:45 – 4:45 p.m.

Breakout Sessions

Required Ethics AB 1234 Compliance Training (Part 2)

Meyers Nave

See previous session description.

(Must attend both sessions for certificate)

You Need It. How Do You Do it? A Step-by-Step Guide to Building an Effective Multi-Year Strategic Plan

Rauch Communication Consultants, Inc.

Whatever the challenges facing your district, it is critical to build a realistic, step-by-step, and well-supported plan to get there. This session will provide concrete guidance on evaluating the issues, challenges, and opportunities facing your district and developing clear board direction for the future. This lively session will feature sharing of actual experiences (good and bad) by the participants and seminar leader. The session will provide numerous practical tips that you can bring home to your district. It will also demonstrate how staff

can develop implementation plans and successfully engage the board, executive team, staff, and the public in this process. You will also learn how to pin down clear direction in plain English, measure results, and more.

Mastering the Art of Crucial Conversations Around DEI

CPS HR Consulting

It is essential to learn how to have hard conversations that address the current environment of social justice and racial equity. We will explore topics like cultural intelligence, acknowledgment vs. agreement, Black Lives Matter vs. All Lives Matter, how to be an ally, and the best way to address employees. This session will share practical and timely guidance on how to engage employees around the complex and passionate issues related to systemic racism, the need for transparency and accountability in organizational practices, and the need for civil discourse.

The Road Ahead for Managing Rising Pension Costs

PARS

As public agencies continue to navigate through the challenges created by the COVID-19 Pandemic, rising pension costs continue to loom like a dark cloud that keeps growing. Pension systems face an uncertain economic outlook with discount rate targets that are mismatched with future expected returns. Recent changes to asset allocations also risk further increasing the gap for funding these obligations. How are agencies addressing their pension liabilities during uncertain times such as these? In this session, industry experts will discuss common questions and concerns related to this topic to help you prepare for the road ahead.

Boards Behaving Badly: How to Stay Out of Trouble

Renne Public Law Group

This session will explain the duties of trust and loyalty board members owe their district and constituents.

Tuesday, August 23, 2022

Using real-life examples, the session will cover the topics board members need to understand to avoid allegations of misconduct, including:

- The roles of boards and individual members serving on the board
- Handling confidential material
- Safeguarding attorney-client privileged information
- Understanding public contracting requirements
- The relevance and impact of conflict-of-interest laws in the above-contexts

Special Taxes by Majority Voter Approval: How, When, and Why
Colantuono Highsmith & Whatley, PC

Based on recent court opinions, special taxes proposed by initiative may be approved by a simple majority vote (50% + 1). This is a

dramatic change from prior law that required all special taxes to be approved by a supermajority (2/3rds) of voters. This session will discuss the process and law related to this change in special taxes.

10 Cybersecurity Practices to Keep Special Districts Safe
Meriplex, Streamline

Special districts are increasingly becoming a target of cyberattacks. With insurance rates skyrocketing and cyber coverage increasingly hard to qualify for, now is the time to be ready and safe. Join our presenters as they walk you through ten easy steps that will protect you from 99% of threats. They promise to speak plain English and leave you with an easy checklist to protect yourself and the community you serve.



5:00 – 6:30 p.m.

Mix and “FlaMingle” in the Exhibit Hall

Stop by the exhibit hall for a cocktail and hors d’oeuvres. Be sure to enter for one more chance to win one of our fabulous prizes!

The exhibit hall closes on Tuesday, August 23rd at 6:30 p.m.



Taste of the City *Casino Night*

Wednesday, August 24, 2022
from 6 to 9 p.m.





8:00 – 8:45 a.m.

SDRMA Sponsored Full Plated Breakfast

All registered attendees and exhibitors are welcome.



8:45 – 10:30 a.m.

SDRMA General Session Keynote

Good Anxiety: Harnessing the Power of the Most Misunderstood Emotion



Dr. Wendy Suzuki, professor and author presenting “Good Anxiety: Harnessing the Power of the Most Misunderstood Emotion.” You know when you get that ambiguous email from your boss or your constituent and you start to feel sweaty palms and that empty, freaked-out sensation in your stomach? Then you know, it’s back again.... Anxiety. But what if anxiety isn’t always a bad thing? What if, by using tools from neuroscience and psychology, you could learn to turn down the volume on your anxiety and transform all that activation energy that’s making your mind race into something that’s actually helpful? That jujitsu move of transforming anxiety into something productive and helpful is the topic of Professor Suzuki’s talk.

Awards Presented

SDRMA Safety Awards, New and Renewing Transparency Certificate of Excellence, New and Renewing District of Distinction



10:45 a.m. – 12:00 p.m.

Breakout Sessions

The Bond Market 101: Access, Interest Rates, and Costs

CSDA Finance Corporation

Debt financing can be a useful tool for funding capital improvements, but it isn’t a one-size-fits-all solution. Different types of financing can mean different interest rates and different costs of issuance. In this panel discussion, CSDA Finance Corporation consultants explain how financings are priced (and interest rates are set) in the bond market vs the bank market. Learn about different

types of financings and how they are secured, the difference between tax-exempt and taxable transactions, and the related costs and fees.

Back to Basics –The Power of Your Injury & Illness Prevention Program (IIPP)

Special District Risk Management Authority

While the IIPP seems like one of the most basic Cal/OSHA standards, it is actually the essential foundation of an effective safety program. It is a step-by-

step guide on how to protect your employees. When all elements of the IIPP are in sync, the result is a powerful safety program that identifies the hazards and exposures employees face, detects required prevention measures to protect employees, and then systematically realigns when conditions change.

During this session, participants will gain a fresh perspective on how the elements of the IIPP work together. Taking a fresh look at your IIPP is no easy feat, but

its value comes from protecting your employees, reducing risks associated with workplace injuries and illnesses, and reducing costs through prevention.

Telling Your Organization's Story *Cucamonga Valley Water District* *Coachella Valley Mosquito and Vector Control District*

Special districts do important work for communities, but if we don't tell our story throughout the year, our customers won't understand the need for rate increases, usage decreases, or power adjustments when needed. Messaging proactively with a plan will help your district foster relationships with your stakeholders that will come back in key times. This session will cover how to incorporate strategic communications into your agency's general plan, and you will hear case studies from special districts that have successfully told their story and developed an awareness within their community to gain trust and inspire impactful engagement.

Homelessness: What Special Districts Need to Know and What They Can Do *Meyers Nave*

California continues to have the largest increase in homelessness each year now accounting for 28% of the homeless population in the U.S. and 51% of all unsheltered homeless individuals. The Ninth Circuit Court of Appeals' landmark decision in *Martin v. City of Boise* held that enforcement of sleep, lie, camping, or similar ordinances where there is insufficient shelter

space to accommodate all homeless people violates the Eighth Amendment right against cruel and unusual punishment. This session focuses on the challenges and best practices for addressing homelessness and its impact on special districts.

MCLE CREDIT

This presentation has been approved for 1.25 hours of MCLE credit by the State Bar of California. Meyers Nave, a Professional Law Corporation, is a MCLE licensed provider. PN #10416

Best in Class: Collaborations of Individual District's Strengths Forge Regional Excellence *Palmdale Water District* *United Water Conservation District*

Following nearly a year of exploratory meetings, Palmdale Water District and United Water Conservation District agreed to share resources and work on large-scale projects that are of mutual benefit. These include the coordinated development and use of water resources, recreation areas, intern and apprenticeship programs, and advanced water treatment. This promising collaboration, while unique, will provide numerous benefits to the communities served by both agencies.

Wage and Hour Law Update for California Special Districts *Slovak Baron Empey Murphy & Pinkney LLP*

California's wage and hour laws are notoriously some of the strictest in the nation for employers. These

laws are complex and constantly evolving, intermingling various sources of state and federal statutes, regulations, and advisory opinions from state agencies. Simple and inadvertent mistakes in payroll and timekeeping practices can quickly expose employers to significant liability from class-action lawsuits and representative claims under the Private Attorneys General Act (PAGA).

Learning outcomes for this session will include:

- Understanding the latest developments and trends in California wage and hour laws
- Developing management strategies to mitigate exposure to wage and hour claims
- Appreciating the risks and benefits of using arbitration agreements to protect against class

Changing Climate – Changing Times *Panel Discussion*

Hear from special districts and other experts at the forefront of climate adaptation issues. Our expert panel includes the Rosamond Community Services District as well as the Resource Conservation District of Greater San Diego County. Rosamond will highlight their innovative water recycling solution, "Water Reuse," and RCD of Greater San Diego County will discuss how they support their community and homeowners through 40+ fire-safe councils and work toward regional wildfire resiliency through a suite of forest health and fire prevention programs.



11:00 a.m. – 12:00 p.m.

SDLF Board and Annual Meeting



12:15 – 1:45 p.m.

Legislative Update Luncheon

(All attendees welcome)

CSDA's legislative and legal affairs team will present attendees with the most up-to-date information on the outcome of the biggest state and federal budgetary, legislative, and legal issues impacting special districts in 2022, as well as a sneak peek of what to expect in 2023. Learn about significant new laws coming your way and what they mean for special districts going forward.



Awards Presented

- Innovative Project/Program of the Year Award (large district)
- Innovative Project/Program of the Year Award (small district)
- Exceptional Public Outreach & Advocacy Award (large district)
- Exceptional Public Outreach & Advocacy Award (small district)
- Recognition of Previous and Outgoing Board Members
- Ralph Heim Exceptional Outreach & Advocacy Award
- William Hollingsworth Award of Excellence



2:00 – 3:00 p.m.

CSDA Finance Corporation Board and Annual Meeting



2:00 – 3:15 p.m.

Breakout Sessions

Sexual Harassment Prevention (Part 1) *Richards Watson Gershon*

This two-hour training addresses the prevention of sexual harassment and other forms of workplace harassment. It fulfills the requirements for supervisory and non-supervisory employees, as well as elected officials.

Contracting for Indemnification *Special District Risk Management Authority*

This session will provide attendees with information on how to evaluate contracts specifically as they related to indemnity and hold harmless agreements to ensure that your agency is protected.

We will go over recommended limits and template language for contracts. We will also go over the importance of being named as an Additional Insured by your contractors/vendors to protect your agency and how to avoid issues when a claim occurs.

Ballot Measure 101 – Legal Requirements and Processes for Ballot Measures

Richards Watson Gershon

Ballot measures that affect special districts might be infrequent, but the stakes can be quite high. This session will provide an overview of some of the basic issues relating to local ballot measures, including what district staff and officials can and can't do in connection with a ballot measure.

Healthier Local Democracies through Lottery-Selected Panels

Healthy Democracy

Democratic lotteries are being used around the world to guarantee diversity, representation, and inclusion of new voices in public policymaking. Healthy Democracy will provide an introduction to this concept, sharing recent case studies from Oregon and California, followed

by an interactive workshop in which participants will imagine how lottery-selected panels could transform tricky policy decisions in their communities.

Legislative Update - Post Script *CSDA*

Can't get enough of the advocacy and public affairs inside scoop? Attended the Legislative Update Luncheon and still have more questions? We have you covered. Here's your chance to meet with CSDA's advocacy experts in a smaller setting designed to expand upon and answer questions about topics presented at the luncheon. Bring your inner #advocageek.

Special Districts and LAFCo – Past Successes and Future Challenges *Colantuono, Highsmith and Whatley, PC and LAFCo of Riverside County*

This session will discuss the role of special districts on LAFCo,

the municipal service review (MSR) and sphere of influence process and why it's important, and different types of changes of organization and the procedures for each, with specific, real-world examples of special district/LAFCo actions.

Town Hall - Legal Eagles

Liebert Cassidy Whitmore

Join us this year to get your questions answered! Special districts deal with a number of issues on a daily basis, and it is best to be prepared. Share your questions with others who probably have the same problems, concerns, and issues. This is a great opportunity to get some great legal answers - without those annoying billable hours!



3:30 – 5:00 p.m.

Breakout Sessions

Sexual Harassment Prevention (Part 2)

Richards Watson Gershon

See previous session description. (Must attend both sessions for certificate)

What New in Prevailing Wage Compliance

Contractor Compliance and Monitoring Inc.

Prevailing wage in California continues to change each year. Attend this session to learn about the latest changes, how the

California DIR is enforcing these requirements, and best practices for your public agency.

Neurodiversity Employment Programs: Appreciating the Dandelions

Valley Sanitary District

Public employers are losing ground in hiring and retaining the next generation of workers. This may be due to outdated recruitment and hiring practices that discourage individuals with neurodivergent conditions. In this session, you'll

learn about best practices for transforming the workplace into a neuro-inclusive environment. This session's presenter will broaden your understanding of neurodiversity and highlight successful programs for inclusion.

Five Steps to Successful Community Support

East Valley Water District

East Valley Water District developed a five-step roadmap to successfully receive authorization for reorganization to include

Wednesday, August 24, 2022

wastewater treatment authority and began constructing the Sterling Natural Resource Center. The roadmap outlined the following process: know your audience, develop key messages, engage with the target audience through formal and informal interactions, outline a feedback loop and develop a localized community benefit program to enhance the quality of life.



5:00 – 6:00 p.m.

SDRMA Member Reception

Light appetizers and drinks to be served

Electronic invitation to SDRMA Members to follow – approximately one month prior to the event



6:00 – 9:00 p.m.

Taste of the City Casino Night

Sample local food and beverages while enjoying casino games, music from our DJ, and a silent auction.



Thursday, August 25, 2022



8:00 – 10:00 a.m.

Closing Breakfast: Connect and Collaborate

Here's your chance to enjoy a light breakfast and connect with similar districts and discuss some of your most pressing issues!

Awards Presented

- Excellence in Technology
- Chapter of the Year
- ILG Beacon Awards



10:00 a.m.

Conference Adjourns

*Guest registration includes all meal functions, receptions (including Taste of the City), and Keynote sessions. We also offer a Taste of the City-only guest registration.

Not sure if you are a member? Contact the CSDA office at 877-924-2732 to find out if your agency or company is already a member. To learn more about the benefits of membership, contact Member Services Specialist Eric Spencer at erics@csda.net or call toll-free 877-924-2732.



Attendee Registration Form

INCLUDE FORM WITH PAYMENT.

Hotel Reservations

JW Marriott Desert Springs Resort & Spa

Room reservations for the CSDA Annual Conference and Exhibitor Showcase begin at \$139 plus tax plus discounted \$15 resort fee. The room reservation cut-off is July 22, 2022; however, space is limited and may sell out before this date.

Information regarding hotel reservations and link to book in the CSDA room block will be emailed to the registered attendee within 24 hours of registration.

Registration Fees Include:

- ◆ President's Reception with the Exhibitors
- ◆ Keynote Sessions
- ◆ Continental Breakfast with the Exhibitors
- ◆ Lunch with the Exhibitors
- ◆ Mix and FlaMingle in the Exhibit Hall
- ◆ SDRMA Full Plated Breakfast
- ◆ Legislative Update Luncheon
- ◆ All Breakout Sessions
- ◆ "Taste of the City" Reception
- ◆ Closing Breakfast

Name:		Title:	
District:			
Address:			
City:		State:	Zip:
Phone:		Fax:	
Email:		Website:	
Special Needs (include dietary):			
Emergency Contact:			
Conference Registration Fees		Early Bird (on /before July 22, 2022)	Regular (after July 22, 2022)
<input type="checkbox"/> CSDA Member - Full Conference		\$ 650.00	\$ 725.00
<input type="checkbox"/> Non-member - Full Conference		\$ 975.00	\$ 1,085.00
<input type="checkbox"/> Guest of a Member - Full Conference (Cannot be from a district/company) <input type="checkbox"/> Vegetarian		\$ 350.00	\$ 425.00
<input type="checkbox"/> Guest of a Non-member - Full Conference (Cannot be from a district/company) <input type="checkbox"/> Vegetarian		\$ 525.00	\$ 635.00
<input type="checkbox"/> CSDA Member - One-day registration <input type="checkbox"/> Tuesday <input type="checkbox"/> Wednesday <input type="checkbox"/> Thursday		\$ 375.00 each day	\$ 400.00 each day
<input type="checkbox"/> Non-member - One-day registration <input type="checkbox"/> Tuesday <input type="checkbox"/> Wednesday <input type="checkbox"/> Thursday		\$ 560.00 each day	\$ 600.00 each day
Separate Registration Fees		Member	Non-member
<input type="checkbox"/> Pre-Conference Workshop: SDLA Module 1: Governance Foundations - Aug. 22		\$ 225.00	\$ 340.00
<input type="checkbox"/> Pre-Conference Workshop: So, You Want to Be a General Manager - Aug. 22		\$ 100.00	
<input type="checkbox"/> Pre-Conference Workshop: Special District Finance Professionals Forum - Aug. 22		\$ 50.00	\$ 100.00
<input type="checkbox"/> Pre-Conference Tour: SCE Green Energy Tour (includes lunch) - Aug. 22		\$ 10.00	
<input type="checkbox"/> SDLF Scramble for Scholarships Golf Tournament (includes lunch) - Aug. 22		\$ 120.00	
<input type="checkbox"/> SDLF "Taste of the City" Casino Night Reception (Guests only) - Aug. 24		\$ 80.00 CSDA Member Guest	\$ 120.00 Non-member Guest
			TOTAL
Payment Information			
Payment type: <input type="checkbox"/> Check <input type="checkbox"/> Visa <input type="checkbox"/> MasterCard <input type="checkbox"/> AMEX <input type="checkbox"/> Discover			
Account name:		Account Number:	
Expiration date:	CVC:	Authorized Signature:	
3 Ways to register: 1. ONLINE by visiting conference.csdanet.net . 2. FAX 916-520-2465. 3. MAIL to CSDA, 1112 I Street, Suite 200, Sacramento, CA 95814. Check should be made payable to: California Special Districts Association.			

Cancellations/Substitution Policy: Cancellations must be in writing and received by CSDA no later than Thursday, July 22, 2022. All cancellations received by this date will be refunded less a \$75 processing fee. There will be no refunds for cancellations made after July 22, 2022. Substitutions are acceptable and must be done in writing no later than August 12, 2022 at 5:00 p.m. Please submit any cancellation notice or substitution request to meganh@csda.net or fax to 916-520-2465.

Consent to Use Photographic Images: Registration and attendance at, or participation in, CSDA meeting and other activities constitutes an agreement by the registrant to CSDA's use and distribution (both now and in the future) of the registrant or attendee's image or voice in photographs, videotapes, electronic reproductions, and audiotapes of such events and activities.

Anti-Discrimination and Harassment Policy: CSDA is dedicated to a harassment-free event experience for everyone. Our Anti-Discrimination and Harassment Policy can be found under "CSDA Transparency" at www.csdanet.net/about-csda/who-we-are.



California Special Districts Association
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Sacramento, CA 95814

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ATTENDEE REGISTRATION

2022 CSDA Annual Conference and Exhibitor Showcase

August 22 - 25, 2022 Palm Desert, California



Come join your flock... Register Today!

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McKinleyville Community Services District

BOARD OF DIRECTORS

July 6, 2022

TYPE OF ITEM: **ACTION**

ITEM: D.7 **Approve Conveyance of Water, Sewer and Street Lights Facilities Related to Imeson/Avelar Subdivision**

PRESENTED BY: **Patrick Kaspari, General Manager**

TYPE OF ACTION: **Roll Call Vote – Consent Calendar**

Recommendation:

Adopt conveyance of the facilities as recommended by staff included in **Attachment 1** as listed by name, and located on APN 510-441-001. All facilities are the property of the District and will be maintained by District personnel.

Discussion:

All subdivisions that install facilities such as water mains and services, sewer mains and laterals, and streetlight zones when required, are eventually completed and dedicated to the McKinleyville Community Services District (MCSD). These projects are brought to the Board during the application phase for approval, prior to the start of the project. The Avelar Subdivision Mainline Extension application was approved by the Board at the February 5, 2020 Board Meeting. All facilities are constructed to District Specifications, tested, and inspected, prior to a letter being sent to the County Public Works for approval and the recordation of the final map.

Upon Board approval of the conveyance, Staff sends a final letter of approval that starts the date for the one-year warranty period. If any defects are in evidence during this first year, it is the responsibility of the developer/contractor to remedy the problem. After a period of one-year the District is responsible to make repairs unless fraud and/or gross negligence is evident.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

A valuation of all infrastructure included in the conveyance will be added to the MCSD Capitol Asset Inventory.

Environmental Requirements:

Required by developer prior to construction.

Exhibits/Attachments:

- Attachment 1 – Agreement for Conveyance and Acceptance of Imeson/Avelar Subdivision System

AGREEMENT FOR CONVEYANCE AND ACCEPTANCE OF
IMESON/AVELAR SUBDIVISION SYSTEM

This Agreement is made by and between the MCKINLEYVILLE COMMUNITY SERVICES DISTRICT, hereinafter referred to as “McKinleyville”, and Henry Avelar, hereinafter referred to as “Developer”, this 6th day of June 2022.

- 1. Developer hereby grants and conveys to McKinleyville that certain Imeson/Avelar Subdivision mainline extension system constructed and owned by Developer described as follows:

Water System:

413'	6" PVC Water main
2	6" Gate Valves
1	Fire Hydrant Assembly
1	2" Blow off assembly
16	Single 1" Water Services

Sewer System:

409'	6" PVC Sewer Main
2	Sewer Manhole
1	Mainline Clean Out
13	Sewer Laterals
13	Sewer Laterals Clean Out

Streetlights:

3	Streetlights
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and all related appurtenances.

The facilities are located on AP# 510-441-001 and are more specifically described in the service application dated June 6, 2022.

Together with an easement 20 feet in width and the right to lay, construct, reconstruct, install, replace, operate, repair, remove, alter, inspect, and maintain pipes, pipelines, facilities and appurtenances for water, sewer and other public utility services and facilities, together with the free right of ingress and egress thereto, and such other rights and benefits necessary and convenient to GRANTEE’S full use and enjoyment of the rights herein granted.

- 2. McKinleyville accepts the grant and conveyance from Developer of said Streetlights, Water and Sewer system mainlines and appurtenances and agrees to maintain and operate it as part of its MCSD Distribution and Collection system, with the understanding that defects discovered during a 1-year Warranty Period starting from the date of the final Completion Letter shall be repaired by the Developer.

IN WITNESS WHEREOF the parties hereto have executed this agreement effective the date first above written.

McKinleyville Community Services District

Developer

Dave R. Couch, Board President

April Sousa, Board Secretary

RESOLUTION 2022 – 22

A RESOLUTION DELEGATING AUTHORITY TO THE GENERAL MANAGER TO GIVE NOTICE OF ANY HEARING TO ADOPT A RESOLUTION OF NECESSITY

WHEREAS, the McKinleyville Community Services District is a public entity and may use the power of eminent domain consistent with California and Federal law; and

WHEREAS, the Board of Directors, as the governing body of the District, may adopt a resolution of necessity only after it has given each person whose property is to be acquired by eminent domain and whose name and address appears on the last equalized county assessment roll notice a reasonable opportunity to appear and be heard; and

WHEREAS, the Board of Directors may satisfy the notice requirements through any procedure that gives each required person reasonable written personal notice and a reasonable opportunity to appear and be heard; and

WHEREAS, delegating to District staff the authority to give notice of any hearing on a resolution of necessity will avoid waste and delay in the District’s use of its eminent domain power, and will provide property owners greater notice and opportunity to be heard.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the McKinleyville Community Services District hereby delegates to the General Manager the authority to give written notice of any resolution of necessity by mail or personal service on behalf of the Board.

ADOPTED, SIGNED AND APPROVED at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on July 6, 2022 by the following polled vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

David R. Couch, Board President

Attest:

April Sousa, MMC, Board Secretary

McKinleyville Community Services District

BOARD OF DIRECTORS

July 6, 2022

TYPE OF ITEM: **ACTION**

ITEM: E.2 **Consider Adoption of Resolution 2022-21 Authorizing the District to Enter Into the Joint Powers Agreement Relating to California CLASS, Invest in California CLASS and Related Matters**

PRESENTED BY: **CSDA & Public Trust Advisors
Directors Orsini & Couch, Finance Committee
Patrick Kaspari, General Manager**

TYPE OF ACTION: **Roll Call**

Recommendation:

Staff recommends that the Board review the information provided, discuss, take public comment, and consider adoption of Resolution 2022-21 entering into the Joint Powers Agreement Relating to California CLASS and Related Matters.

Discussion:

California Cooperative Liquid Assets Securities System (California CLASS) is a joint exercise of powers entity authorized under Section 6509.7, California Government Code as a pooled investment option created via a joint exercise of powers agreement by and among California public agencies. California CLASS is overseen and governed by a Board of Trustees who are participants in California CLASS.

There are two main impetuses behind considering becoming a member of the California CLASS JPA and transferring some of the District's current \$10.3M held in CalTrust funds to California CLASS:

- 1) The main advantage to joining California CLASS as a Participant of the JPA is that it would allow MCSD to possibly have Staff or Directors serve on the Board of California CLASS. One key difference between California CLASS and CalTrust is California CLASS' focus on Special Service District needs and concerns. This focus and the potential ability for District Staff and/or Board Members to serve on the Governing Board at a future date will help ensure that the District's interests are addressed.
- 2) The second reason is related. CalTrust is governed by a Board consisting mainly of California City and County officials and Staff. California Special District's Association (CSDA) was previously a partner with CalTrust, but after CSDA repeatedly requested to add Special District members to the governing board, CalTrust dissolved the partnership in

December of 2021, further demonstrating CalTrust's lack of concern related to Special District needs.

To become a Founding Participant to California CLASS, the Board would have to adopt Resolution 2022-21, which is included as **Attachment 1**, and execute the Joint Powers Agreement. The text of the DRAFT Joint Powers Agreement is included as **Attachment 2**.

Upon joining California CLASS, Staff and the Finance Committee will review and agree upon which funds to invest in with California CLASS and the amount of monies to move from CalTrust to California CLASS.

Alternatives:

Take No Action

Fiscal Analysis:

The investment funds available under California CLASS are very similar to the funds the District currently invests in with CalTRUST. It is anticipated that fees with California CLASS may be slightly lower, resulting in slightly higher returns, but of course nothing is guaranteed.

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Resolution 2022-21 for Joining the California CLASS Joint Powers Authority
- Attachment 2 – Draft Joint Powers Agreement

RESOLUTION 2022-21

RESOLUTION AUTHORIZING MCKINLEYVILLE COMMUNITY SERVICES DISTRICT TO ENTER INTO THE JOINT EXERCISE OF POWERS AGREEMENT RELATING TO THE CALIFORNIA CLASS AND TO INVEST IN SHARES OF THE CALIFORNIA CLASS AND RELATED MATTERS

WHEREAS, Section 6509.7 of Title 1, Division 7, Chapter 5 of the California Government Code (the “Act”) provides that, two or more public agencies that have the authority to invest funds in their treasuries may, by agreement, jointly exercise that common power; and

WHEREAS, the McKinleyville Community Services District (the “District”) is a public agency that has the authority to invest funds in its treasury and intends to become a “Founding Participant” under the Joint Exercise of Powers Agreement (the “JPA Agreement”) creating the California Cooperative Liquid Assets Securities System (“California CLASS”), by executing the JPA Agreement; and

WHEREAS, the District desires to authorize the investment of its funds in the investment programs offered by the California CLASS once the California CLASS has been formed;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the McKinleyville Community Services District as follows:

Section 1. The General Manager of the District (the “General Manager”) is hereby authorized to execute and deliver the JPA Agreement, on behalf of the District, in substantially the form presented at this meeting.

Section 2. The District is hereby authorized to complete the registration form and become a Participant in order to purchase shares of beneficial interest issued by the California CLASS from time to time with available funds of the District, and to redeem some or all of those shares from time to time as such funds are needed.

Section 3. The General Manager or principal Finance Officer of the District is hereby delegated authority of the Board of Directors to take all actions and to make and execute any and all instruments, which he or she might deem necessary or appropriate in order to carry out the purposes of the Board in adopting this Resolution.

Section 4. This Resolution shall take effect at the earliest date permitted by law.

ADOPTED, SIGNED AND APPROVED at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on July 6, 2022 by the following polled vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

David R. Couch, Board President

Attest:

April Sousa, MMC, Board Secretary



Joint Exercise of Powers Agreement

June __, 2022

California Cooperative Liquid Assets Securities System

Joint Exercise of Powers Agreement

by and among

the parties that have entered into this
Joint Exercise of Powers Agreement

DATED AS OF JUNE __, 2022

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This **JOINT EXERCISE OF POWERS AGREEMENT** dated as of June __, 2022 (this "**Agreement**") is entered into by each Public Agency (as defined below) that has executed this Agreement or that has or will execute counterparts of this Agreement pursuant to Section 2.1 hereof (the "**Founding Participants**").

RECITALS:

WHEREAS, each Public Agency has the authority to invest funds in its treasury in statutorily permitted investments including but not limited to Section 53601 of the California Government Code, as amended; and

WHEREAS, Section 6509.7 of the Act (as defined below) provides:

"Notwithstanding any other provision of law, two or more public agencies that have the authority to invest funds in their treasuries may, by agreement, jointly exercise that common power. Funds invested pursuant to an agreement entered into under this section may be invested in securities and obligations as described by subdivision (p) of Section 53601. A joint powers authority formed pursuant to this section may issue shares of beneficial interest to participating public agencies. Each share shall represent an equal proportionate interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares of beneficial interest shall have retained an investment advisor.... A joint powers authority formed pursuant to this section is authorized to establish the terms and conditions pursuant to which agencies may participate and invest in pool shares...."; and

WHEREAS, the Act authorizes the Founding Participants to create a joint exercise of powers entity separate from the Founding Participants to exercise the common powers of the Founding Participants, as specified in this Agreement, and to act as administrator of this Agreement; and

WHEREAS, the purpose of this Agreement is to create and establish a separate joint exercise of powers entity known as the California Cooperative Liquid Assets Securities System (collectively referred to herein, as "**California CLASS**") for the purposes set forth herein to exercise the powers provided herein and to act as administrator of this Agreement in order to consolidate investment activities of the Participants and thereby reduce duplication, take advantage of economies of scale and perform governmental functions more efficiently; and

WHEREAS, the Act authorizes a joint exercise of powers entity, such as the California CLASS, to issue shares of beneficial interest in authorized investments to participating Public Agencies (collectively referred to herein, as "**Participants**" and individually, as a "**Participant**"); and

WHEREAS, pursuant to the Applicable Law (as defined below), Public Agencies, such as the Participants, may purchase shares of beneficial interest issued by a joint powers entity organized pursuant to Section 6509.7 of the Act, such as the California CLASS; and

WHEREAS, the Founding Participants desire to enter into this Agreement and this Agreement shall set forth the terms for the investment program known as the "**California CLASS Investment Program**," including the establishment of one or more funds where Participants invest in shares of beneficial interest issued by the California CLASS in accounts containing authorized investments that are owned by the California CLASS; and

WHEREAS, the joint exercise of such power to invest will be benefited and made more efficient because all investments acquired pursuant to this Agreement will be owned by one entity, the California CLASS and held by one entity, the Custodian (as defined below); and

WHEREAS, the joint exercise of such power to invest will be benefited and made more efficient if the advisory, record-keeping, and other administrative functions, including the management and transmittal of investment instructions, are performed by one entity, the Administrator (as defined below); and

WHEREAS, the policy of this Agreement shall be to place the highest priority on the safety of principal and liquidity of funds, and the optimization of investment returns shall be secondary to the requirements for safety and liquidity; and

WHEREAS, the California Special Districts Association (the "**CSDA**") and the League of California Cities ("**Cal Cities**" and together with CSDA, the "**Sponsors**") have determined to join as a sponsor of the California Class Investment Program and have certain rights with respect to the composition of the governing board of the California CLASS, royalty fees and other benefits;

NOW, THEREFORE, in consideration of the premises and the representations, warranties, covenants, and agreements contained herein, each party hereto agrees as follows:

ARTICLE I

CREATION; PURPOSE; DEFINITIONS

1.1 Creation of California CLASS

There is hereby created pursuant to the Act a public agency and entity to be known as the California Cooperative Liquid Assets Securities System (collectively referred to herein, as "**California CLASS**"). As provided in the Act, the California CLASS shall be a public agency and entity separate and apart from the Founding Participants and is responsible for the administration of this Agreement. The debts, liabilities and obligations of the California CLASS shall not constitute debts, liabilities or obligations of the Founding Participants (and except as it relates to the retirement liabilities of the California CLASS if the California CLASS contracts with a public retirement system within the meaning of Section 6508.1 of the Act). The California CLASS shall not contract with a public retirement system within the meaning of Section 6508.1 of the Act.

1.2 Purpose

This Agreement is made pursuant to the Act to provide for the exercise by the California CLASS of those powers referred to in the recitals hereof and for the California CLASS to administer the exercise of those powers. The purpose of the California CLASS is to consolidate investment activities of the Participants and thereby reduce duplication, take

advantage of economies of scale and perform governmental functions more efficiently through the California CLASS Investment Program.

1.3 Definitions

In addition to the capitalized terms defined elsewhere in this Agreement, the following terms shall have the following meanings.

"Account" or **"Accounts"** means any account (including subaccounts or other special accounts that may be created to accommodate the desire of such Participant to segregate a portion of its Investment Funds) opened and maintained pursuant to Section 7.5(a) hereof by the Custodian for the benefit of a Participant and to which the Investment Property of such Participant is credited and opened.

"Act" means Title 1, Division 7, Chapter 5 of the California Government Code (commencing with Section 6500), known as the Joint Exercise of Powers Act, as it may be amended from time to time.

"Administrator" means Public Trust Advisors, LLC, or any Person or Persons appointed, employed, or contracted by the California CLASS pursuant to Article V hereof. The entity serving as Administrator to the California CLASS may be the Investment Advisor or an affiliate thereof.

"Administrator Agreement" means the agreement between the Administrator and the California CLASS described in Section 5.1(a) hereof.

"Affiliate" means, with respect to any Person, another Person directly or indirectly in control of, controlled by, or under common control with such Person or any officer, director, partner, or employee of such Person.

"Agreement" means this Agreement **dated as of June __, 2022** constituting a joint exercise of powers agreement among the Founding Participants, as amended in accordance with its terms from time to time.

"Applicable Law" means Title 5, Division 2, Part 1, Chapter 4 of the California Government Code (commencing with Section 53600), as it may be amended from time to time, and other applicable provisions of California law.

"Authorized Representative" means the person authorized to invest the funds of a Participant pursuant to California law who has been appointed in accordance with Section 2.3 hereof.

"Balance" for each Participant means an amount initially equal to zero that is adjusted pursuant to Article II hereof to reflect, among other things, cash investments by such Participant, cash payments to such Participant, investment results, and expenses and fees incurred pursuant to this Agreement. The Balance shall reflect the number of Shares in each applicable Fund designated by such Participant for investment.

"Board" means the board of the Trustees, created by this Agreement, as the governing board of the California CLASS, and established pursuant to Article III hereof.

"Business Day" means any day of the year other than (a) a Saturday or Sunday, (b) any day on which banks located in the State of California are required or authorized by law to remain closed, or (c) any day on which the New York Stock Exchange is closed.

"Bylaws" means those bylaws as described in Section 4.7 hereof.

"Cal Cities" means the League of California Cities.

"California CLASS" means the California CLASS, a joint exercise of powers entity created by this Agreement.

"California CLASS Investment Program" means the investment program provided to the Participants by the California CLASS whereby Participants invest in Shares including the establishment of one or more funds where Participants invest in shares of beneficial interest issued by the California CLASS in Accounts containing authorized investments that are owned by the California CLASS.

"Conflicting Provisions" shall have the meaning set forth in Section 15.2 hereof.

"CSDA" means the California Special Districts Association.

"Custodian" means any Person or Persons appointed, employed or contracted by the California CLASS pursuant to Section 7.1 hereof.

"Custody Agreement" means the agreement between the California CLASS and the Custodian as described in Article VII hereof.

"Effective Date" means the later of (1) the date that execution copies of this Agreement have been executed by the initial Founding Participants, and (2) the date this Agreement has been filed with the Secretary of the State of California pursuant to Section 6503.5 of the Act.

"Enhanced Cash Fund" shall have the meaning given such term in Section 6.4 hereof.

"Founding Participants" means each initial Public Agency that has executed this Agreement and each Public Agency that becomes a Founding Participant pursuant to Section 2.1 hereof by execution of this Agreement. By execution of this Agreement, each Founding Participant shall make the representations and warranties contained in Section 12.1 hereof.

"Fund" means any of the funds established by the Investment Advisor pursuant to Section 6.4 hereof.

"Information Statement" means one or more information statements or other disclosure documents relating to the California CLASS Investment Program or any Fund thereof as such Information Statements may be amended from time to time by the Administrator and the Investment Advisor with the consent of the California CLASS as evidenced by resolution of the Board.

"Investment Advisor" means Public Trust Advisors, LLC, or any Person or Persons appointed, employed, or contracted by the California CLASS pursuant to Section 6509.7 of the Act and Section 6.1 hereof. The entity serving as Investment Advisor to the California CLASS which may be the Administrator or an Affiliate thereof.

"Investment Advisor Agreement" means the agreement between the Investment Advisor and the California CLASS described in Section 6.1(a) hereof.

"Investment Funds" means immediately available funds delivered by each Participant to the Custodian for investment in Shares pursuant to this Agreement but only if: (i) the Authorized Representative appointed by such Participant is authorized pursuant to the laws of the State of California to invest such funds and (ii) the Participant has taken all actions necessary pursuant to the laws of the State of California or other applicable local law to authorize the delivery and investment of such funds.

"Investment Policy" means the investment policy established by the California CLASS with respect to the Investment Property in each Fund in accordance with this Agreement, as amended from time to time in accordance with Section 3.2(a) hereof.

"Investment Procedures" means the procedures for Participants to make investments set forth in the applicable Information Statement.

"Investment Property" means any and all securities and cash that are held in one of the Accounts and all proceeds, income, profits, and gains therefrom that have not been paid to a Participant pursuant to Section 2.4 hereof, used to discharge an Investment Property Liability or offset by losses, if any, and expenses. Investment Property shall not include securities purchased in anticipation of the delivery of funds by a Participant when such funds are not actually received by the Custodian by the anticipated delivery date and any such securities so purchased may be immediately sold and the proceeds used to pay any Person that did in fact provide monies to purchase such securities.

"Investment Property Liability" or **"Investment Property Liabilities"** means any liability (whether known, unknown, actual, contingent, or otherwise) incurred in connection with the Investment Property pursuant to this Agreement.

"Investment Property Value" means the value of the Investment Property as determined pursuant to the valuation procedures net of the amount of the Investment Property Liabilities.

"Meeting of the Board" means a duly called meeting of the Board.

"Participants" means any Public Agencies that have the authority to purchase Shares from the California CLASS. Founding Participants may also be "Participants."

"Payment Procedures" means the procedures for Participants to request payments out of the Investment Property set forth in the applicable Information Statement.

"Permitted Investments" means those investments defined as such in the applicable Investment Policy for a Fund as established by the California CLASS.

"Person" means any individual, corporation, limited liability company, firm, association, partnership, joint venture, trust or other legal entity or group of entities, including any Public Agency or department, board, commission, instrumentality, or agency thereof.

"Prime Fund" shall have the meaning given such term in Section 6.4 hereof.

"Public Agency" shall have the meaning given such term from time to time in Section 6509.7 (or any successor or amended provision) of the Act.

"Ralph M. Brown Act" means Title 5, Division 2, Part 1, Chapter 9 of the California Government Code, as it may be amended from time to time.

"Shares" means the unit used to denominate and measure the respective pro rata beneficial interests of the Participants in a Fund. As required by Section 6509.7 of the Act, each Share shall represent an equal proportionate interest in the Investment Property within a Fund.

"Sponsors" means CSDA and Cal Cities.

"Trustee" means each of the persons selected pursuant to Article III and Article IV hereof to serve on the Board.

"Valuation Procedures" means the procedures for determining the value of the Investment Property set forth in Exhibit A attached hereto, as the same may be amended from time to time by the Administrator and the Investment Advisor, with the consent of the California CLASS as evidenced by resolution of the Board.

ARTICLE II

FOUNDING PARTICIPANTS AND PARTICIPANTS

2.1 Additional Founding Participants After Initial Execution

Any Public Agency that wishes to become a Founding Participant after the Effective Date may do so by executing a counterpart to this Agreement and delivering the counterpart to the Administrator, together with evidence of such Founding Participant's authorization to execute this Agreement.

2.2 Withdrawal or Termination of Founding Participant

Any Founding Participant may withdraw from this Agreement at any time upon written notice to the Administrator provided, however, that no Founding Participant may withdraw if, following such withdrawal, there will not be at least two Founding Participants remaining as a party to this Agreement. A withdrawal shall be noted to the Board in the Administrator's next report to the Board. Any such withdrawal shall be effective only upon receipt of the written

notice of withdrawal by the Administrator who shall acknowledge receipt of such notice of withdrawal in writing to such withdrawing Founding Participant and shall file such notice as an amendment to this Agreement effective upon such filing.

2.3 Authorized Representatives; Responsibility for Authorized Representatives

(a) Each Participant shall select an Authorized Representative to represent its interests and act on its behalf under this Agreement.

(b) Each Participant shall be responsible for the actions or inaction of its Authorized Representative under this Agreement, and the Administrator and Custodian are authorized to rely on the directions of the Authorized Representative without further investigation or diligence.

2.4 Investments

(a) Each Participant shall have the right from time to time to invest Investment Funds for credit to such Participant's Balance in the California CLASS Investment Program. A Participant that wishes to make such an investment shall notify the Administrator and follow the Investment Procedures. All Investment Funds will be invested in an applicable Fund as designated by the Participant. Investment Funds so designated shall be invested pursuant to the Investment Policy established by the California CLASS for such Fund. Upon such investment in accordance with the Investment Procedures, the Participant shall have Shares representing an equal proportionate interest in such Investment Property within such Fund.

(b) The Balance of a Participant shall be increased upon the investment of Investment Funds by such Participant by an amount equal to the amount of such Investment Funds. The Balance shall reflect the number of Shares in each applicable Fund designated by such Participant for investment.

(c) No later than the end of each Business Day, the Custodian shall deliver a confirmation with respect to the transaction activity for the Accounts for the prior Business Day to the Administrator. The Administrator shall retain the confirmation in its records.

(d) Any funds that the Administrator is informed do not meet the conditions set forth in clauses (i) or (ii) of the definition of Investment Funds shall be returned to the Participant investing such funds by the Custodian at the request of the Administrator and such Participant shall bear all of the costs and liabilities associated with the return of such funds.

2.5 Receipt of Statements and Reports; Requests

(a) The Administrator shall provide, or make available to each Participant, a copy of the statements prepared pursuant to Section 5.5 hereof and of the reports prepared pursuant to Section 5.6 hereof applicable to such Participant.

(b) In addition, each Participant, through its Authorized Representative, may direct the Administrator to provide, or make available, a statement of the value of the Participant's

Balance as of the date of the request. The Administrator shall provide such statement, subject only to account activity as of such date.

(c) On behalf of each Participant, the Administrator shall maintain or cause to be maintained, the records relating to such Participant in a manner that records (i) the portion of the Participant's Balance designated in the applicable Fund and (ii) the Participant's Balance in one or more Accounts. The Administrator shall maintain a separate record for each Participant and shall record the individual transactions involving each such Participant and the total value by Account of all investments belonging to each such Participant.

ARTICLE III

POWERS

3.1 General Powers

(a) The California CLASS shall have the power, in its own name, to exercise the common powers of the Founding Participants referred to in the recitals hereof and to exercise all additional powers given to a joint powers entity under the Act and any other applicable law for any purpose authorized under this Agreement. Pursuant to Section 6508 of the Act, the California CLASS shall have the power, in its own name, to do any or all of the following: to make and enter into contracts, or to employ agents and employees, to acquire, construct, manage, maintain or operate any building, works or improvements, or to acquire, hold or dispose of property or to incur debts, liabilities or obligations and sue and be sued in its own name. Pursuant to Section 6509.7 of the Act, the California CLASS shall have the power, in its own name, to issue shares of beneficial interest in the securities and obligations authorized by the Applicable Law. The California CLASS is authorized, in its own name, to do all acts necessary for the exercise of said powers for said purposes. Such powers shall be exercised subject only to such restrictions upon the manner of exercising such powers as are imposed upon the City of Lancaster in the exercise of similar powers, as provided in Sections 6503 and 6509 of the Act.

(b) All powers of the Administrator or Custodian that are described in this Agreement shall also be powers of the California CLASS. The California CLASS may perform such acts as it determines in its sole discretion as proper for conducting the business of the California CLASS. The enumeration of any specific powers shall not be construed as limiting the powers of the California CLASS. Such powers may be exercised with or without the posting of a bond, an order, or other action by any court. In construing the provisions of this Agreement, the presumption shall be in favor of a grant of power to the California CLASS, subject to the powers given to a joint powers entity under the Act and any other applicable law for any purpose authorized under this Agreement.

3.2 Specific Powers

Consistent with, derived from and subject to the general powers of the California CLASS granted in Section 3.1 hereof, the California CLASS possesses the following specific powers:

(a) Investments. The California CLASS shall have the power to subscribe for, invest in, reinvest in, purchase or otherwise acquire, own, hold, pledge for settlement purposes only, sell, assign, transfer, exchange, distribute, lend or otherwise deal in or dispose of Permitted Investments, provided such investment is, in the sole and absolute discretion of the California CLASS, consistent with the Applicable Law and the Investment Policy. An Investment Policy for each Fund shall be established by resolution of the Board and may be revised from time to time by resolution of the Board, provided, however, that no Investment Policy shall permit investments not authorized for legal investment under the Applicable Law. Upon the Board's approval of any amendment to an Investment Policy, the amended Investment Policy will be posted to the website of California CLASS.

(b) Issuance and Redemption of Shares. The California CLASS shall have the power to issue, sell, repurchase, redeem, retire, cancel, acquire, hold, resell, reissue, dispose of, transfer, and otherwise deal in Shares, or any Fund of Shares by means of the California CLASS Investment Program, and subject to the provisions hereof, to apply to any such repurchase, redemption, retirement, cancellation or acquisition of Shares, or any Fund of Shares, any funds or Investment Property with respect to such Shares, or Fund of Shares, whether capital or surplus or otherwise, to the full extent now or hereafter permitted by the Applicable Law.

(c) Title to Investments. Legal title to all Investment Property shall be vested in the California CLASS except that the California CLASS shall have power to cause legal title to any Investment Property to be held in the name of any other person as nominee, on such terms as the California CLASS may determine provided, however, that the interest of the California CLASS therein is appropriately protected.

(d) Rights as Holders of Investment Property. The California CLASS shall have full and complete power to exercise all of the rights, powers, and privileges appertaining to the ownership of the Investment Property to the same extent that any individual might and, without limiting the generality of the foregoing, to vote or give any consent, request, or notice, or waive any notice either in person or by proxy or power of attorney, with or without the power of substitution, to one or more persons, which proxies and powers of attorney may be for meeting or actions generally, or for any particular meeting or action, and may include the exercise of discretionary powers.

(e) Creation of Funds. The California CLASS may authorize the creation of one or more different Funds provided, however, that each such Fund shall conform in all respects to the requirements of this Agreement.

(f) Branding. The California CLASS may authorize the use of the names "CALCLASS" and "CACCLASS" and their associated trademark(s), consistent with, derived from and subject to, Section 3.6 hereof, in conjunction with other products, portfolios, pools, and services that provide investment, financial, or other cash management services to Participants and for purposes of this Agreement, such name shall include any Funds established pursuant to this Agreement. The Administrator may identify a name for any additional Funds established pursuant to this Agreement, subject to approval by the California CLASS.

(g) Power to Contract, Appoint, Retain and Employ. The California CLASS shall have full and complete power to, and shall at all times, appoint, employ, retain, or contract with any person of suitable qualifications (including any corporation, partnership, trust, or other entity of which one or more of them may be an Affiliate) for the transaction of the affairs of the California CLASS.

(h) Payment of Expenses. The California CLASS shall have full and complete power:

(i) to incur and pay any charges or expenses that are necessary or incidental to or proper for carrying out any of the purposes of this Agreement;

(ii) to pay any taxes or assessments validly and lawfully imposed upon or against the Investment Property or the California CLASS in connection with the Investment Property or upon or against the Investment Property or income or any part thereof;

(iii) to reimburse others for payment of such expenses and taxes; and

(iv) to pay appropriate compensation or fees from the Investment Property to a person with whom the California CLASS has contracted or transacted business.

All payments or expenses incurred pursuant to this Section will be a liability payable solely from the Investment Property. The Trustees shall not be paid compensation for their services as Trustees hereunder, except that they shall be allowed reimbursement for reasonable expenses incurred in the performance of their duties as Trustees.

(i) Litigation. The California CLASS shall have the power to engage in and to prosecute, defend, compromise, abandon, or adjust, by arbitration or otherwise, any actions, suits, proceedings, disputes, claims, and demands relating to the California CLASS or property of the California CLASS, and, out of property of the California CLASS, to pay or to satisfy any debts, claims or expenses incurred in connection therewith, including those of litigation, and such power shall include without limitation the power of the California CLASS, in the exercise of its good faith business judgment, consenting to dismiss any action, suit, proceeding, dispute, claim, or demand, derivative or otherwise, brought by any person, including a Founding Participant or Participant, whether or not the California CLASS or any of the Trustees may be named individually therein or the subject matter arises by reason of business for or on behalf of the California CLASS.

3.3 Miscellaneous Powers

Consistent with, derived from and subject to the general powers of the California CLASS granted in Section 3.1 hereof, the California CLASS also possesses the following miscellaneous powers:

(a) Insurance. The California CLASS shall have full and complete power to purchase or to cause to be purchased and pay for, entirely out of Investment Property, insurance policies insuring the California CLASS, and/or officers, employees, and agents of the California CLASS individually against all claims and liabilities of every nature arising by reason of holding or having held any such office or position or by reason of any action alleged to have been taken or omitted by the California CLASS or any such officer, employee, and agent including any action taken or omitted that may be determined to constitute negligence, whether or not the California CLASS would have the power to indemnify such person against such liability.

(b) Borrowing and Indebtedness. The California CLASS shall not borrow money or incur indebtedness, whether or not the proceeds thereof are intended to be used to purchase Permitted Investments or Investment Property, except as a temporary measure to facilitate the transfer of funds to the Participant that might otherwise require unscheduled dispositions of portfolio investments and except as an advance made by the Custodian under the Custody Agreement, but only to the extent permitted by law. No such indebtedness shall have a maturity later than that necessary to avoid the unscheduled disposition of portfolio investments.

(c) Remedies. Notwithstanding any provision in this Agreement, when the California CLASS deems that there is a significant risk that an obligor to the California CLASS may default or is in default under the terms of any obligation of the California CLASS, the California CLASS shall have full and complete power to pursue any remedies permitted by law that, in its sole judgment, are in the interests of the California CLASS, and the California CLASS shall have full and complete power to enter into any investment, commitment, or obligation of the California CLASS resulting from the pursuit of such remedies as are necessary or desirable to dispose of property acquired in the pursuit of such remedies.

(d) Information Statement. The California CLASS shall have full and complete power to prepare, publish, and distribute one or more Information Statements regarding the California CLASS Investment Program or any Fund thereof and to amend or supplement the same from time to time.

(e) Contracting with Affiliates. To the extent permitted by law, the California CLASS may enter into transactions with any Affiliate of the Administrator or the Custodian if:

(i) each such transaction (or type of transaction) has, after disclosure of such affiliation, been approved or ratified by the affirmative vote of a majority of the Board, and

(ii) such transaction (or type of transactions) is, in the opinion of the California CLASS, on terms fair and reasonable to the California CLASS and the Participants and at least as favorable to them as similar arrangements for comparable transactions with organizations unaffiliated with the person who is a party to the transaction.

3.4 Further Powers

Consistent with, derived from and subject to the general powers of the California CLASS granted in Section 3.1 hereof, the California CLASS shall have full and complete power to take all such actions, do all such matters and things, and execute all such instruments as it deems necessary, proper, or desirable in order to carry out, promote, or advance the interests and purposes of California CLASS although such actions, matters, or things are not herein specifically mentioned. Any determination as to what is in the best interest of California CLASS made by the Board in good faith shall be conclusive.

3.5 Intellectual Property

The parties acknowledge that pursuant to this Agreement and/or the business activities of the California CLASS, various types of intellectual property (the "**Intellectual Property**") may be created or used by the parties, including but not limited to trademarks and copyrights. With regard to any and all Intellectual Property created by or for the California CLASS or by or for the California CLASS Investment Program in relation to this Agreement, the California CLASS shall own all right, title, and interest to such Intellectual Property. Except as expressly set forth in this Agreement, the California CLASS shall have no obligation to account to the other parties to this Agreement for any revenues arising from the use, license, or assignment of any Intellectual Property.

3.6 Trademarks

The parties acknowledge the California CLASS's ownership and exclusive rights in all trademarks currently owned by the California CLASS, including but not limited to Application Serial No. 90879250 for the CALIFORNIA CLASS mark, and all trade names and trademarks that may be used and developed in connection with this Agreement, or through the parties' business activities with the California CLASS (the "**Trademarks**"). The parties shall not, at any time during or after the term of the Agreement, directly or indirectly, oppose, challenge or contest the California CLASS's exclusive right and title to the Trademarks or the validity thereof.

The parties agree that all use of the Trademarks inures to the benefit of the California CLASS and that the parties shall not acquire any rights in the Trademarks or other marks or logos likely to be confused therewith. The California CLASS has the sole and exclusive right to file applications to register and to register any and all Trademarks in the U.S. and in any country throughout the world, and the parties agree not to directly or indirectly, oppose, challenge or contest such applications or registrations. The parties will not, directly or indirectly, file applications to register or register, or acquire by transfer, any trade name or trademark which, in whole or in part, incorporates or is confusingly similar to the Trademarks

in the U.S. or any country throughout the world unless such parties have express written permission to do so.

3.7 Copyrights

The parties agree that all works created in connection with this Agreement or through the parties' business activities with the California CLASS (the "**Works**") are owned by the California CLASS.

To the extent any Works are deemed not owned by the California CLASS, the parties hereby expressly assign to the California CLASS all right, title and interest whatsoever, throughout the world, in perpetuity, in and to the copyrights and any and all registrations, applications to register, renewals and extensions thereof, for the Works, including, without limitation, the right to sue for and collect damages for infringement of the Works or other violations of the same, including for past infringements or other violations.

The parties hereby further agree to promptly execute any and all instruments and to promptly render any and all such assistance as the California CLASS may request to confirm in the California CLASS full legal title to the Works and/or to pursue claims that third parties have infringed the California CLASS's intellectual property rights in and to the Works. In the event the parties are not available upon ten (10) calendar days' written request to execute such instruments, the parties hereby appoint the California CLASS its attorney-in-fact to execute such instruments on the parties' behalf.

ARTICLE IV

TRUSTEES; MEETINGS; OFFICERS

4.1 Establishment of the Board; Number and Qualification

- (a) The management of the California CLASS shall be governed by the Board.
- (b) The Board shall have five (5) Trustees consisting of the following:
 - (i) The governing body of CSDA shall appoint two (2) Trustees that are:
 - (1) elected, appointed, or staff from a Participant and a CSDA member, or
 - (2) staff from CSDA;
 - (ii) The governing body of Cal Cities shall appoint two (2) Trustees that are:
 - (1) elected, appointed, or staff from a Participant and a Cal Cities member, or
 - (2) staff from Cal Cities; and
 - (iii) One (1) Trustee that is elected, appointed, or staff from a Public Entity that is a Participant shall be appointed by a majority vote of the Board.

4.2 Term of Office

(a) The initial Trustees appointed by the governing body of Cal Cities shall serve a term of two (2) years and thereafter Trustees appointed by the governing body of Cal Cities shall serve a term of four (4) years.

(b) The initial Trustees appointed by the governing body of CSDA and by the Board shall serve a term of four (4) years and thereafter Trustees appointed by the governing body of CSDA and by the Board shall serve a term of four (4) years.

(c) Any appointment to fill an unexpired term, however, shall be for such unexpired term.

4.3 Appointment of Trustees

Trustees may be appointed or reappointed by the governing body of CSDA, Cal Cities or the Board, as provided in Section 4.1, including an appointment to fill an unexpired term in the event of a vacancy.

4.4 Resignation of Trustees

Any Trustee may resign without need for prior or subsequent accounting by notice in writing signed by the Trustee and delivered to the Secretary of the Board, and such resignation shall be effective upon such delivery or at a later date specified in the written notice. Any vacancy created by such resignation shall be filled in accordance with Section 4.3 hereof.

4.5 Removal and Vacancies

(a) The term of office of a Trustee shall terminate and a vacancy shall occur in the event the individual serving as the Trustee is no longer staff at a CSDA or Cal Cities, in the event the Trustee's Public Agency is no longer a Participant and a member of CSDA or Cal Cities, or in the event the individual serving as the Trustee is no longer an elected or appointed member of the governing body, or staff of, a Participant and CSDA or Cal Cities member.

(b) The term of office of a Trustee shall terminate and a vacancy shall occur on the happening of any of the events in California Government Code Section 1770.

(c) Each Trustee appointed by the governing body of CSDA, Cal Cities or the Board may be removed and replaced by the governing body by which such Trustee was appointed.

(d) Any vacancy created pursuant to this Section 4.5 shall be filled in accordance with Section 4.3 hereof.

4.6 Meetings

(a) The Annual Meeting of the Board shall be the last meeting of the calendar year and shall be for the purpose of the appointment of Trustees, election of officers, setting the calendar for regular meetings, and other organizational matters as provided in the Bylaws. The Board shall meet not less than semiannually.

(b) Regular meetings of the Board shall be established in the method described in the Bylaws and may be held at the time and place so established.

(c) Special meetings of the Board may be held from time to time in the manner described in the Bylaws.

(d) All meetings of the Board are subject to and must comply with the provisions of the Ralph M. Brown Act.

(e) A majority of the Trustees shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn meetings from time to time. Any action of the Board requires the affirmative vote of a majority of the total number of authorized Trustees specified in Section 4.1.

4.7 Bylaws

The Board shall adopt and may, from time to time, amend or repeal Bylaws for the conduct of the business of the Board consistent with this Agreement. The Bylaws may define the duties of the respective officers, agents, employees, and representatives of the Board and shall establish the rules of calling of meetings and determination of regular and special meetings.

4.8 Officers

The Board shall annually elect a Chair and other officers having the responsibilities and powers described in the Bylaws and as required by the Act. The Bylaws shall designate the Treasurer of the California Class as required by Section 6505.5 or Section 6505.6 of the Act and the public officer or officers or person or persons who have charge of, handles, or have access to any property of the California CLASS as required by Section 6501.1 of the Act, and such public officer or officers or person or persons shall file an official bond in the amount of \$25,000; provided, that such bond shall not be required if the California CLASS does not possess or own property or funds with an aggregate value of greater than \$500 (excluding amounts held by any custodian or depository in connection with the California CLASS Investment Program).

4.9 Accountability

Pursuant to Section 6505 of the Act, the California CLASS shall establish and maintain such funds and accounts as may be required by good accounting practice, and there shall be strict accountability of all funds and reports of all receipts and disbursements.

4.10 Fiscal Year

The fiscal year of the California CLASS shall end each March 31. The California CLASS may from time to time change the fiscal year of the California CLASS by resolution of the Board.

ARTICLE V

ADMINISTRATOR

5.1 Appointment; General Provisions

(a) The California CLASS may appoint one or more persons to serve as the Administrator for the California CLASS Investment Program. It is specifically intended that any and all provisions related to the Administrator set forth herein be memorialized in a contract between the California CLASS and the Administrator (the "**Administrator Agreement**") and that this Agreement not be construed to create any third-party beneficiary rights in any party fulfilling the role of Administrator. In the event of conflict between the provisions of this Agreement and the provisions of the Administrator Agreement, this Agreement shall control.

(b) As provided in Section 5.3 hereof, the Administrator shall at no time have custody of or physical control over any of the Investment Property.

(c) The Administrator may also serve as Investment Advisor to the California CLASS Investment Program and in such case, the Administrator Agreement may also serve as the Investment Advisor Agreement.

5.2 Successors

In the event that, at any time, the position of Administrator shall become vacant for any reason, the California CLASS may appoint, employ, or contract with a successor.

5.3 Duties of the Administrator

(a) The duties of the Administrator shall be those set forth in this Article V and the Administrator Agreement. This Article V outlines some but not all of such duties. Such duties may be modified by the California CLASS from time to time. The role of the Administrator is intended to effect purchases, sales, or exchanges of Investment Property on behalf of the California CLASS. The Administrator Agreement may authorize the Administrator to employ other persons to assist in the performance of the duties set forth therein.

(b) The Administrator shall at no time have custody of or physical control over any of the Investment Property. If a Participant in error delivers Investment Funds for investment to the Administrator instead of to the Custodian, the Administrator shall immediately transfer such Investment Funds to the Custodian. The Administrator shall not be liable for any act or

omission of the Custodian but shall be liable for the Administrator's acts and omissions as provided herein.

(c) The Administrator understands that the monies delivered to the Custodian may only be invested pursuant to the investment parameters contained in the applicable Investment Policy.

5.4 Investment Activities and Powers

The Administrator shall perform the following services:

(a) advise the California CLASS on any material changes in investment strategies based upon current market conditions;

(b) enter into securities transactions with respect to the Investment Property (to the extent permitted by the applicable Investment Policy and applicable laws) by entering into agreements and executing other documents relating to such transactions containing provisions common for such agreements and documents in the securities industry;

(c) from time to time, review the Permitted Investments and the applicable Investment Policy and, if circumstances and applicable laws permit, recommend changes in such Permitted Investments and such Investment Policy;

(d) provide such advice and information to the California CLASS on matters related to investments as the California CLASS may reasonably request including, without limitation, research and statistical data concerning the Investment Property, whether and in what manner all rights conferred by the Investment Property may be exercised, and other matters within the scope of the investment criteria set forth in the applicable Investment Policy;

(e) prepare such information and material as may be required in the implementation of the Valuation Procedures or the computation of the Balances and the preparation of any and all records and reports required by this Agreement or applicable laws;

(f) issue instructions to the Custodian as provided in this Agreement; and

(g) employ, consult with, obtain advice from, and exercise any of the Administrator's rights or powers under this Agreement through the use of suitable agents including auditors, legal counsel (who may be counsel to the Administrator or the California CLASS), investment advisers, brokers, dealers, and/or other advisers. Notwithstanding Section 15.8 hereof, the Administrator may transmit information concerning the Investment Property and the Participants to such agents.

5.5 Monthly Statements

(a) Within fifteen (15) days after the end of each month-end, the Administrator shall prepare and submit, or make available, to each Participant who was a Participant during such month a statement disclosing any activity and a closing balance, including the number of Shares, in each of its Accounts for such month.

(b) The Administrator, upon the request of a Participant, shall furnish to the Participant a statement of such Participant's Balance as of the date of such request, subject only to account activity on such date.

5.6 Reports

The Administrator shall prepare or cause to be prepared at least annually (i) a report of operations containing a statement of the Investment Property and the Investment Property Liabilities and statements of operations and of net changes in net assets prepared in conformity with generally accepted accounting principles consistently applied and (ii) an opinion of an independent certified public accountant on such financial statements based on an examination of the books and records of the Participants' Accounts, maintained by the Administrator with respect to the Investment Property, performed in accordance with generally accepted auditing standards. An annual audit of the accounts and records of the California CLASS shall be made, and the report thereon filed and kept, in accordance with the provisions of Section 6505 of the Act.

5.7 Daily Calculation of Program Value and Rate of Return

The Administrator shall calculate the Investment Property Value for each Account once on each Business Day at the time and in the manner provided in the Investment Program's Information Statement for such Fund as well as the Valuation Procedures.

5.8 Administration of the California CLASS Investment Program

The Administrator shall perform the following administrative functions on behalf of the California CLASS in connection with the implementation of this Agreement:

(a) collect and maintain for such period as may be required under any applicable Federal or California law written records of all transactions affecting the Investment Property or the Balances, including but not limited to (i) investments by and payments to or on behalf of each Participant; (ii) acquisitions and dispositions of Investment Property; (iii) pledges and releases of collateral securing the Investment Property; (iv) determinations of the Investment Property Value; (v) adjustments to the Participants' Balances; and (vi) the current Balance and the Balances at the end of each month for each Participant. There shall be a rebuttable presumption that any such records are complete and accurate. The Administrator shall maintain the records relating to each Participant in a manner that subdivides the Participant's balance into Accounts;

(b) assist in the organization of meetings of the Board including preparation and distribution of the notices and agendas therefore;

(c) respond to all inquiries and other communications of Participants, if any, that are directed to the Administrator or, if any such inquiry or communication is more properly addressed by the Custodian, referring such inquiry or communication to the Custodian and coordinating the Custodian's response thereto;

(d) pay all Investment Property Liabilities in accordance with this Agreement from any income, profits, and gains from the Investment Property (but not from the principal amount thereof); and

(e) engage in marketing activities to encourage eligible California public sector entities to become Participants.

ARTICLE VI

INVESTMENT ADVISOR

6.1 Appointment of Qualifications

(a) The California CLASS may appoint one or more persons that meet the qualifications described in Section 6.1(b) hereof to serve as the Investment Advisor of the California Class. It is specifically intended that any and all provisions related to the Investment Advisor set forth herein be memorialized in a contract between the California CLASS and the Investment Advisor (the "**Investment Advisor Agreement**") and that this Agreement not be construed to create any third-party beneficiary rights in any party fulfilling the role of Investment Advisor. In the event of conflict between the provisions of this Agreement and the provisions of the Investment Advisor Agreement, this Agreement shall control.

(b) The Investment Advisor shall meet the requirements of Section 6509.7 of the Act and Section 53601(p) of the California Government Code, as such sections may be amended from time to time, which, as of the Effective Date, require that:

- (i) the investment manager is registered or exempt from registration with the Securities and Exchange Commission;
- (ii) the investment manager has not less than five (5) years of experience investing in the securities and obligations authorized by subdivisions (a) to (o), inclusive, of Section 53601 of the California Government Code; and
- (iii) the investment manager has assets under management in excess of five hundred million dollars (\$500,000,000).

6.2 Successors

In the event that, at any time, the position of Investment Advisor shall become vacant for any reason, the California CLASS shall appoint, employ, or contract with a successor that meets the qualifications described in Section 6.1(b) hereof.

6.3 Duties of the Investment Advisor

The duties of the Investment Advisor shall be those set forth in the Investment Advisor Agreement. Such duties may be modified by the California CLASS from time to time. The

California CLASS may authorize the Investment Advisor in the Investment Advisor Agreement to effect purchases, sales, or exchanges of Investment Property on behalf of the California CLASS or may authorize any officer, employee, agent, or member of the California CLASS to effect such purchases, sales, or exchanges pursuant to recommendations of the Investment Advisor, all without further action by the California CLASS. Any and all of such purchases, sales, and exchanges shall be deemed to be authorized by the California CLASS. The Investment Advisor Agreement may authorize the Investment Advisor to employ other persons to assist in the performance of the duties set forth in the agreement. The Investment Advisor Agreement shall also provide that it may be terminated without cause and without the payment of any penalty on forty-five (45) days written notice.

6.4 Funds

The Investment Advisor shall cause the Custodian to establish two initial funds (the "**Prime Fund**" and the "**Enhanced Cash Fund**") for the investment of surplus funds of the Participants. The Prime Fund shall have a constant net asset value and be invested in Permitted Investments pursuant to the criteria and policies contained in the Investment Policy for the Prime Fund. The Enhanced Cash Fund shall have a variable net asset value and be invested in Permitted Investments pursuant to the criteria and policies contained in the Investment Policy for the Enhanced Cash Fund. Notwithstanding anything in this Agreement to the contrary, the Investment Advisor may, upon the direction of the California CLASS, cause the Custodian to establish specially designated funds, in addition to the Prime Fund and the Enhanced Cash Fund, with specified investment characteristics so long as the fund adheres to the Permitted Investments. Such characteristics may include, without limitation, certain restrictions on amounts to be invested, holding periods prior to payments, or certain other conditions to be met for payments, such as possible payment penalties, special investment criteria, investment management tailored to a particular Participant, or additional fees for administering such specially designated Funds. The Investment Advisor may cause the Custodian to establish such Funds with the consent of the California CLASS as evidenced by resolution of the Board and approval by the Board of the related Investment Policy for such Funds. The establishment of such Funds shall not be deemed an amendment of this Agreement. A Participant may direct the Investment Advisor to invest its surplus funds in any of the established Funds. The Investment Advisor shall cause each such Fund to maintain accounts and reports separate from any other Fund. All provisions of this Agreement shall apply to any such Funds.

6.5 Retained Reserves

The Investment Advisor may retain from earnings and profits such amounts as it may deem necessary to pay the debts and expenses of the California CLASS and to meet other obligations of the California CLASS, and the Investment Advisor shall also have the power to establish from earnings and profits such reasonable reserves as they believe may be necessary or desirable. At least quarterly, the Investment Advisor shall provide a detailed accounting to the Board of any debts, expenses, and obligations deemed necessary for

California CLASS Investment Program, and at the same time shall provide a detailed accounting to the Board of reserves deemed necessary or desirable by the Investment Advisor. Realized capital gains or losses shall be distributed in a timely and equitable manner as determined by the Investment Advisor.

ARTICLE VII

THE CUSTODIAN

7.1 Appointment and Qualifications

The California CLASS shall appoint and employ a bank or trust company organized under the laws of the United States of America to serve as custodian (“**Custodian**”) for the California CLASS Investment Program subject to the requirements of the Applicable Law. The Custodian shall follow directions relating to the investment of all Investment Property in accordance with the instructions of the Investment Advisor. The Custodian shall have authority to act as the California CLASS’s directed custodian, subject to such restrictions, limitations, and other requirements, if any, as may be established by the California CLASS. It is specifically intended that all provisions related to the Custodian set forth herein be memorialized in a contract to be entered into between the California CLASS and the Custodian (the “**Custody Agreement**”) and that this Agreement shall not be construed to create any third-party beneficiary rights under this Agreement in any party fulfilling the role of the Custodian. As such, the terms of this Agreement are not binding on the Custodian and the Custodian’s rights, duties and obligations are solely as defined in the Custody Agreement.

7.2 Successors

If, at any time, the Custodian shall resign or shall be terminated pursuant to the provisions of the Custody Agreement, the California CLASS shall appoint a successor thereto.

7.3 Prohibited Transactions

With respect to transactions involving Investment Property, the Custodian shall act strictly as directed custodian for the California CLASS. The California CLASS shall not purchase Permitted Investments from the Custodian or sell Permitted Investments to the Custodian.

7.4 Appointment; Sub-Custodians

(a) The Custodian may employ sub-custodians, including, without limitation, Affiliates of the Custodian for any obligations set forth in the Custody Agreement. The appointment of a sub-custodian under this Section shall not relieve the Custodian of any of its obligations set forth in the Custody Agreement. The Custodian shall use its best efforts to ensure that the interests of the California CLASS in the Investment Property is clearly indicated on the records of any sub-custodian and the Custodian shall use its best efforts to ensure that the interests

of the California CLASS in the Investment Property is not diminished or adversely affected because of the Custodian's use of a sub-custodian.

(b) No Investment Funds or Investment Property, other than cash, received or held by the Custodian pursuant to the Custody Agreement shall be accounted for in any manner that might cause such Investment Funds or Investment Property to become assets or liabilities of the Custodian.

7.5 Powers

The Custodian shall perform the following services:

(a) open and maintain such custody accounts as the California CLASS directs through the Administrator and accept for safekeeping and for credit to the applicable Account, in accordance with the terms of the Custody Agreement, all securities representing the investment of Investment Funds pursuant to Section 2.4 hereof, and the income or earnings derived therefrom.

(b) hold the Investment Property:

(i) in its account at Depository Trust Company or other depository or clearing corporation; or

(ii) in a book entry account with the Federal Reserve Bank in which case a separate accounting of the Investment Property shall be maintained by the Custodian at all times.

The Investment Property held by any such depository or clearing corporation or Federal Reserve Bank may be held in the name of their respective nominees provided, however, that the custodial relationship and the interests of the California CLASS regarding such Investment Property shall be noted on the records of the Administrator and the custodial relationship on behalf of the California CLASS shall be noted on the records of the Custodian.

(c) notify the Administrator, in writing or verbally with written, email, or facsimile confirmation, in advance of the Custodian taking any elective action involving the Investment Property.

(d) upon instruction of the Administrator, the Custodian is authorized to:

(i) receive and distribute Investment Funds and all other Investment Property as directed by the Administrator;

(ii) exchange securities in temporary or bearer form for securities in definitive or registered form; and surrender securities at maturity or earlier when advised of a call for redemption;

(iii) make, execute, acknowledge, and deliver as Custodian all documents or instruments (including but not limited to all declarations, affidavits, and certificates of

ownership) that may be necessary or appropriate to carry out the powers granted herein; and

(iv) take any other action required by the Custody Agreement.

7.6 Custodial Relationship; Custodian Records

(a) The Custodian shall hold the Investment Property in its capacity as Custodian on behalf of the California CLASS. Such Investment Property shall be custodial property of the Custodian (other than cash) and shall not be, or be deemed to be, an asset of the Custodian.

(b) Within fifteen (15) days after the end of each month, the Custodian shall send statements providing the closing balance in the Account at the end of such month and the transactions performed in the Account during such month to the Administrator and the California CLASS.

ARTICLE VIII

INTERESTS OF PARTICIPANTS

8.1 General

The California CLASS, in its discretion, may authorize the division of the Investment Property into one or more Funds as provided in Section 6.4 hereof. The beneficial interests of the Participants hereunder in a Fund and the earnings thereon shall be divided into Shares. Shares shall be used as units to measure the proportionate allocation to the respective Participants of the beneficial interests of a Fund. As required by Section 6509.7 of the Act, each Share shall represent an equal proportionate interest in the Investment Property within a Fund. The number of Shares that may be used to measure and represent the proportionate allocation of beneficial interests among the Participants in a Fund is unlimited. All Shares in a Fund shall be of one class representing equal distribution, liquidation, and other rights. The beneficial interests measured by the Shares shall not entitle a Participant to preference, preemptive, appraisal, conversion, or exchange rights of any kind with respect to the California CLASS Investment Program or the Investment Property held in the applicable Fund. Title to the Investment Property held in the applicable Fund of every description is vested in the California CLASS. The Participants shall have no interest in the Investment Property held in the applicable Fund other than the beneficial interests conferred hereby and measured by their Shares, and they shall have no right to call for any partition or division of any property, profits, rights, or interests of the California CLASS.

8.2 Allocation of Shares

(a) In its discretion, the California CLASS may from time to time allocate Shares in addition to the then allocated Shares to such Participant for such amount and such type of consideration (including without limitation income from the investment of Investment

Property held in the applicable Fund) at such time(s) (including without limitation each Business Day in accordance with the maintenance of a constant net asset value per Shares as set forth in this Agreement for constant net asset value Funds), and on such terms as the California CLASS may deem best. In connection with any allocation of Shares, the California CLASS may allocate fractional Shares. From time to time, the California CLASS may adjust the total number of Shares allocated without thereby changing the proportionate beneficial interests in the Investment Property held in the applicable Fund. Reductions or increases in the number of allocated Shares may be made in order to maintain a constant net asset value per Share as set forth in Section 10.1 hereof for constant net asset value Funds. Shares shall be allocated and redeemed as one hundredths (1/100ths) of a Share or any multiple thereof.

(b) Shares may be allocated only to a Participant in accordance with this Agreement. Any Participant may establish more than one Account within the California CLASS Investment Program or any Fund thereof for such Participant's convenience.

8.3 Evidence of Share Allocation

Evidence of Shares allocation shall be reflected in the records of the California CLASS, and the California CLASS shall not be required to issue certificates as evidence of Shares allocation.

8.4 Redemption to Maintain Constant Net Asset Value for Constant Net Asset Value Funds

The Shares shall be subject to redemption pursuant to the procedure for reduction of outstanding Shares in order to maintain the constant net asset value per Shares for constant net asset value Funds unless provided otherwise in the Information Statement for the applicable Fund.

8.5 Redemptions

Payments by the California CLASS to Participants, and the reduction of Shares resulting therefrom, are referred to in this Agreement as redemptions for convenience. Any and all allocated Shares may be redeemed at the option of the Participant upon and subject to the terms and conditions provided in this Agreement and any applicable Investment Policy and Information Statement for such Fund. The procedures for effecting redemption shall be prescribed by the California CLASS provided, however, that such procedures shall not be structured so as to substantially and materially restrict the ability of the Participants to withdraw funds from the California CLASS Investment Program.

8.6 Suspension of Redemption; Postponement of Payment

(a) Each Participant, by its investment in any Fund, agrees that the California CLASS may temporarily suspend the right of redemption or postpone the date of payment for redeemed Shares for the whole or any part of any period:

(i) During which trading in securities generally on the New York Stock Exchange or the American Stock Exchange or over-the-counter market shall have been suspended or minimum prices or maximum daily charges shall have been established on such exchange or market;

(ii) If a general banking moratorium shall have been declared by Federal, state, or the State of New York or State of California authorities or during a suspension of payments by banks in the State of California;

(iii) During which there shall have occurred any state of war or national emergency;

(iv) During which any financial emergency or other crisis the effect of which on the financial markets of the United States is such as to make it impracticable (a) to dispose of the Investment Property because of the substantial losses that might be incurred or (b) to determine the Investment Property Value in accordance with the Valuation Procedures.

(b) The Administrator shall determine, on behalf of the California CLASS, when an event occurs that, under this Section entitles the Custodian to temporarily suspend or postpone a Participant's right to redemption, and shall immediately notify the Custodian and each Participant by facsimile, email, mail, or telephone of such determination. Such a suspension or postponement shall not itself directly alter or affect a Participant's Balance.

(c) Such a suspension or postponement shall take effect at such time as is determined by the Administrator, and thereafter there shall be no right to request a redemption of Shares until the first to occur of: (a) in the case of (i), (ii) or (iv) above, the time at which the Administrator declares the suspension or postponement at an end, such declaration shall occur on the first day on which the period specified in the clause (i), (ii) or (iv) above shall have expired; and (b) in the case of (iii) above, the first day on which the period specified in clause (iii) above is no longer continuing.

(d) Any Participant that requested a payment prior to any suspension or postponement of payment may withdraw its request at any time prior to the termination of the suspension or postponement.

8.7 Defective Redemption Requests

In the event that a Participant shall submit a request for the redemption of a greater number of Shares than are then allocated to such Participant, such request shall not be honored.

ARTICLE IX

RECORD OF SHARES

9.1 Share Records

The California CLASS shall maintain records that shall contain:

- (i) The names and addresses of the Participants;
- (ii) The number of Shares representing their respective beneficial interests in any Account in any Fund hereunder; and
- (iii) A record of all allocations and redemptions. Such records shall be conclusive as to the identity of the Participants to which Shares are allocated. Only Participants whose allocation of Shares is recorded in the California CLASS records shall be entitled to receive distributions with respect to Shares or otherwise to exercise or enjoy the rights and benefits related to the beneficial interests represented by the Shares. No Participant shall be entitled to receive any distribution nor to have notices given to it until it has given its appropriate address to the California CLASS.

9.2 Maintenance of Records

The Administrator, or such other person appointed by the Administrator or the California CLASS, shall record the allocations of Shares in each Account in any Fund in the records of the California CLASS.

9.3 Owner of Record

No person becoming entitled to any Shares in consequence of the bankruptcy or insolvency of any Participant or otherwise by operation of law shall be recorded as the Participant to which such Shares are allocated unless such person is otherwise qualified to become a Participant. If not qualified, such person shall present proof of entitlement to the California CLASS and if the California CLASS, in its sole discretion, deems appropriate then be entitled to the redemption value of the Shares.

9.4 Transfer of Shares

The beneficial interests measured by the Shares shall not be transferable, in whole or in part, other than to the California CLASS itself or another Participant for purposes of redemption. Shares also may be redeemed from one Participant's Account and the proceeds deposited directly into another Participant's Account upon instructions from the Authorized Representative of the respective Participants.

9.5 Limitation of Responsibility

The California CLASS shall not, nor shall the Participants or any officer, employee or agent of the California CLASS, be bound to determine the existence of any trust, express,

implied or constructive, or of any charge, pledge, or equity to which any of the Shares or any interest therein are subject or to ascertain or inquire whether any redemption of any such Shares by any Participant or its Authorized Representatives is authorized by such trust, charge, pledge or equity, or to recognize any person as having any interest therein except the Participant recorded as the Participant to which such Shares are allocated. The receipt of moneys by the Participant in whose name any Shares is recorded or by the Authorized Representative or duly authorized agent of such Participant shall be a sufficient discharge for all moneys payable or deliverable in respect of such Shares and from all responsibility to see the proper application thereof.

9.6 Notices

Any and all notices to which Participants hereunder may be entitled and any and all communications shall be deemed duly served or given if electronically or mailed, postage prepaid, addressed to Participants of record at the electronic or physical mailing addresses recorded in the records of the California CLASS.

ARTICLE X

DETERMINATION OF NET ASSET VALUE, NET INCOME, DISTRIBUTIONS AND ALLOCATIONS

10.1 Determination of Net Asset Value, Net Income, Distributions and Allocations

The Information Statement for each Fund within the California CLASS Investment Program shall set forth the basis and times for determining the per Share net asset value of the Shares, the net income, and the declaration and payment of distributions, as the California CLASS, in its absolute discretion, may determine.

ARTICLE XI

CALIFORNIA CLASS INVESTMENT PROGRAM COSTS

11.1 Expenses

In consideration of the performance of its obligations hereunder, the Administrator shall receive a fee as set forth in the Administrator Agreement described in Section 5.1 hereof, which fee shall be paid from the earnings on the Accounts. The Administrator's fee shall be an Investment Property Liability. From its fee, the Administrator shall pay the following costs and expenses: the Investment Advisor's fee set forth in the Investment Advisor Agreement, the Custodian's fee set forth in the Custody Agreement, the costs of third parties retained by the Administrator to render investment advice pursuant to the Administrator Agreement, the

royalty fees to the Sponsors, marketing expenses, all custodial and securities clearance transaction charges, the cost of valuing the Investment Property, the cost of obtaining a rating or ratings, if any, the cost of other expenses agreed to by the Administrator and the California CLASS, all Investment Property record-keeping expenses, the cost of preparing monthly and annual reports, the expense of outside auditors required pursuant to the Administrator Agreement (but only if the Administrator selects such auditors), the fees of the counsel to the Administrator and/or the counsel to the California CLASS, the cost of Meetings of the Board, the cost of reimbursement for reasonable expenses incurred by Trustees in the course of their duties, insurance costs and the costs of Participant surveys and mailings. At least quarterly, the Administrator shall provide a detailed accounting of such expenses to the Trustees.

ARTICLE XII

REPRESENTATIONS AND WARRANTIES OF EACH FOUNDING PARTICIPANT

12.1 Representations and Warranties of Each Founding Participant

Each Founding Participant hereby represents and warrants that:

(a) the Founding Participant is a Public Agency and political subdivision of a state, or an agency, authority, or instrumentality of the United States, a state or any political subdivision of a state; and

(b) each of the recitals to this Agreement is true as it relates to such Founding Participant; and

(c) the Founding Participant has taken all necessary actions and has received all necessary approvals and consents and adopted all necessary resolutions in order to execute and deliver this Agreement and to perform its obligations hereunder; and

(d) the execution, delivery, and performance of this Agreement by the Founding Participant are within the power and authority of the Founding Participant and do not violate the laws, rules, or regulations of the State of California applicable to the Founding Participant or its organizational statute, instrument, or documents or any other applicable Federal, state, or local law.

ARTICLE XIII

LIMITATIONS OF LIABILITY OF FOUNDING PARTICIPANTS, PARTICIPANTS, TRUSTEES AND OTHERS

13.1 No Personal Liability of Founding Participants, Participants, Trustees and Others.

Except in the case of fraud or willful misconduct, no Founding Participant, Participant and, subject to Section 13.3 hereof, no Trustee, officer, employee or agent of California CLASS, acting in its capacity as a Founding Participant, Participant, Trustee, officer, employee or agent of California CLASS, as applicable, shall be subject to any personal liability whatsoever to any person in connection with property or the acts, obligations or affairs of California CLASS, and all such persons shall look solely to the Investment Property for satisfaction of claims of any nature arising in connection with the affairs of California CLASS. Except in the case of fraud or willful misconduct, no Founding Participant, Participant, Trustee, officer, employee, or agent, as such, of California CLASS who is made a party to any suit or proceeding to enforce any such liability, shall be held to any personal liability. The debts, liabilities and obligations of California CLASS shall not be the debts, liabilities and obligations of any Founding Participant, Participant, Trustee, officer, employee or agent of California CLASS, unless otherwise provided in this Agreement provided, however, that in such case, such debts, liabilities and obligations shall be limited to the value of the Investment Property.

13.2 Indemnification of Participants

California CLASS shall indemnify and hold each Participant harmless from and against all claims and liabilities to which such Participant may become subject by reason of its being or having been a Participant in the California CLASS Investment Program and shall reimburse such Participant for all legal and other expenses reasonably incurred by it in connection with any such claim or liability provided, however, that: (a) such Participant was acting in accordance with all legal and policy requirements and investment objectives applicable to such Participant, including any limitations that the Participant has adopted or is subject to which are more restrictive than state law, (b) such indemnity or reimbursement shall be made from the Investment Property in the applicable Fund in respect of which such claim or liability arose and not from any other Investment Property, and (c) no indemnification shall be made for any Participant's negligence or willful misconduct. The rights accruing to a Participant under this Section 13.2 shall not exclude any other right to which such Participant may be lawfully entitled, nor shall anything herein contained restrict the right of California CLASS to indemnify or reimburse a Participant in any appropriate situation even though not specifically provided herein.

13.3 Bad Faith of Trustees and Others

No Trustee, officer, employee or agent of California CLASS shall be liable to California CLASS, or to any Founding Participant, Participant, Trustee, officer, employee or agent thereof

for any action or failure to act, except for his or her own bad faith, willful misfeasance, gross negligence or reckless disregard of duty (collectively, "**Bad Faith**").

13.4 Indemnification of Trustees and Others from Third-Party Actions

(a) California CLASS shall, to the extent permitted by law, indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of California CLASS) by reason of the fact that such person is or was a Trustee, officer or employee of California CLASS, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if it is determined that such person acted in good faith and reasonably believed: (i) in the case of conduct in his or her official capacity as a Trustee of California CLASS, that his or her conduct was in California CLASS's best interests, (ii) in all other cases, that his or her conduct was at least not opposed to California CLASS's best interests, and (iii) in the case of a criminal proceeding, that he or she had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that the person did not act in good faith and in a manner that such person reasonably believed to be in the best interests of California CLASS or that such person had reasonable cause to believe such person's conduct was unlawful.

(b) In case any claim shall be made or action brought against any person in respect of which indemnity may be sought against the California CLASS, such indemnified person shall promptly notify the California CLASS in writing setting forth the particulars of such claim or action. The indemnified person shall be entitled to select and retain counsel of his or her choice. The California CLASS shall be responsible for the payment or immediate reimbursement for all reasonable fees and expenses incurred in the defense of such claim or action.

13.5 Indemnification of Trustees and Others for Successful Defense

To the extent that a Trustee, officer or employee of California CLASS has been successful on the merits in defense of any proceeding referred to in Section 13.4 hereof or in defense of any claim, issue or matter therein, before the court or other body before which the proceeding was brought, such person shall be indemnified against expenses actually and reasonably incurred in connection therewith.

13.6 Advance of Expenses

Expenses incurred in defending any proceeding may be advanced by California CLASS before the final disposition of the proceeding upon a written undertaking by or on behalf of the Trustee, officer or employee of California CLASS, to repay the amount of the advance if it is ultimately determined that he or she is not entitled to indemnification, together with at least one of the following as a condition to the advance: (i) security for the undertaking; or (ii) the existence of insurance protecting California CLASS against losses arising by reason of any lawful advances; or (iii) a determination by a majority of the Trustees who are not parties

to the proceeding ("**Non-Interested Trustees**"), or by independent legal counsel in a written opinion, based on a review of readily available facts, that there is reason to believe that such person ultimately will be found entitled to indemnification.

13.7 Exclusions and Limitations of Indemnification of Trustees and Others

Notwithstanding the foregoing, no indemnification or advance shall be made under Sections 13.4 to 13.6 hereof:

(a) Bad Faith. For any liability arising by reason of Bad Faith of a Trustee, officer or employee of California CLASS.

(b) Improper Personal Benefit. In respect of any claim, issue, or matter as to which a Trustee, officer or employee of California CLASS shall have been adjudged to be liable on the basis that personal benefit was improperly received by him or her, whether or not the benefit resulted from an action taken in such person's official capacity.

(c) Otherwise Prohibited. In any circumstances where it appears that it would be inconsistent with any condition expressly imposed by a court, any provision of this Agreement, or any agreement in effect at the time of accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid which prohibits or otherwise limits indemnification or advance.

(d) Limited to California CLASS's Assets. In any amount, individually or in the aggregate, that exceeds the value of the Investment Property. If there are concurrent indemnifications of multiple Participants under this Article XIII, such indemnifications shall be made on a pro rata basis up to the value of the Investment Property.

13.8 Obligations under Law

Notwithstanding anything herein or in the Investment Management Agreement to the contrary, nothing herein or therein is intended to relieve any Founding Participant or Participant of any obligation it has under state or Federal law to monitor, review, evaluate or provide oversight with respect to the Shares Program, the Investment Manager, or its participation in California CLASS.

13.9 Required Approval

No indemnification or advance shall be made under Sections 13.4 to 13.6 hereof unless and until it is determined, by a majority of the Non-Interested Trustees, or by independent legal counsel in a written opinion, based on a review of readily available facts, that indemnification of a Trustee, officer, employee or agent of California CLASS is proper in the circumstances because such person has met the applicable standard of conduct set forth in Sections 13.4 to 13.6 hereof, as applicable, and such indemnification is not excluded by reason of Section 13.7 hereof.

13.10 Fiduciaries of Employee Benefit Plan

This Article XIII does not provide indemnification or release from liability with respect to any proceeding against any trustee, Investment Manager or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be a Trustee, officer, employee or agent of California CLASS. Nothing contained in this Article XIII shall limit any right to indemnification to which such a trustee, Investment Manager, or other fiduciary may be entitled by contract or otherwise which shall be enforceable to the extent permitted by applicable laws other than this Article XIII.

13.11 No Duty of Investigation and Notice in California CLASS Instruments

No purchaser, lender, transfer agent, record keeper or other person dealing with any Trustee, officer, employee or agent of California CLASS shall be bound to make any inquiry concerning the validity of any transaction purporting to be made by such Trustee, officer, employee or agent or be liable for the application of money or property paid, loaned, or delivered to or on the order of such Trustee, officer, employee or agent. Every obligation, contract, instrument, certificate, Share or other security of California CLASS and undertaking, and every other document executed in connection with California CLASS, shall be conclusively presumed to have been executed or done by the executors thereof only in their capacity as Trustees under this Agreement or in their capacity as officers, employees or agents of California CLASS. Every written obligation, contract, instrument, certificate, Share or other security of California CLASS or undertaking made or issued by any Trustee shall recite that it is executed by such Trustee not individually, but in the capacity as Trustee under this Agreement, and that the obligations of any such instruments are not binding upon any of the Trustees, Founding Participants or Participants individually, but bind only California CLASS property, but the omission of such recital shall not operate to bind the Trustees, Founding Participants or Participants individually.

13.12 Reliance on Experts

Each Trustee, officer, employee and agent of California CLASS shall, in the performance of his or her duties, be fully protected with regard to any act or any failure to act resulting from reliance in good faith upon the books of account or other records of California CLASS, upon an opinion of counsel, or upon reports made to California CLASS by any of its officers or employees or by the investment adviser, administrator, transfer agent, record keeper, custodian, distributor accountants, appraisers or other experts or consultants selected with reasonable care by the Trustees, officers, employees or agents of California CLASS.

13.13 Immunity from Liability

All of the privileges and immunities from liability, all exemptions from laws, ordinances and rules, and all pension, relief, disability, workmen's compensation, and other benefits which apply to the activity of the trustees, officers, employees or agents of the Founding Participants when performing their functions within the territorial limits of their respective

Public Agencies, shall apply to them to the same degree and extent while engaged in the performance of any of their functions and duties associated with California CLASS.

13.14 Further Restriction of Duties and Liabilities

Without limiting the foregoing provisions of this Article XIII, the Trustees, officers, employees and Founding Participants of California CLASS shall in no event have any greater duties or liabilities than those imposed by applicable laws as shall be in effect from time to time.

ARTICLE XIV

AMENDMENT AND TERMINATION

14.1 Amendment

Unless explicitly set forth otherwise herein, this Agreement may be amended only by a majority vote of the Board. Nothing in this Agreement shall permit its amendment to violate the Act or the Applicable Law or impair the exemption from personal liability of the Founding Participants, Participants, Trustees, officers, employees and agents of the California CLASS or to permit assessments upon Participants. Notice of any amendment to this Agreement shall be filed with the office of the Secretary of State of California pursuant to Section 6503.5. Participants shall also be notified of any amendment to this Agreement through electronic communications.

14.2 Termination

(a) This Agreement shall continue in full force and effect unless terminated as set forth in this Section 14.2. This Agreement may be terminated at any time pursuant to a duly adopted amendment hereto approved by the unanimous vote of the Board provided, however, that in no event shall this Agreement terminate so long as the California CLASS has any unpaid debts or obligations.

(b) Upon the termination of this Agreement pursuant to this Section 14.2:

(i) the Custodian, the California CLASS, and the Administrator shall carry on no business in connection with the California CLASS Investment Program except for the purpose of satisfying the Investment Property Liabilities and winding up their affairs in connection with the Investment Property;

(ii) the Custodian, the California CLASS, and the Administrator shall proceed to wind up their affairs in connection with California CLASS Investment Program, and all of the powers of the California CLASS, the Administrator, and the Custodian under this Agreement, the Administrator Agreement, and the Custody Agreement, respectively, shall continue until the affairs of the California CLASS, the Administrator, and the

Custodian in connection with the California CLASS Investment Program shall have been wound up, including but not limited to the power to collect amounts owed, sell, convey, assign, exchange, transfer, or otherwise dispose of all or any part of the remaining Investment Property to one or more persons at public or private sale for consideration that may consist in whole or in part of cash, securities, or other property of any kind, discharge or pay Investment Property Liabilities, and do all other acts appropriate to liquidate their affairs in connection with the California CLASS Investment Program; and

(iii) after paying or adequately providing for the payment of all Investment Property Liabilities and upon receipt of such releases, indemnities, and refunding agreements as each of the California CLASS, Administrator, and Custodian deem necessary for their protection, the California CLASS shall take all necessary actions to cause the distribution of the remaining Investment Property, in cash or in kind or partly in each, among the Participants according to their respective proportionate Balances.

(c) Upon termination of this Agreement and distribution to the Participants as herein provided, the California CLASS shall direct the Administrator to execute and lodge among the records maintained in connection with this Agreement an instrument in writing setting forth the fact of such termination, and the California CLASS and Founding Participants shall thereupon be discharged from all further liabilities and duties hereunder, and the rights and benefits of all Participants hereunder shall cease and be canceled and discharged.

ARTICLE XV

MISCELLANEOUS

15.1 Governing Law

This Agreement is executed by the initial Founding Participants and delivered in the State of California and with reference to the laws thereof, and the rights of all parties and the validity, construction, and effect of every provision hereof shall be subject to and construed according to the laws of the State of California.

15.2 Severability

The provisions of this Agreement are severable, and if any one or more of such provisions (the "**Conflicting Provisions**") are in conflict with applicable laws, the Conflicting Provisions shall be deemed never to have constituted a part of this Agreement, and this Agreement may be amended pursuant to Section 14.1 hereof to remove the Conflicting Provisions provided, however, that such conflict or amendment shall not affect or impair any of the remaining provisions of this Agreement or render invalid or improper any action taken or omitted prior to the discovery or removal of the Conflicting Provisions.

15.3 Counterparts

This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts, together, shall constitute but one and the same instrument that shall be sufficiently evidenced by any such original counterpart.

15.4 No Assignment

No assignment of this Agreement may be made by any party without consent of the non-assigning party.

15.5 Gender; Section Headings and Table of Contents

(a) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders, and words importing the singular number shall mean and include the plural number and vice versa.

(b) Any headings preceding the texts of the several Articles and Sections of this Agreement and any table of contents or marginal notes appended to copies hereof shall be solely for convenience of reference and shall neither constitute a part of this Agreement nor affect its meaning, construction, or effect.

15.6 No Partnership

Other than the creation by the Founding Participants of a joint exercise of powers entity pursuant to the Act, this Agreement does not create or constitute an association of two or more persons to carry on as co-owners a business for profit, and none of the parties intends this Agreement to constitute a partnership or any other joint venture or association.

15.7 Notice

Unless oral notice is otherwise allowed in this Agreement and except as otherwise provided herein, all notices required to be sent under this Agreement:

(a) shall be in writing;

(b) shall be deemed to be sufficient if given by (i) depositing the same in the United States mail properly addressed, postage prepaid, or (ii) electronically transmitting such notice by any means such as by facsimile transmission, email, or other electronic means, or (iii) by depositing the same with a courier delivery service, addressed to the person entitled thereto at his address or phone number as it appears on the records maintained by the Administrator;

(c) shall be deemed to have been given on the day of such transmission if delivered pursuant to subsection (b)(ii) or on the third day after deposit if delivered pursuant to subsection (b)(i) or (b)(iii); and

(d) any of the methods specified in Section 15.7(b) hereof shall be sufficient to deliver any notice required hereunder notwithstanding that one or more of such methods may not be specifically listed in the Sections hereunder requiring such notice.

15.8 Confidentiality

(a) All information and recommendations furnished by the Administrator to any Participants or the California CLASS that is marked confidential and all information and directions furnished by the Administrator to the Custodian shall be regarded as confidential by each such person to the extent permitted by law. Nothing in this Section shall prevent any party from divulging information as required by law or from divulging information to civil, criminal, bank, or securities regulatory authorities where such party may be exposed to civil or criminal proceedings or penalties for failure to comply, or from divulging information in accordance with State of California laws or to prevent the Administrator from distributing copies of this Agreement, the names of the Participants, or the Investment Property Value to third parties.

15.9 Entire Agreement

This Agreement shall constitute the entire agreement of the parties with respect to the subject matter and shall supersede all prior oral or written agreements in regard thereto.

15.10 Disputes

In the event of any dispute between the parties, the parties agree to attempt to resolve the dispute through negotiation. To the extent permitted by law, no litigation shall be commenced without a certification by an authorized officer, employee, or agent of any party that the dispute cannot be resolved by negotiation provided in writing at least 10 days before commencing legal action.

15.11 Writings

Whenever this Agreement requires a notice, instruction, or confirmation to be in writing or a written report to be made or a written record to be maintained, it shall be sufficient if such writing is produced or maintained by electronic means or maintained by any other photostatic, photographic, or micrographic data storage method such as digital discs as well as on paper.

15.12 Effective Date

This Agreement shall become effective on the Effective Date.

SIGNATURE PAGE FOR JOINT EXERCISE OF POWERS AGREEMENT

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in their names and on their behalf as of the date first written above.

ALAMEDA COUNTY MOSQUITO
ABATEMENT DISTRICT

By: _____

Name: _____

Title: _____

WEST BASIN MUNICIPAL WATER
DISTRICT

By: _____

Name: _____

Title: _____

CITY OF LANCASTER

By: _____

Name: _____

Title: _____

EXHIBIT A

EXHIBIT A

Valuation Procedures

1. Portfolio Valuation

California CLASS follows Financial Accounting Standards Board Accounting Standards Codification (ASC) 820 *Fair Value Measurement and Disclosure* for financial reporting purposes. ASC 820 defines fair value, establishes a single framework for measuring fair value, and requires disclosures about fair value measurement.

At least daily, the Investment Property Value shall be determined on a mark to market basis as follows: (a) securities for which market quotations are readily available are valued at the most recent bid price or yield equivalent as obtained from one or more market makers for such securities or a third-party pricing source; (2) all other securities and assets are valued at fair market value in good faith.

2. Amendment

These Valuation Procedures may be amended from time to time as provided in the Agreement.

McKinleyville Community Services District

BOARD OF DIRECTORS

July 6, 2022

TYPE OF ITEM: **ACTION**

ITEM: E.3 **Consider Adjustment of Existing Utility Easement across APN 508-360-019 from 25-ft Width to 20-ft Width**

PRESENTED BY: **Patrick Kaspari, General Manager**

TYPE OF ACTION: **Roll Call**

Recommendation:

Staff recommends that the Board of Directors review information provided, take public comment and consider directing the General Manger to sign the Quitclaim Deed for the 25-foot easement across APN 508-360-019 and direct him to Record the Quitclaim and Grant Deed with the County Recorder's office.

Discussion:

Russell and Lynn Jones, owners of 1629 Kristin Way (APN 508-360-019) wish to construct a 500 square foot addition to the south side of their home. In preparing the Plot Plan for the permit from the building department, the existing utility easement for the District's waterline was noted. It should be further noted that there is an existing greenhouse attached to the Jones' house that currently crosses into the existing easement by a couple of feet. The Jones came into the office earlier this year to discuss the issue with the General Manager and the Operations Director. Staff reviewed the location and access to the existing 6-inch PVC waterline that runs between Kirstin Way and Henry Lane and asked the Jones to survey in the location of the water line in relation to the easement boundaries. Staff also request they have a surveyor prepare a Quitclaim Deed to void the existing 25-foot easement and new Grant Deed to award a new 20-foot easement.

Points West Surveying performed the tasks requested of the Jones' and sent the letter included as **Attachment 1**. The existing waterline was located to be almost exactly in the center of the proposed 20-foot wide easement (10 feet north of the south line of the Lands of Jones). The letter requests the District consider modifying the existing easement from twenty-five (25) foot width to twenty (20) foot width to accommodate the building addition. Points West also attached documents to relinquish the existing easement (the Quitclaim Deed) and a Grant of Easement to reduce the easement width to twenty (20) feet. This change would allow the property owner to construct the 500 square foot addition to the house (to replace the existing attached greenhouse as shown on the Plat figure) and result in a twenty-foot-wide easement centered on MCSD's existing waterline. The new Grant Deed has been signed by the Jones. The District would need to sign the Quitclaim Deed for relinquishing the existing 25-foot wide easement. Both the Grant Deed and the Quitclaim Deed would then need to be

recorded with the County. Staff feels that the proposed 20-foot wide easement is more than sufficient room to allow for access to and repair of the existing 6-inch water line. The District has no plans and cannot foresee a need at this time of any other water or sewer utilities being installed in this easement.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Points West letter dated May 31, 2022, with Quitclaim Deed and signed Grant Deed



May 31, 2022

Mr. Pat Kaspari, PE
 General Manager
 McKinleyville Community Services District
 P.O. Box 2037
 McKinleyville, CA. 95519

RECEIVED

MAY 31 2022

McK. C.S.D.

Re: Russ Jones Waterline Easement – 1629 Kristin Way, McKinleyville, CA.

Dear Pat,

I am working with a client on Kristin Way who wishes to construct a 500 square foot addition to the south side of his home. In preparing the Plot Plan for the building department an easement for a waterline was discovered. The purpose of this letter is to request McKinleyville Community Services District (MCSD) consider modifying this existing easement from twenty-five (25) foot width to twenty (20) foot width to accommodate this building addition.

The existing easement, Parcel J per Book 20 of Maps, pages 96-98, is in use by MCSD for a waterline which is located 10 feet north of the south line of the Lands of Jones. You have indicated that twenty feet is sufficient for your waterline.

I attach documents to relinquish the existing easement (Quitclaim Deed) and a Grant of Easement to reduce width to twenty (20) feet. This change would allow the property owner to construct a 500 square foot addition to the house (to replace an existing attached greenhouse as shown on Plat) and result in a twenty-foot-wide easement centered on MCSD's existing waterline.

Please call me to discuss if you have questions or require any further data. I appreciate your consideration in this matter.

Sincerely,

David A. Crivelli, PLS

**When Recorded Mail Document
and Tax Statement To:**

McKinleyville Community Services District
P.O. Box 2037
McKinleyville, CA. 95519

APN: 508-360-019

SPACE ABOVE THIS LINE FOR RECORDER'S
USE

QUITCLAIM DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
McKinleyville Community Services District, a public agency in the State of California
hereby remises, releases and quitclaims to

Merwin Russell Jones Jr. and Lynn Jones, husband and wife as joint tenants

the following described real property in the County of **Humboldt**, State of **California**:

SEE EXHIBIT "A", Legal Description, and EXHIBIT "B" Plat, ATTACHED HERETO AND MADE A PART HEREOF

This deed is being recorded to relinquish all rights, title and interest to easement "J" created by the Tract Map No. 388, recorded October 6, 1992, in Book 25 of Maps, pages 96-98, Humboldt County Records, in exchange for new easement rights being granted by Easement Grant Deed being recorded concurrently herewith.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF California _____)SS
COUNTY OF Humboldt _____)

**Patrick Kaspari, PE General Manager
McKinleyville Community Services District**

On _____ before me,

_____, a notary public, personally appeared **Patrick Kaspari**, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

MAIL TAX STATEMENTS AS DIRECTED ABOVE

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF HUMBOLDT, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

THE FOLLOWING EASEMENT, TO BE EXTINGUISHED, WAS CREATED BY TRACT MAP NO. 388, RECORDED OCTOBER 6, 1992 IN BOOK 20 OF MAPS, PAGES 96-98, HUMBOLDT COUNTY RECORDS.

Parcel "J"

Being a 25 wide Non-Exclusive Easement for Ingress, Egress and Public Utilities purposes lying north of the most southerly line of the Remainder Parcel shown on said map.

Plat depicting the easement described above is shown on the plat "Exhibit B", attached hereto and made a part hereof.

END OF DESCRIPTION

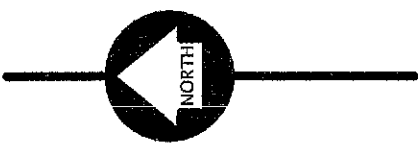
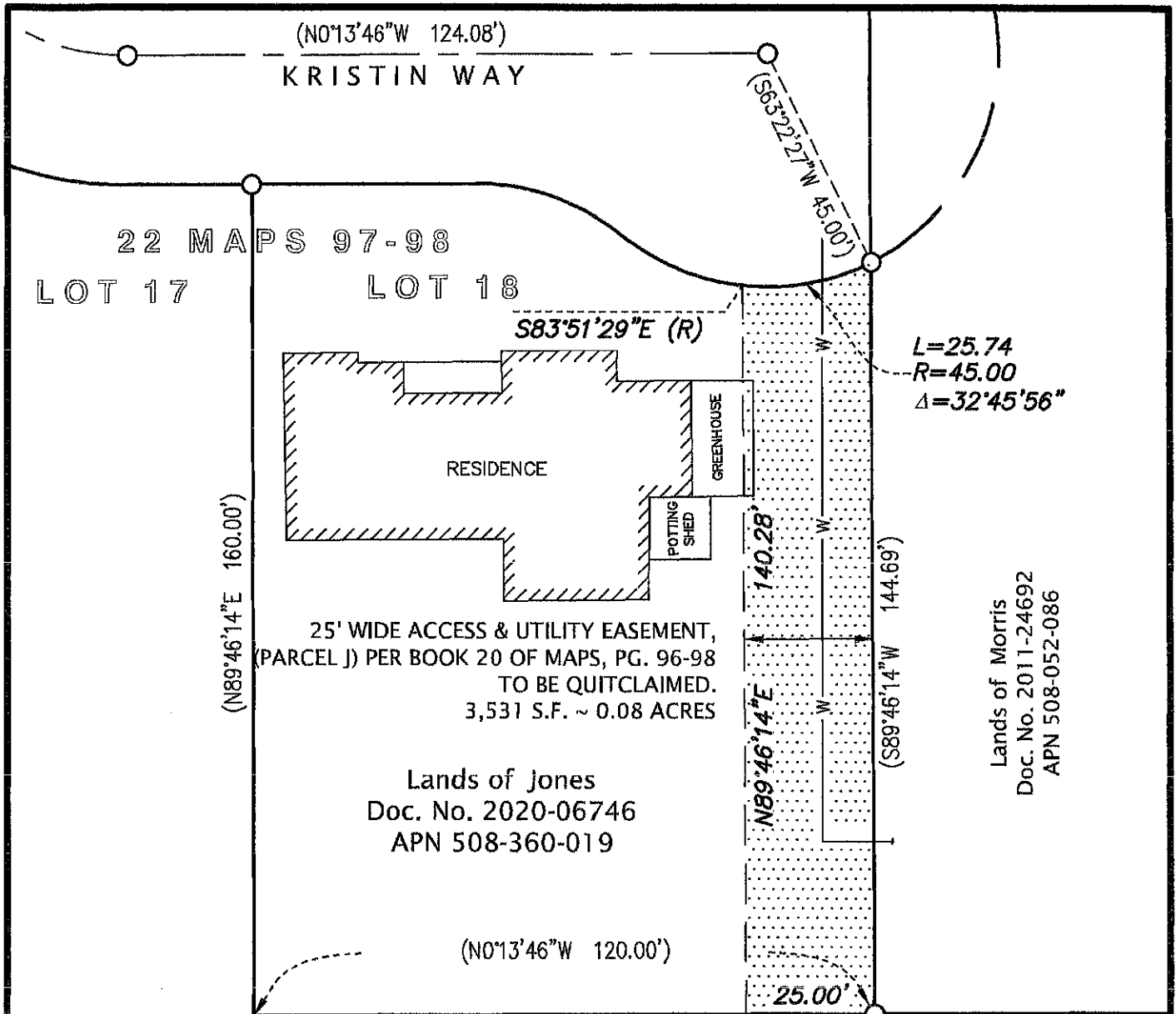


David A. Crivelli

David A. Crivelli

PLS 7015

5/31/2022



Lands of Simas Trust
Doc. No. 2007-12032
APN 508-052-053

QUITCLAIM EASEMENT- EXHIBIT B

Lands of Jones
1629 Kristin Way

NW ¼ of SECTION 8, T6N, R1E,
HUMBOLDT MERIDIAN

IN THE UNINCORPORATED AREA OF MCKINLEYVILLE,
HUMBOLDT COUNTY, STATE OF CALIFORNIA

SCALE: 1" = 30'

Date: MAY 2022

SHEET 1 OF 1

POINTS WEST SURVEYING CO.
5201 Carlson Park Dr., Suite 3 - Arcata, CA 95521
707-840-9510 · Phone 707-840-9542 · Fax

Recording Requested by and Return to:

McKinleyville Community Services District
P.O. Box 2037
McKinleyville, CA. 95519

SPACE ABOVE THIS LINE FOR RECORDER'S USE

APN 508-360-019

GRANT DEED – GRANT OF EASEMENT

The Undersigned declares:

Documentary transfer tax is \$ _____

-] computed on full value of property conveyed, or
-] computed on full value less value of liens or encumbrances remaining at time of sale,
-] Unincorporated Area

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

Merwin Russell Jones Jr. and Lynn Jones, husband and wife as joint tenants

Hereby GRANT(S) to

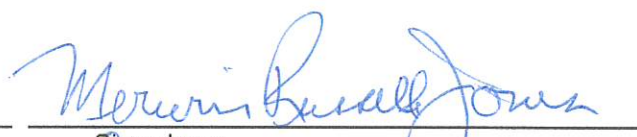
McKinleyville Community Services District, a public agency in the State of California

The following real property in the unincorporated area of the County of Humboldt, State of California:

SEE EXHIBIT 'A' & EXHIBIT 'B' ATTACHED HERETO AND MADE A PART THEREOF

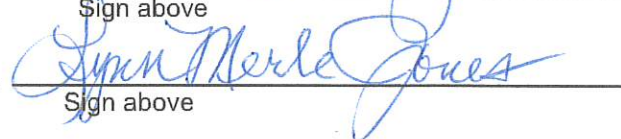
OWNER:

Print name here: Merwin Russell Jones



Sign above

Print name here: Lynn Jones



Sign above

CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA }

COUNTY OF HUMBOLDT }

On this 20th day of May, 2022, before me, Danielle Pierson

Notary Public, personally appeared Merwin Russell Jones and Lynn Jones who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing is true and correct.

Witness my hand and official seal.

Danielle Pierson (seal)

Signature



EXHIBIT 'A'

20 foot Wide Public Utility Easement

Being a Twenty-foot wide Non-Exclusive Easement for Public Utility purposes and for purposes incidental thereto including access, maintenance, construction, and reconstruction, over, under and across all that real property described in Document No. 2020-6746, Humboldt County Records, being all of Lot 18 of Tract 513, Cypress Hills Subdivision II, recorded in Book 22 of Maps, pages 97-98 and lying within the Northwest Quarter of Section 8, Township 6 North, Range 1 East, in the unincorporated area of McKinleyville, County of Humboldt, State of California, further described as follows:

Being a strip of land, twenty feet in width, measured perpendicular to and north from the south line of said Lot 18.

Exhibit B depicts the location of this easement is attached and made a part hereof.

END OF DESCRIPTION

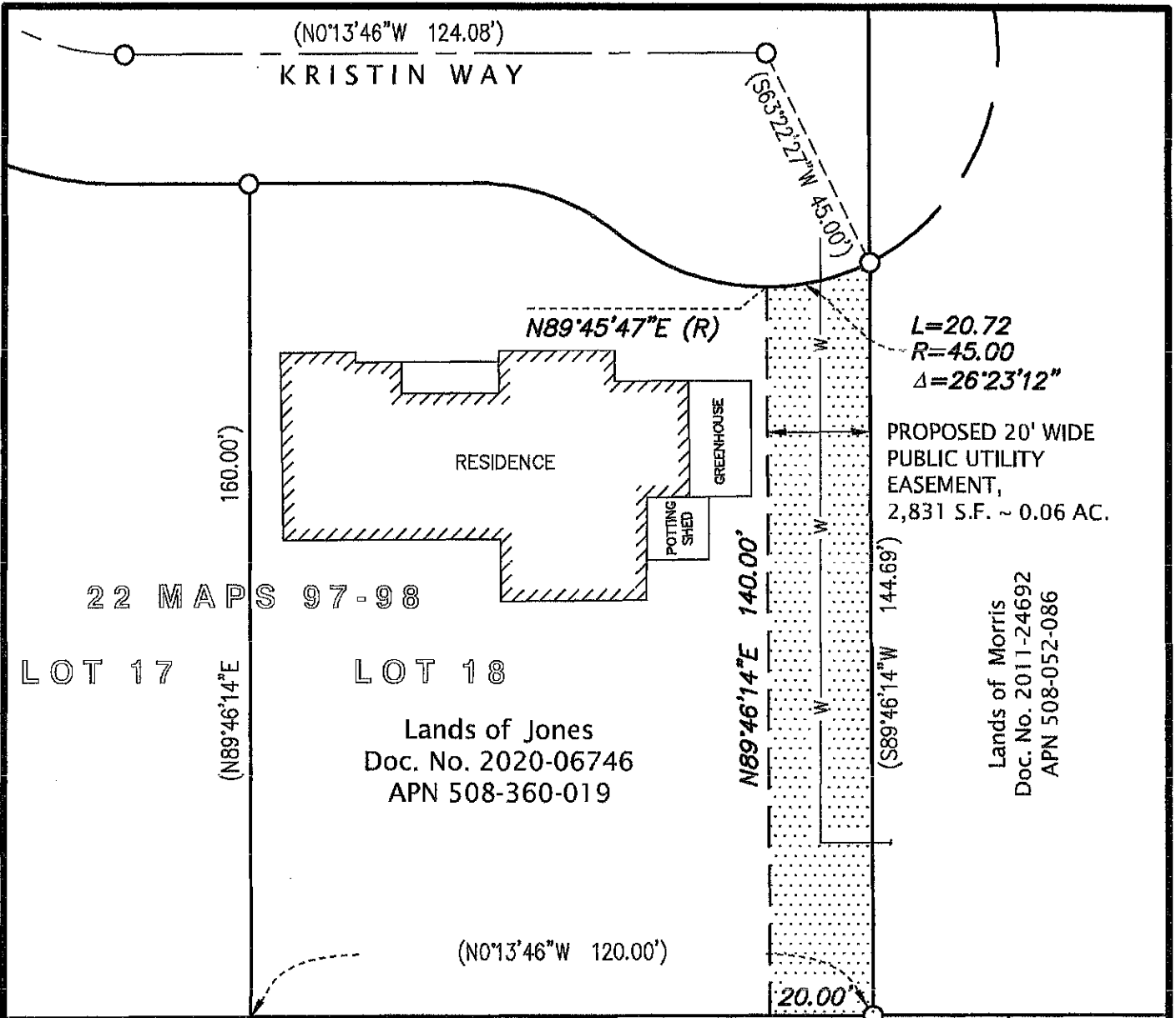


David A. Crivelli

David A. Crivelli

PLS 7015

5/31/2022



22 MAPS 97-98

LOT 17
(N89°46'14"E
160.00')

LOT 18
Lands of Jones
Doc. No. 2020-06746
APN 508-360-019

L=20.72
R=45.00
Δ=26'23"12"
PROPOSED 20' WIDE
PUBLIC UTILITY
EASEMENT,
2,831 S.F. ~ 0.06 AC.

Lands of Morris
Doc. No. 2011-24692
APN 508-052-086



Lands of Simas Trust
Doc. No. 2007-12032
APN 508-052-053

PUBLIC UTILITY EASEMENT- EXHIBIT B

Lands of Jones
1629 Kristin Way

NW 1/4 of SECTION 8, T6N, R1E,
HUMBOLDT MERIDIAN

IN THE UNINCORPORATED AREA OF MCKINLEYVILLE,
HUMBOLDT COUNTY, STATE OF CALIFORNIA

SCALE: 1" = 30'

Date: MAY 2022

SHEET 1 OF 1

POINTS WEST SURVEYING CO.
5201 Carlson Park Dr., Suite 3 - Arcata, CA 95521
707-840-9510 - Phone 707-840-9542 - Fax

McKinleyville Community Services District

BOARD OF DIRECTORS

July 6, 2022

TYPE OF ITEM: **ACTION**

ITEM: E.4 **Approve Unified Field Services Corporation as the Successful Bidder Related to Bids Received for the Cochran Tank 1A Painting Request for Proposals (RFP) and Authorize the General Manager to Execute Construction Contract**

PRESENTED BY: **Patrick Kaspari, General Manager**

TYPE OF ACTION: **Roll Call Vote**

Recommendation:

The Staff recommends the Board review the information presented take public comment and:

- Award the bid for preparation and painting to Unified Field Services Corporation for the sum of \$469,903.00,
- Award the contract for coating inspection to Bay Area Coating Consultants, Inc. for the sum of \$38,434.40,
- Authorize the General Manager to sign both contracts and all other necessary documents to allow the work to proceed

Discussion:

The MCSD Capital Improvement budget scheduled the Cochran Road 1 million-gallon water tank to be repainted this fiscal year. The tank was last painted in 2002.

Project Description: The Cochran Tank is to be sand blasted to white metal on the interior, primed and painted. The exterior will be water blasted, sanded, primed and the entire exterior top coated to design Standards and Specifications. Construction management will be performed in house and coating inspection will be performed by a certified coating specialist.

The RFP was issued and appropriately advertised May 13, 2022 and bids were accepted through June 17th at 2:00 pm. A Mandatory pre-bid meeting was held on June 2nd. Two bidders responded and are as follows:

Item	Description	Unified Field	Farr Construction
------	-------------	---------------	-------------------

		Services Corporation	Corp.
1	Mobilization/ Demobilization	\$18,450.00	\$30,000.00
2	Replace Interior Coating	\$373,531.00	\$383,000.00
3	Overcoat Painting and Spot Clean-up of Exterior Coating	\$74,422.00	\$62,300.00
4	Tank Disinfection and Testing	\$3,500.00	\$12,600.00
	Total	\$469,903.00	\$487,900.00

Unified Field Services Corporation was low bidder at \$469,903.00. Their bid was determined to be responsive and responsible and was received on time. The required licensing, bonding and insurance are all in order.

As the coatings for this project are highly specialized, staff determined the necessity to secure the services of a Coating Inspector for this project. Due to their experience and past projects with the District, Bay Area Coating Consultants will be recommended for this project.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

Respective Firm	Associated Cost
Unified Field Services Corporation	\$469,903.00
Bay Area Coating Consultants, Inc.	\$38,434.40
Total Project Cost	\$508,337.40

Staff estimated the cost for the CIP at \$500K and is within the allowable 10% variance for the budget item. However, if the project calls for a contingency adjustment of 10% (\$50,833) of the project cost, then staff will need to bring this item back for a budget modification.

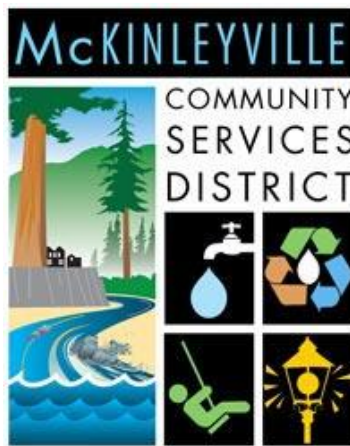
Environmental Requirements:

All environmental requirements will be addressed by the painting contractor.

Exhibits/Attachments

- Attachment 1 – BACC Coating Consultant Proposal
- Attachment 2 – BACC Professional Services Agreement 2022-07
- Attachment 3 – Farr Construction Proposal
- Attachment 4 – Unified Field Services Proposal
- Attachment 5 – Unified Field Services Construction Contract

**Request for Proposal
For
Mckinleyville Community Services District
NACE Inspection Services for the Coating and Lining Recoating of the
Exterior and Interior of the Cochran Tank 1A**



**Mr. Pat Kaspari, P.E.
General Manager
1685 Gwin Road
Mckinleyville, CA 95519**

**Proposal Provided by
Ed Darrimon / President
Bay Area Coating Consultants, Inc.
March 23, 2022**



Experience & Integrity Since 1987



Table of Contents

- Section 1. Scope of Work
- Section 2. Relevant Experience and Expertise
- Section 3. Project Team
- Section 4. Quality Assurance and Control: Conflicts
- Section 5. Client Reference
- Section 6. Contract and Requirements
- Section 7. Addenda
- Section B. Cost of Services
- Team Resumes



SECTION 1 - Scope of Work.

The purpose of our services would be to assist the McKinleyville Community Services District Engineering Department with completing the contract requirements established by the District. BACC understands that the District will be rehabilitating the interior and exterior of the 1.0 Mg, Cochran potable water reservoir rehabilitation project located in, McKinleyville, California. BACC will provide a hold point National Association of Corrosion Engineers certified coating inspector to provide daily inspection and reporting of the Contractors operations. BACC will be onsite full-time during coating applications. All BACC Team members are full time employees. BACC does not employ subcontractors. All Inspectors are paid as per the DIR prevailing wage requirements.

SECTION 2 - Relevant Experience and Expertise.

Bay Area Coating Consultants, Inc. is the most established coating inspection firm in California and was founded in 1987. Ed Darrimon has been rehabilitating potable reservoirs for over forty years and is a well-known industry expert who is involved in all aspects of daily operations, communications, and consulting with our Team. BACC knows from our experience how to identify potential issues that can arise with a reservoir rehabilitation project. BACC is well versed with the NSF/UL 61 product requirements such as thinning and maximum dry film thickness as listed on the NSF website. BACC will ensure all current SSPC, AWWA, ASTM, and NACE standards and guidelines are being enforced. BACC has been providing technical specifications and inspection for most of our projects without a claim or change order. BACC Team members are familiar with Procure and EDOC project management and document management systems. BACC is always aware of the surrounding community and how a long-term project like this affects the neighbors due to noise and deliveries. BACC is a totally independent inspection firm that works for Owners and Engineering firms only. All BACC employees are fulltime established NACE employees and not contract employees just hired for a project. The BACC Team is fully certified and trained for confined space, respiratory training, scaffolding/fall protection and lead projects. BACC is a SSPC / QP 5 certified inspection firm. All our inspection equipment is provided by Elcometer and is state of the art and fully calibrated. BACC can also provide ultra-sonic metal thickness testing and pit depth testing.

SECTION 3 - Project Team



- **Project Manager**

Ed Darrimon (President) will be the project Manager if our firm is selected. Ed Has been in the water industry for over forty-two years. Ed has mentored over the years his Team with his extensive knowledge on how to prevent conflicts and work with the Contractors to achieve the quality our clients expect from a company with integrity and experience. Ed serves on the AWWA D-100, 102, 103, 104, M42 and 108 standard approval and review committee continuously and currently for thirty-five years. Ed is a NACE certified inspector (No. 106).



- **Quality Control QA-Q/C Project Coordinator**

Austin Darrimon (Vice President) is a graduate from Fresno State with a degree in business. Austin is a NACE level III (No.15624) inspector with twelve years' experience and is also a SSPC Certified protective coating specialists (No.405-301) and a certified auditor. Austin was the past chairman for the NACE section. Austin monitors all daily operations and inspector reports to ensure our quality assurance standards are meeting our inhouse QA/QC standards.



Todd Whittenburg Senior Inspector who has been with us since 2016 Paul is a NACE level III inspector (No. 55668) with twenty- years' experience. Paul has continuously completed reservoir rehabilitation projects the past 16 years as coating and lining inspector on numerous BACC reservoir rehabilitation projects. Example Zone 7 WA - 4.5MG 2018 (Thin/thick film epoxies), Santa Clara VWD, 4.0MG 2018 (Thick film polyurethane). Paul is presently working on an East Bay Municipal Utility District reservoir rehabilitation project of four water storage tanks.

- All BACC inspectors have current confined space, scaffolding, lead, and respiratory fit testing certificates.

SECTION 4- Quality Assurance and Control; Conflicts

Our Teams extensive experience in the coating and lining of potable water reservoirs gives us in-depth knowledge to understanding of the Contractor's activities, allowing us to identify areas of concern or discrepancies on an on-going basis. Our approach is to proactive with the Contractor with a common goal of completing the project objectives required by the District specifications and expectations. We want to keep the District informed of any issues on the project daily. Ed Darrimon will assist with any change orders, disputes or conflicts with the District on an ongoing basis at no charge. Ed has over forty-two years of experience in the water industry. Ed is a renowned tank expert within the water tank industry and has extensive experience in conflict management. Ed has mentored over the years his Team with his extensive knowledge on how to prevent conflicts and work with the Contractors to achieve the quality our clients expect from a company with integrity and experience. Maintaining proper ambient conditions and proper ventilation is critical when rehabilitating a tank during the winter months which can lead to solvent entrapment and taste and odor issues if not properly addressed daily. We know one of the main issues with lining tanks of this size and the amount of square footage is not allowing the Contractor to exceed the maximum recoat times, and unidentified areas of corrosion in the rafters and center rafter support. This is one of the most common cause of failures with tanks of this size. The BACC Team will provide an onsite visit with the District to address any unforeseen issues at the beginning when the tank is empty.

SECTION 5 – Client References

Zone 7 Water Agency

Athena Watson P.E.

Livermore CA.

Phone: (925) 454-5030

Email: awatson@zone7water.com

PROJECT: Deval Water Treatment Plant (Completed 3 Reservoir Rehabilitation Projects)

BACC has completed numerous projects for Zone 7 over the past fourteen years. Our most current completed project was the (2018) 4.6 MG clear well tank which was coated with both thin film and 100% solids epoxies. BACC provided full time inspection, specification assistance and consulting. BACC is presently working on the Doughty (2019) 4.5MG reservoir rehabilitation project and the water treatment plant upgrades. BACC provided pre-testing of existing coatings, specification assistance, and NACE coating and lining inspection.

South Lake Tahoe Public Utility District

Julie Ryan P.E. Senior Engineer

Email: julie@stpud.dst.ca.us

Phone: (530) 543-6267

1275 Meadow Crest Drive

South Lake Tahoe, CA 96150

PROJECT: Heavenly Reservoir Rehabilitation

BACC provided the project specifications and NACE inspection services for a 1.5 Mg. carbon steel reservoir. BACC provided all submittal reviews and addressed any project conflicts for the project. BACC has completed numerous projects over the past twenty years including the wastewater treatment plant.

City of San Francisco Public Utilities Commission

Elmer Chueng, P.E.

875 Stevens Street

San Francisco CA. 94103

Phone: (415) 551-4668 Fax (415) 551-4877

Email: ECheung@sfwater.org

(Completed 4 Reservoir Rehabilitation Projects) BACC has been completed numerous projects over our twenty-year history with City Staff. BACC has been a consultant on numerous projects and has provided NACE inspection services for the City's reservoirs, pipelines, penstocks, dams, water and wastewater treatment plants. BACC currently has ongoing projects with the City.

Soquel Creek Water District

Taj Dufour, P.E. Engineering Manager

5180 Soquel Creek Drive

Soquel, CA. 95073

Phone: (831)-475-8500

Email: TajD@soquelcreekwater.org

PROJECT: Sea Scape Reservoir Rehabilitation (Completed 11 Reservoir rehabilitation Projects)

BACC has been providing failure Analysis, Specifications, Inspection and consulting services on a yearly basis for over fifteen years. Seascape Reservoir is the last large reservoir completed for the District. Seascape which is a 2.0MG steel reservoir that was coated with a thin film and 100% solids epoxy system. The reservoir exterior coating system was lead based and required full containment and removal in a congested neighborhood. BACC provided full time inspection, specification assistance and consulting.

**Tahoe City Public Utility District
(Completed 8 Reservoir Rehabilitation Projects)
Tony Laliotis, Director of Utilities
221 Fairway Drive
Tahoe City CA.
Phone: 530-580-6053
Email: tlaliotis@tcpud.org**

PROJECT: Bunker Hill Reservoir (Completed 8 Reservoir Rehabilitation Projects)

BACC has completed numerous projects for the Tahoe Public Utility District over the past ten years. Our most current completed project was the (2019) new 2.0MG potable water reservoir which was coated with both thin film and 100% solids epoxies. BACC provided the coating specifications and inspection for the project.

SECTION 6 – Contracts and Insurance Requirements

Bay Area Coating Consultants, Inc. meets or exceeds all RFP insurance requirements
BACC has the following insurance coverage’s in effect:

General Liability: Three million
Workman’s Compensation: One million dollars
Errors and Omissions: Two million dollars
Auto: Two million dollars

- Bay Area Coating Consultants, Inc. certifies that we take no exception(s) to the RFP including, but not limited to the Cities Professional Services Agreement and General Provisions.

B. Cost of Services

BUILDING/CONSTRUCTION INSPECTOR TESTER GROUP 4	
(NACE Certified) Prevailing Wage Billing Rates	
DIR Public Works Contractor (PWC) Registration #1000005228 Expires 06/30/2024 State of California Small Business (Micro) Public Works Certification No. 2005005 Expires 01/31/2023	
Billing Rate \$113.00per Hour	
Time X 1.5 Billing Rate \$149.94 per Hour	
Double Time: Billing Rate \$189.78 per Hour	
Truck/Equipment Charge: \$10.80 per Hour	
Four Hour Minimum: 4.0 hours	
Subsistence/Hotel: \$75.00 per day. Hotel will be billed at cost.	

Item No.	Estimated Quantity and Unit	Item Description	Unit Price (Figures)	Unit Price Extension
1	Daily Rate	Flat daily rate for inspection services	\$990.40	\$990.40
		Subsistence 7 days a week Hotel	\$75.00 per day Billed at Cost	\$75.00 per day Billed at Cost
2		Review Submittals Consulting	\$ No Charge	No Charge
3		Total Estimated Proposal Cost 360.00 hours - 40 days	\$38,434.40	\$38,434.40

We are basing this estimate on previous projects of similar size and scope as we do not have the Contractors project schedule.

EXHIBIT B

QUESTIONS USALLY ASKED REGARDING EXPERIENCE AND EXPERTISE

Who are some of our clients?

- | | | |
|-------------------------------------|-------------------------------------|-------------------|
| East Bay Municipal Utility District | South Tahoe Public Utility District | Carollo Engineers |
| Zone 7 Water Agency | North Tahoe Public Utility District | AECOM Engineers |
| Contra Costa Water District | Tahoe City Public Utility District | JACOBS Engineers |
| City of San Francisco | City of Reno/Sparks | PSOMAS/Covello |
| Dublin San Ramon Services District | Soquel Creek Water District | Kennedy/Jenks |
| Diablo Water District | Turlock Irrigation District | HDR |
| Modesto Irrigation District | City of Santa Cruz | Kennedy Jenks |

What distinguishes BACC firm from similar firms?

Bay Area Coating Consultants, Inc. is the most established inspection firms in California and was established in 1987. Ed Darrimon has been rehabilitating potable reservoirs for over forty-two years and is a well-known industry expert who is involved in all aspects of daily operations, communications, and consulting with our Team. BACC knows from our experience how to identify potential issues that can arise with a reservoir rehabilitation project. BACC has been providing technical specifications and assistance for most of our projects without a claim or change order. BACC is a totally independent inspection firm that works for Owners and Engineering firms only. It is critical to establish consistency with a Team of seasoned fulltime employees that are established. NACE Team members that fully understand our approach to successful projects and not contract employees just hired for a project. BACC is a SSPC / QP 5 certified inspection firm. All our inspection equipment is provided by latest Elcometer equipment which is state of the art and fully calibrated. BACC can also provide ultra-sonic metal thickness testing and pit depth testing.

Our approach to ensuring that the project is completed on time and in compliance with District standard, specifications, and plans.

Our Team has the experience and expertise to understand how critical the Contractors written project schedule are for the completion of the project on time, within budget without sacrificing the requirements of the District's specifications and industry standards. We cannot direct a Contractor because it is the Contractors means and methods on how they schedule the work. The BACC Team will be proactive with the Contractor and the District keeping everyone aware of the daily progress and adherence to the project schedule. BACC will monitor the Contractors daily operations and report to the District Staff if the Contractor is not meeting the project schedule. It is our mission to ensure that all specified requirements established by the Cities project specifications and relevant industry standards are being enforced, if the Contractor fails to meet the contract requirements, the BACC inspector shall immediately notify District Staff and issue a non-compliance for any defective work that is not in compliance with the project specifications. BACC will ensure all defective work repaired and completed and documented in the daily reports.

Information that will contained in the daily reports BACC will provide the District.

BACC will meet every morning with the Contractor to determine what is the expectations for the on what work will be accomplished for the day. Daily reports will describe the Contractors operations with photographs and submitted to the District via PRECORE electronic reporting system. BACC will attend the tail gate safety meetings and review the JSA and confined space permits for meeting our safety requirements. BACC will provide all inspections as per ASTM D-3276 Guide for paint inspectors (Metal substrates) and SSPC Guide for coating inspection, but not limited to the following depending on the Contractors operations:

- REVIEW OF SPECIFICATIONS (ASTM D-3226)
- ATTEND ON-SITE FAMILIARIZATIONSESSION
- PHOTOGRAPHIC DOCUMENT PRE-SITE CONDITIONS
- CONDITION OF EDGES, WELD SPLATTER (NACE SPO-178)
- HOUSEKEEPING

GREASE OIL, OR BOTH (Black Light)
PROTECTIVE COVERINGS IN PLACE/Inlet/outlet-Overflow.
AIR TEMPERATURE (ASTM-E-377)
SURFACE TEMPERATURE (ASTM-E-377)
DEW POINT, R/H (ASTM-E-377)
WIND DIRECTION, VELOCITY

BLAST CLEANING

VISIBLE MOISTURE (ASTM-E-377)
AMBIENT CONDITIONS (ASTM-E-377)
TYPE AND SIZE OF ABRASIVE (ASTM D-6237)
SURFACE CONTAMINATION- SULFATES, CHLORIDES (SSPC Guide 15)
CLEAN AND DRY ABRASIVE (SSPC AB-1)
COMPRESSED AIR CHECK / WHITE BLOTTER (ASTM-D 4285)
NOZZLE AIR PRESSURE / PRESSURE GAUGE

SURFACE PREPARATION

DUST AND ABRASIVE REMOVAL / VISUAL OBSERVATION (ISO-8502-3)
DEGREE OF CLEANLINESS / S.S.P.C./N.A.C.E. STANDARDS(SSPC SP)
PROFILE MEASUREMENT /TESTEX TAPE (ASTM D-4417)
MAGNETIC BASE READING (SSPC PA-2)
WELD PREPARATION (NACE-SPO-178)

COATINGS AND LINING APPLICATION

AMBIENT CONDITIONS (ASTM-E-377)
TIME FROM SURFACE PREPARATION TO APPLICATION / RECORD (ASTM-D-6237)
COATING VISCOSITY / DRIP TYPE (ASTM-D-4212)
COMPRESSED AIR CHECK / WHITE BLOTTER (ASTM-D 4285)
PROTECTIVE COVERINGS IN PLACE / VISUAL
RATIO COMPLIANCE (MPDS)
HARDNESS TESTING (ASTM D-4283)
TIME APPLICATION BEGAN / RECORD (ASTM D-6237)
CONTINUE TO MONITOR TEMPERATURE AND HUMIDITY CONDITIONS (ASTM-E-377)
RECORD BATCH NUMBERS AND MIXING PROCEDURE (ASTM D-6237)
INDUCTION TIME OBSERVED-PROPER THINNING-NSF 61 GUIDELINES (MPDS)
FILM THICKNESS / WET (ASTM D-4414)
RE-COAT TIMES OBSERVED (MPDS)
INNER-COAT CLEANLINESS (ISO-8085-3)
FILM DEFECTS, RUNS, SAGS, DRY SPRAY, VOIDS ECT.

FINAL INSPECTION

CHECK FOR AMINE BLUSH
HARDNESS TESTING (ASTM D-4283)
DRY FILM THICKNESS / READINGS (SSPC PA-2 / ASTM D 1400)
HOLIDAY INSPECTION / (NACE SPO 188)
SOLVENT TEST / TOTAL CURE (ASTM D-4502)
PROPER SURFACE PREPARATION FOR REPAIRS (MPDS)
CLOSING WRITTEN REPORT, PHOTOGRAPHS, CONTRACTOR SUMMARY. (ASTM D 3276)

Please call if you have any questions or, if you want to further discuss the information contained in this proposal.

Respectfully Submitted by:



Ed Darrimon
President

Bay Area Coating Consultants, Inc.

National Association of Corrosion Engineers Inspector No.106

edarrimon@bayareacoating.com



SSPC/QP-5 Certified Inspection Firm
BACC Safety Compliance and Drug Testing Partners



**McKinleyville Community Services District
PO Box 2037, McKinleyville California 95519
Telephone (707) 839-3251 - FAX (707) 839-8456**

Professional Services Agreement

This Professional Services Agreement (this “Agreement”) is made and entered between the parties listed below as of the date(s) set forth below. For your protection, make sure that you read and understand all provisions before signing. The terms recited as sections a through u on Pages 3 through 7 are incorporated in this document and, along with this page, constitute material terms and conditions of the Agreement between the parties.

TO: Bay Area Coating Consultants (BACC) <hr/> P.O Box 867 5402 Powell Road <hr/> Denair, CA. 95316 <hr/>	DATE: July 7, 2022 <hr/> Agreement No. 2022-07 <hr/>
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The undersigned Consultant offers to furnish the following services (the “Services”):

As described in the proposal submitted by Consultant dated March 23, 2022, which is attached hereto as **Exhibit A** and incorporated herein by reference. The Services shall be provided on a time and materials basis not to exceed the amounts described in **Exhibit A**, which is attached hereto and incorporated herein by reference. The scope of work for this project includes the following:

Bay Area Coating Consultants (BACC) will provide inspection, daily written reports, photographs and all testing equipment and Closing reports as outlined in Exhibit A, Project Approach.

<u>Contract Price:</u>	<u>Not To Exceed</u>	<u>\$38,434.40</u>
<u>Payment Intervals</u>	<u>Monthly</u>	
<u>Completion Date</u>	<u>9/30/2022</u>	

Instructions: Sign and return original. Upon acceptance by McKinleyville Community Services District, a copy will be signed by its authorized representative and promptly returned to you. Insert below, the names of your authorized representative(s).

Accepted: McKinleyville CSD

Consultant: Bay Area Coating
Consultant

(Business Name)

By Patrick Kaspari

By Ed Darrimon

Title General Manager

Title President/ Principle Consultant

Other authorized representative(s):

Other authorized representative(s):

Consultant agrees with McKinleyville Community Services District that:

- a. **Indemnification.** To the fullest extent permitted by law and consistent with California Civil Code §2782.8(a), Consultant will, indemnify, defend, and hold harmless McKinleyville Community Services District, its directors, officers, employees, and authorized volunteers (collectively "District") from and against all claims, demands and damages of all persons and entities that arise out of the Consultant's negligent acts or omissions, recklessness, or willful misconduct in the performance (or non-performance) of the Services under this Agreement. Consultant shall not be obligated to defend or indemnify the District from and against all claims, demands and damages that arise out of, pertain to, or relate to the District's own negligent acts or omissions, recklessness, or willful misconduct or the negligent acts or omissions, recklessness, or willful misconduct of others.
- b. **Standard of Care.** In providing the Services under this Agreement, Consultant shall exercise that degree of skill and care ordinarily used by other reputable members of Consultant's profession, practicing in the same or similar locality and under similar circumstances.
- c. **Workers Compensation Insurance.** By his/her signature hereunder, Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and that Consultant will comply with such provisions before commencing the performance of the professional services and work under this Agreement. Consultant and sub-consultants will keep workers' compensation insurance for their employees in effect during all Services covered by this Agreement.
- d. **Professional Liability Insurance.** Consultant will file with McKinleyville Community Services District, before beginning professional services, a certificate of insurance satisfactory to the McKinleyville Community Services District evidencing professional liability coverage of not less than \$1,000,000 per claim and annual aggregate, requiring 30 days notice of cancellation (10 days for non-payment of premium) to McKinleyville Community Services District. Coverage is to be placed with a carrier with an A.M. Best rating of no less than A-:VII, or equivalent, or as otherwise approved by McKinleyville Community Services District. The retroactive date (if any) is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the contract Services. Consultant shall purchase a one-year extended reporting period i) if the retroactive date is advanced past the effective date of this Agreement; ii) if the policy is canceled or not renewed; or iii) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement. In the event that the Consultant employs other consultants (sub-consultants) as part of the Services covered by this Agreement, it shall be the Consultant's responsibility to require and confirm that each sub-consultant provides insurance coverage deemed appropriate by Consultant for the role of the subconsultant under this contract.
- e. **Insurance Certificates.** Consultant will file with McKinleyville Community Services District, before beginning professional services, certificates of insurance satisfactory to McKinleyville Community Services District evidencing general liability coverage of not less than \$1,000,000 per occurrence (\$2,000,000 general and products-completed

operations aggregate (if used)) for bodily injury, personal injury and property damage; auto liability of at least \$1,000,000 for bodily injury and property damage each accident limit; workers' compensation (statutory limits) and employer's liability requiring 30 days (10 days for non-payment of premium) notice of cancellation to McKinleyville Community Services District. The general liability coverage is to state or be endorsed to state "such insurance shall be primary and any insurance, self-insurance or other coverage maintained by McKinleyville Community Services District, its directors, officers, employees, or authorized volunteers shall not contribute to it". The general liability coverage shall give McKinleyville Community Services District, its directors, officers, employees, and authorized volunteers insured status using ISO endorsement CG2010, CG2033, or equivalent. Coverage is to be placed with a carrier with an A.M. Best rating of no less than A- :VII, or equivalent, or as otherwise approved by McKinleyville Community Services District. In the event that the Consultant employs other consultants (sub-consultants) as part of the Services covered by this Agreement, it shall be the Consultant's responsibility to require and confirm that each sub-consultant has in place levels of insurance deemed appropriate by the Consultant for the risk associated with the role of each subconsultant under this contract.

- f. **Renewal Certificates.** If any of the required coverages expire during the term of this Agreement, the Consultant shall deliver the renewal certificate(s) including the general liability additional insured endorsement to McKinleyville Community Services District at least ten (10) days prior to the expiration date.
- g. **General Manager Authority.** Consultant shall not accept direction or orders from any person other than the General Manager or the person(s) whose name(s) is (are) inserted on Page 1 as "other authorized representative(s)" on behalf of McKinleyville Community Services District.
- h. **Payment Intervals.** Payment, unless otherwise specified on Page 1, is to be 30 days after acceptance of a written invoice by McKinleyville Community Services District.
- i. **Permits and Licenses.** Permits and licenses required by governmental authorities in connection with Consultant's services will be obtained at Consultant's sole cost and expense, and Consultant will comply with applicable local, state, and federal regulations and statutes including Cal/OSHA requirements.
- j. **Amendments and Modifications.** Any change in the scope of the professional Services to be done, method of performance, nature of materials, work provided or price thereof, or to any other matter materially affecting the performance or nature of the Services will not be paid for or accepted unless such change, addition or deletion is approved in advance, in writing by a supplemental Agreement executed by McKinleyville Community Services District. Consultant's "authorized representative(s)" has (have) the authority to execute such written change for Consultant.
- k. **Representations.** Consultant represents that it is now, and will remain for the duration of its Services, properly licensed, qualified, experienced, and equipped to perform the Services. Consultant also represents that the Services shall be completed in accordance with this Agreement. Consultant further represents that the Services and the sale or use of the Services shall not infringe, directly or indirectly, on any valid patent, copyright or trademark, and Consultant shall, at Consultant's sole cost and expense, indemnify, and hold harmless McKinleyville Community Services District from and against any and all

claims and causes of action based on infringements thereof. These representations shall survive the expiration or termination of this Agreement, and are in addition to any warranties provided by law. No payment to Consultant for any Services performed hereunder (including, without limitation, final payment) shall constitute a waiver of any Claims by McKinleyville Community Services District against Consultant relating to the Services.

- i. **Ownership of Drawings and Samples.** Consultant shall submit promptly for all drawings, details, samples and other data required or specifically requested by McKinleyville Community Services District in connection with provision of the Services, and such drawings, details, samples and other data created in connection with performance of the Services and provision of the work shall constitute the property of the McKinleyville Community Services District.
- m. **Compliance with Law/Safety.** In performance of the Services, Consultant shall, at its expense, exercise due professional care, comply strictly with, and cause all sub-consultants to comply strictly with, all laws, orders, rules and regulations of governmental authorities, including those relating to the storage, use or disposal of hazardous wastes, substances or materials, and including the procurement and payment for all necessary permits, certificates and licenses required in connection with the Services. If either Consultant or McKinleyville Community Services District receives notice of any violation by Consultant of any laws relating to Consultant or McKinleyville Community Services District receives notice of any violation by Consultant of any laws relating to Consultant's (or sub-consultants) services or work provided hereunder, such party shall promptly inform the other party in writing of the existence thereof. Consultant shall comply with all applicable laws relating to safety, including without limitation the Occupational Safety and Health Act of 1970 as it may be amended from time to time, and all regulations and standards issued pursuant thereto. Consultant shall conform to the current prevailing standards of safety practice.
- n. **Equal Opportunity.** In the performance of the Services there shall be no discrimination on account of race, religion, sex, sexual orientation, age or national origin and Consultant shall comply with applicable federal, state and local laws and regulations pertaining to fair employment practices, including without limitation the provisions of Executive Order 11246 as amended by the President of the United States and the rules and regulations issued pursuant thereto, unless exempted.
- o. **Termination.** McKinleyville Community Services District may, at its option, terminate this Agreement without cause at any time. If at the time of any such termination, any Services have already been provided by Consultant but are unpaid for, McKinleyville Community Services District's only obligation, if Consultant is not in default, shall be to pay for such Services actually provided by Consultant prior to the date of termination. Upon receipt of notice of termination, Consultant shall immediately stop all performance hereunder except as otherwise directed by McKinleyville Community Services District, and if Consultant is not in default, McKinleyville Community Services District shall pay to Consultant (a) the prorata portion of the agreed price based on the percentage completion of the Services which was satisfactorily completed at the time of termination, and (b) the actual net costs incurred by Consultant directly connected with the Services that was not completed prior to the date of termination; provided, however, that under no circumstances shall the total under (a) and (b) exceed the contract price stated on page one (1) of this Agreement, above. Upon such payment, title to any such items or uncompleted Services shall, at McKinleyville Community Services District's option, pass to McKinleyville Community Services District.

- p. **Default.** Upon any default by Consultant hereunder, or in the event of proceedings by or against Consultant in bankruptcy or for the appointment of a receiver or trustee or an assignment for the benefit of creditors, McKinleyville Community Services District may, at its option, terminate this Agreement without penalty or liability (except for payment for any Services completed and accepted by McKinleyville Community Services District). Consultant shall be liable to McKinleyville Community Services District for all expenses incurred by McKinleyville Community Services District in finishing the Services and any damage incurred through any default, which at the option of McKinleyville Community Services District, may be charged against any amounts due from McKinleyville Community Services District to Consultant hereunder, but Consultant's liability hereunder shall not be limited thereby and such liability shall survive the expiration or termination of this Agreement. Any remedies provided for in this Agreement are cumulative and shall be in addition to, and not in limitation of, any other rights and remedies that may be available at law or in equity. Neither party shall be in default of this Agreement until such party has received three (3) days written notification (except in the instance of a health or safety concern, in which case failure to immediately remediate the health or safety violation shall be grounds to declare a default of this Agreement), and an opportunity to cure, or in the case of an alleged default which requires more than three (3) days to cure, a reasonable time so long as the alleged defaulting party commences the remediation of the default immediately, and thereafter diligently prosecutes the same to completion.
- q. **Notices.** Notices, requests, demands, and other communications hereunder shall be in writing and delivered personally, sent by reputable overnight courier or mailed by first class, United States mail, with postage prepaid, to McKinleyville Community Services District, **PO Box 2037, McKinleyville California 95519, Attention: Patrick Kaspari**, and to Consultant at the address set forth below its signature, or at any other address that may be given by either party to the other in the manner provided above. Notices delivered personally or sent by overnight courier shall be deemed delivered upon receipt. Notices delivered by mail shall be deemed delivered upon the earlier of (i) receipt or (ii) the date five (5) U.S. mail delivery days after the notice was placed in the United States mail as provided above.
- r. **Headings.** All section headings are provided for convenience only, and shall not be deemed to constitute material terms and conditions of this Agreement.
- s. **Interpretation.** Both Consultant and McKinleyville Community Services District are deemed to have jointly participated in the negotiation and preparation of this Agreement. Consequently, both Consultant and McKinleyville Community Services District are considered to have drafted this Agreement in equal parts and, if any ambiguity is found to exist, all rules of law and evidence requiring ambiguities to be interpreted to the detriment of the drafting party shall not apply.
- t. **Attorneys Fees and Venue for Disputes.** If litigation becomes necessary to enforce the terms and provisions of this Agreement or as a result of any breach by Consultant or District of this Agreement, the prevailing party in any such litigation shall be entitled to recover reasonable attorney's fees and costs. The Humboldt County Superior Court for the State of California shall have exclusive jurisdiction over any dispute arising out of this Agreement or Consultant's provision of Services hereunder, and shall serve as the venue for any such dispute. All parties expressly consent to this designation of jurisdiction and venue.

- u. **MUTUAL UNDERSTANDING OF SERVICES.** McKinleyville Community Services District and Consultant agree that the purpose of value engineering is the identification and presentation of recommendations for improvement of project or process value, for consideration by the McKinleyville Community Services District and their other professional advisors. Both parties understand that as a part of these services, Consultant does no design work and makes no project decisions. McKinleyville Community Services District and Consultant agree that Consultant will be liable to the McKinleyville Community Services District only for damages arising from Consultant's negligence in the performance of the Value Analysis or Value Engineering work itself, and only to the extent that such negligence directly damages the McKinleyville Community Services District.

(DO NOT DETACH)

PROPOSAL TO THE BOARD OF DIRECTORS
OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

FOR

COCHRAN ROAD 1 MG TANK PAINTING PROJECT

BID NO. 2022-01

To the Board of Directors of the McKinleyville Community Services District:

The undersigned, as Bidder, declares that the only persons or parties interested in this proposal as principals are those named herein; that this proposal is made without collusion with any other person, firm or corporation; that he has carefully examined the location(s) of the proposed work and the proposed form of the contract and the plans and specifications; and he agrees if this proposal is accepted, that he will contract with the District, in the form of the contract annexed hereto, to provide all necessary machinery, tools, apparatus and other means of construction, and to do all the work and furnish all the materials specified in the contract in the manner and time prescribed and according to the requirements of the Engineer; that he will provide the bonds as required herein at the time he executes the contract; that he will provide proof of insurance as provided herein; that he will begin the work on the project within TEN (10) CALENDAR DAYS after receiving notice from the District to proceed, and diligently prosecute the same to completion within 60 calendar days; and that as provided for in the General Provisions, the liquidated damage shall be in the sum of **One Thousand no/100 dollars (\$1,000.00)** per day for each and every calendar day's delay in finishing the work beyond the time described herein, and that he will take in full payment therefore the following unit or lump sum prices, as the case may be, to wit:

BID SCHEDULE

4. Tank Disinfection and Testing (Addendum 3)

BID ITEM NO.	UNIT	BID ITEM DESCRIPTION WITH UNIT PRICE WRITTEN IN WORDS	UNIT PRICE	TOTAL ITEM PRICE
1.	Lump Sum	Mobilization/Demobilization at a fixed price of Thirty Thousand Dollars and Zero Cents _____ dollars.	\$ 30,000.00	\$ 30,000.00
2.	Lump Sum	Replace Interior Coating at <u>Three Hundred Eighty Three</u> Thousand Dollars and Zero Cents _____ dollars.	\$ 383,000.00	\$ 383,000.00
3.	Lump Sum	Overcoat Painting and Spot Clean-up of Exterior Coating at <u>Sixty Two Thousand Three Hundred Dollars</u> and Zero Cents _____ dollars.	\$ 62,300.00	\$ 62,300.00
4.	Lump Sum	Remove and Replace Cathodic Protection at <u>Twelve Thousand Six Hundred Dollars</u> and Zero Cents _____ dollars.	\$ 12,600.00	\$ 12,600.00
Total Project Bid In Words: Four Hundred and Eighty Seven Thousand, Nine Hundred Dollars and Zero Cents. _____ Dollars.			Total Bid in Figures : \$ 487,900.00	

Signature of Bidder

Farr Construction Corporation dba. Resource Development Company

Company

BIDDER MUST SIGN THIS PAGE

PROPOSAL TO THE BOARD OF DIRECTORS
OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

FOR

COCHRAN ROAD 1 MG TANK PAINTING PROJECT

BID NO. 2022-01


To the Board of Directors of the McKinleyville Community Services District:

The undersigned, as Bidder, declares that the only persons or parties interested in this proposal as principals are those named herein; that this proposal is made without collusion with any other person, firm or corporation; that he has carefully examined the location(s) of the proposed work and the proposed form of the contract and the plans and specifications; and he agrees if this proposal is accepted, that he will contract with the District, in the form of the contract annexed hereto, to provide all necessary machinery, tools, apparatus and other means of construction, and to do all the work and furnish all the materials specified in the contract in the manner and time prescribed and according to the requirements of the Engineer; that he will provide the bonds as required herein at the time he executes the contract; that he will provide proof of insurance as provided herein; that he will begin the work on the project within TEN (10) CALENDAR DAYS after receiving notice from the District to proceed, and diligently prosecute the same to completion within 60 calendar days; and that as provided for in the General Provisions, the liquidated damage shall be in the sum of One Thousand no/100 dollars (\$1,000.00) per day for each and every calendar day's delay in finishing the work beyond the time described herein, and that he will take in full payment therefore the following unit or lump sum prices, as the case may be, to wit:

BID SCHEDULE

BID ITEM NO.	UNIT	BID ITEM DESCRIPTION WITH UNIT PRICE WRITTEN IN WORDS	UNIT PRICE	TOTAL ITEM PRICE
1.	Lump Sum	Mobilization/Demobilization at a fixed price of Eighteen thousand four hundred fifty _____ dollars. – and 00 cents	\$ 18,450.00	\$ 18,450.00
2.	Lump Sum	Replace Interior Coating at Three hundred seventy three thousand five hundred thirty-one dollars and 00 cents _____ dollars.	\$ 373,531.00	\$ 373,531.00
3.	Lump Sum	Overcoat Painting and Spot Clean-up of Exterior Coating at Seventy four thousand four hundred twenty-two dollars and 00 cents _____ dollars.	\$ 74,422.00	\$ 74,422.00
4.	Lump Sum	Remove and Replace Cathodic Protection at _____ Three Thousand Five Hundred dollars and no cent _____ dollars.	\$ 3,500.00	\$ 3,500.00
Total Project Bid In Words: Four Hundred Sixty-Nine Thousand Nine Hundred Three Dollars and 00 Cents _____ Dollars.			Total Bid in Figures : \$ 469,903.00	

X



Signature of Bidder

Unified Field Services Corporation

Company

BIDDER MUST SIGN THIS PAGE

**AGREEMENT BETWEEN THE MCKINLEYVILLE
COMMUNITY SERVICES DISTRICT AND UNIFIED FIELD SERVICES
CORPORATION. PROVIDING FOR CONSTRUCTION SERVICES
ASSOCIATED WITH COCHRAN ROAD 1 MG TANK PAINTING
PROJECT**

This AGREEMENT BETWEEN THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT AND UNIFIED FIELD SERVICES CORPORATION. PROVIDING FOR CONSTRUCTION SERVICES ASSOCIATED WITH COCHRAN ROAD 1 MG TANK PAINTING PROJECT (this “Agreement”), is entered into as of July 7, 2022 (the “Effective Date”), between the McKinleyville Community Services District, a duly formed community services district pursuant to California Government Code § 6100, et seq. (hereinafter referred to as “District” or “MCSD”), and Unified Field Services Corporation. (hereinafter “Contractor”). For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, MCSD and Contractor agree as follows:

AGREEMENT

1. Scope of Work

Contractor shall furnish to the District, upon its request, the Work set forth in the “Scope of Work” (hereinafter “Work”) which encompasses the Plans, Specifications and Drawings, including the General Provisions, Special Provisions and Drawings G1 and G1, all of which are attached and made part of this agreement described in “**Attachment A**”, which is attached hereto and incorporated by reference. The Work shall be performed in accord with the “Plans, Specifications and Drawings”, as further described in “**Attachment A**”. Requests by the District to Contractor to perform under this Agreement will be made by the General Manager of the District, or an authorized representative thereof. Work provided at the District’s request by Contractor under this Agreement will be performed in a manner consistent with the requirements and standards established by applicable federal, state and county laws, ordinances, regulations, and resolutions. Such laws, ordinances, regulations, and resolutions include, but are not limited to, those to which reference is made in this Agreement.

2. Term and Progress Schedule

The term of this Agreement shall be from July 7, 2022, through September 8, 2022, unless sooner terminated as provided below. The Work shall be weather-tight by

September 8, 2022, and completed within 60 days of the date following the District's provision of written Notice to Proceed to Contractor.

3. Standard of Care in Performing the Work

Contractor represents and warrants to the District each of the following:

(i) Contractor is knowledgeable and experienced in providing services comparable to the Work, and will maintain all necessary licensure pursuant to Section 7 of this Agreement when performing the Work;

(ii) The Work will be performed in a manner consistent with the level of care and skill ordinarily exercised by other professional contractors under similar circumstances in accordance with customarily accepted good and sound professional practices and procedures;

(iii) Contractor and its agents, subordinates, and employees and any subcontractors performing Work under this Agreement shall perform every part of the Work hereunder in strict accordance with this Agreement, applicable federal, state, county and municipal laws, orders, rules, regulations and directives, including, but not limited to, EPA and OSHA regulations, environmental, health and safety laws, and laws pertaining to wages and other conditions of employment, as further set forth in this Agreement;

(iv) Contractor shall be strictly responsible for the proper performance of the Work and for any loss or damage to the District or to others by reason of Contractor's failure to properly perform the Work;

(v) The Contractor has carefully examined the Specifications, Plans and Drawings, and such Specifications, Plans and Drawings set forth in Attachment A are full and complete, and are sufficient to have enabled the Contractor to determine the cost of the work therein in order to enter into this Agreement;

(vi) The Specifications, Plans and Drawings are sufficient to enable Contractor to construct the Work outlined therein in accordance with applicable laws, statutes, building codes and regulations, and otherwise to fulfill all Contractor's obligations hereunder; and

(vii) The Contractor has visited the site, examined all conditions affecting the Work, and is fully familiar with all of the conditions thereon and affecting the same.

4. Contract Sum

A. Compensation and Progress Payments.

The District shall pay Contractor the amounts recited and in accordance with the timing intervals set forth in the “Bid Schedule” (set forth in “***Attachment B***”) for the Work described in “Scope of Work” (set forth in Attachment A) which are performed by Contractor at the District’s request. The total project cost shall not exceed the total amount for the entirety of the Work set forth in the Bid Schedule, unless otherwise authorized by the District in writing prior to Contractor incurring additional expenses. Payment intervals shall be in accord with paragraph 4.E. of this Agreement, below.

B. Travel and Per Diem.

Unless otherwise agreed by the parties, Contractor will not be paid or reimbursed for travel expenses or per diem which Contractor incurs in providing the Work requested by the District under this Agreement.

C. No Additional Consideration.

Except as expressly provided in paragraph 4.G. of this Agreement, below, Contractor shall not be entitled to, nor receive from the District, any additional consideration, compensation, salary, wages, or other type of remuneration in excess of the total amount set forth in the Bid Schedule set forth in ***Attachment B*** for services or work rendered under this Agreement. Specifically, Contractor shall not be entitled, by virtue of this Agreement, to consideration in the form of overtime, health insurance benefits, retirement benefits, disability retirement benefits, sick leave, vacation time, paid holidays, or other paid leaves of absence of any type or kind whatsoever.

D. Limit Upon Amount Payable Under Agreement.

The total sum of all payments made by the District to Contractor for the Work performed under this Agreement shall not exceed amounts specified in the Bid Schedule (set forth in ***Attachment B***) and/or any authorized adjustments made consistent with the terms and conditions of this Agreement (hereinafter referred to as “Contract Limit”) and the Public Contract Code. The District expressly reserves the right to deny any payment or reimbursement requested by Contractor for services or work performed which is in excess of the Contract Limit.

E. Billing and Payment.

Contractor shall submit to the District, not more than once per month, an itemized statement of all the Work described in the Scope of Work, which were done at the District’s request. The statement to be submitted will cover the period from the first day

of the preceding month through and including the last day of the preceding month. All statements submitted in request for payment should identify the date on which the Work were performed and describe the nature of the Work which were performed on each day. Invoicing shall be informative and concise regarding work performed during that billing period. The District shall make payment to Contractor within thirty (30) days of receipt of an itemized statement, but shall retain ten percent (10%) of each such payment in accordance with Section 9203 of the Public Contract Code until the project is completed. Should Contractor produce incorrect invoices, the District shall withhold payment until corrected.

F. Federal and State Taxes.

(1) The District will not withhold any federal or state income taxes or social security from any payments made by the District to Contractor under the terms and conditions of this Agreement.

(2) The District shall withhold California State income taxes from payments made under this Agreement to non-California resident independent contractors when it is anticipated that total annual payments to Contractor under this Agreement will exceed one thousand four hundred ninety-nine dollars (\$1,499.00).

(3) Except as set forth above, the District has no obligation to withhold any taxes or payments from sums paid by the District to Contractor under this Agreement. Payment of all taxes and other assessments on such sums is the sole responsibility of Contractor. The District has no responsibility or liability for payment of Contractor's taxes or assessments.

(4) The total amounts paid by the District to Contractor, and taxes withheld from payments to non-California residents, if any, will be reported annually by the District to the Internal Revenue Service and the California State Franchise Tax Board.

G. Changes to Scope of the Work.

If at any time during the progress of the Work the District desires to make any additions to, alterations of, deviations or omissions from the Work, District shall have the right to do so to the extent permitted by the California Public Contract Code and the same shall in no way affect or make void this Agreement. No extra work shall be made except on the District's written request by change order ("Change Order"). All Change Orders will be in writing and signed by the District and the District's Engineer. Each Change Order shall identify the proposed change in the Work and will include a proposed basis for adjustment, if any, in the Bid Schedule. The District may prepare a Change Order without invalidating the Agreement, order changes in the Work within the general scope

of the Agreement consisting of additions, deletions, or other revisions, with the Bid Schedule being adjusted accordingly. Any changes that decrease the cost of the Work shall be evaluated on a lump-sum basis and deducted from the sums set forth in the Bid Schedule set forth in **Attachment B**. Any extra Work that increases the cost of the Work shall at District's option be evaluated (i) on a lump-sum basis, the amount thereof to be agreed on in writing before execution of the Work or (ii) on the basis of "Actual Necessary Cost" (defined below), plus ten percent (10%).

“Actual Necessary Cost” shall be limited to:

- (i) expenditures for materials, supplies, and labor (including foremen's wages) furnished by Contractor;
- (ii) additional cost to Contractor for insurance required because of authorized changes; and
- (iii) an allowance based on current market rental prices for the use of vehicles and equipment. The "Actual Necessary Cost" shall not include any allowance for Contractor's office expense, general superintendent, or other overhead or general expense.

Contractor shall not be entitled to compensation for any extra Work unless the District has issued a written Change Order designating in advance the amount of additional compensation to be paid for the extra Work prior to Contractor incurring the expense or performing the extra Work.

5. Work Schedule

Upon the issuance of a formal written “Notice to Proceed” from the District, Contractor’s obligation is to perform, in a timely manner, the Work identified in the Scope of Work which is requested by the District. It is understood by Contractor that the performance of the Work will require a varied schedule. Contractor, in arranging its own schedule, will coordinate with the District to ensure that all Work requested by the District under this Agreement will be performed within the time frames set forth by the District in Attachment A. Contractor shall endeavor to perform the Work during normal business hours in order to limit the impacts of construction traffic and noise on surrounding property owners.

6. Guaranties and Warranties

A. Manufacturer’s Specifications and Warranties—Assignment.

The Contractor shall assemble for the District's Architect and/or Engineer's approval and transmittal to the District three (3) complete copies in looseleaf binders of all operating and maintenance data from all manufacturers whose equipment is installed in the Work. The Contractor shall also prepare a checklist or schedule showing the type of lubricant to be used at each point of application, the intervals between lubrication for each item of equipment, and the routine maintenance tasks necessary to maintain each item of equipment. In addition, the Contractor shall secure and deliver to the District written warranties and guaranties from subcontractors, sub-subcontractors and suppliers bearing the date of Substantial Completion or some other date as may be agreed to by the District and stating the period of warranty.

B. Contractor's Warranty.

Contractor guarantees all equipment, material, supplies and Work furnished on the job against defective construction or workmanship for a period of one (1) year following recordation of a Notice of Completion on the Work for patent defects and for a period of ten (10) years following recordation of a Notice of Completion on the Work for latent defects, except when a longer guaranty is provided by the supplier or manufacturer of any equipment, material or supplies incorporated into the Work. Upon receipt of written notification from District that any Work is defective, Contractor shall immediately remedy, repair, or replace, without cost to District and to District's entire satisfaction, all such defective construction or workmanship. Contractor expressly agrees to act as coguarantor of any such equipment, material or supplies incorporated into the Work for the period during which any guaranty is effective. Contractor shall supply District with all warranty and guaranty documents relative to equipment and materials incorporated in the Work and guaranteed by the suppliers or manufacturers of such equipment and materials.

7. Required Licenses, Certificates and Permits

Any licenses, certificates, or permits required by federal, state, county, or municipal governments for Contractor to provide the Work described in Attachment A must be procured by Contractor and be valid at the time Contractor enters into this Agreement. Further, during the term of this Agreement, Contractor must maintain such licenses, certificates, and permits in full force and effect. Licenses, certificates, and permits may include, but are not limited to, driver's licenses, professional licenses or certificates, contractor's licenses, and business licenses. Such licenses, certificates, and permits will be procured and maintained in force by Contractor at no expense to the District. Contractor will provide the District, upon execution of this Agreement, with evidence of current and valid licenses, certificates and permits which are required to perform the Work identified in Attachment A. Where there is a dispute between Contractor and the District as to what licenses, certificates, and permits are required to

perform the Work identified in Attachment A, District reserves the right to make such determination for purposes of this Agreement.

8. Office Space, Supplies, Equipment, Etc.

Contractor shall provide such office space, supplies, equipment, vehicles, reference materials, support services, and telephone service as is necessary for Contractor to provide the Work identified in Attachment A to this Agreement. The District is not obligated to reimburse or pay Contractor for any expense or cost incurred by Contractor in procuring or maintaining such items. The costs and expenses incurred by Contractor in providing and maintaining such items is the sole responsibility and obligation of Contractor.

9. District Property

A. Personal Property of District.

Any personal property such as, but not limited to, protective or safety devices, badges, identification cards, keys, uniforms, etc., provided to Contractor by the District pursuant to this Agreement are, and at the termination of this Agreement remain, the sole and exclusive property of the District. Contractor will use reasonable care to protect, safeguard, and maintain such items while they are in Contractor's possession. Contractor will be financially responsible for any loss or damage to such items, partial or total, which is the result of Contractor's negligence.

B. Products of Contractor's Work and Services.

Any and all compositions, publications, plans, designs, specifications, blueprints, maps, formulas, processes, photographs, slides, video tapes, computer programs, computer disks, computer tapes, memory chips, films, audio-visual presentations, exhibits, reports, studies, patents, trademarks, copyrights, or intellectual properties of any kind which are created, produced, assembled, compiled by, or are the result, product or manifestation of, Contractor's services or work under this Agreement are, and at the termination of this Agreement remain, the sole and exclusive property of the District. At the termination of the Agreement, Contractor will convey possession and title to all such properties to District.

10. Workers' Compensation Insurance

Contractor shall provide workers' compensation insurance coverage, in the legally required amount, for all Contractors' employees utilized in providing Work pursuant to

this Agreement. By executing a copy of this Agreement, Contractor acknowledges its obligations and responsibilities to its employees under the California Labor Code, and warrants that Contractor has complied and will comply during the term of this Agreement with all provisions of the California Labor Code with regard to its employees. Contractor, at the time of execution of this Agreement, will provide the District with evidence of the required workers' compensation insurance coverage.

11. Public Work

A. Determination.

The Work to be provided by Contractor under this Agreement constitute a Public Work within the meaning of California Labor Code Sections 1720 and 1720.3. Accordingly, and as required by Section 1771 of the California Labor Code, Contractor and any subcontractor under him, shall pay not less than the general prevailing rate of per diem wages, and not less than the general prevailing rate of per diem wages for holiday and overtime work, to all workers employed in the execution of those Work described in [Attachment A](#) of this Agreement.

B. Prevailing Wage Rate.

The general prevailing rate of per diem wages applicable to each class of worker employed in the execution of the Work that constitute a Public Work described in this Agreement has been determined by the Director of the California Department of Industrial Relations (hereinafter referred to as "Director"). The Director's determination is available through a link to CA Dept of Industrial Relations website (2015): <http://www.dir.ca.gov/OPRL/PWD/index.htm>

C. Apprentices.

Pursuant to Section 1777.5 of the California Labor Code, properly registered apprentices performing services and work that constitute a Public Work, if any, shall be paid the standard wage paid to apprentices under the regulations of the craft or trade at which he or she is employed, and shall be employed only at the work of the craft or trade to which he or she is registered..

D. Penalty for Non-Payment of Prevailing Wages.

Pursuant to Section 1775 of the California Labor Code, Contractor, and any subcontractor under him, shall as a penalty to the District, forfeit not more than fifty dollars (\$50.00) for each calendar day, or portion thereof, for each worker paid less than the general rate of per diem wages for the performance of services and work that constitute a Public Work, as determined by the Director of Industrial Relations, for the

work or craft for which the worker is employed in the performance of the Work provided under this Agreement that constitute a Public Work, except as provided by subdivision (b) of Section 1775, of the California Labor Code.

E. Payroll Records.

Pursuant to Section 1776 of the California Labor Code, Contractor, and any subcontractor under him, shall keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by him or her in connection with the performance of the Work requested by the District, as described in the Scope of Work of this Agreement.

F. Inspection of Payroll Records.

Contractor, and any subcontractor under him, shall comply with each of the additional requirements set forth in California Labor Code Section 1776, regarding: (1) the form of records; (2) the provision of records upon request to the District, the Division of Labor Standards Enforcement, and the Division of Apprenticeship Standards of the California Department of Industrial Relations; and, (3) the inspection of records by the public.

G. Posting of Prevailing Wages at Job Sites.

Pursuant to California Labor Code Section 1773.2, Contractor shall post at each job site in connection with this Agreement a copy of the Director's determination of the general prevailing rate of per diem wages for each classification of work required in the execution of the Work described in Attachment A of this Agreement that constitute a Public Work.

H. Hours.

Pursuant to Section 1810 of the California Labor Code, the time of services of any worker employed by Contractor, or by any subcontractor under him, in the performance of the Work described in the Scope of Work of this Agreement that constitute a Public Work, is limited and restricted to eight hours during any one calendar day, and 40 hours during any one calendar week, except as otherwise provided by the California Labor Code.

I. Overtime.

Pursuant to California Labor Code Section 1815, the performance of the Work, as described in the Scope of Work of this Agreement that constitute a Public Work, by employees of Contractor, or employees of any subcontractor under him, in excess of eight hours per calendar day at not less than one and one-half (1 ½) times the basic rate of pay..

J. Records of Hours.

Contractor, and any subcontractors under him, shall keep an accurate record showing the name of and actual hours worked each calendar day and each calendar week by each worker employed by him or her in connection with the performance of the Work requested by the District, as described in the Scope of Work of this Agreement. The record shall be kept open at all reasonable hours to the inspection of the District and to the Division of Labor Standards Enforcement as required by Labor Code Section 1812.

K. Penalty for Violation of Work Hours.

Pursuant to California Labor Section 1813, Contractor, and any subcontractors under him, shall, as a penalty to the District, forfeit twenty-five dollars (\$25.00) for each worker employed by the respective contractor or subcontractor in the execution of the Work requested by the District that constitute a Public Work, as described in the Scope of Work of this Agreement, for each calendar day during which the worker is required or permitted to work more than eight hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of the California Labor Code.

12. Insurance

A. General Liability.

Contractor shall procure, and maintain during the entire term of this Agreement, a policy of general liability insurance which covers all the Work to be performed by Contractor under this Agreement. Such policy shall have a per occurrence combined single limit coverage of not less than one million dollars (\$1,000,000). Such policy shall not exclude or except from coverage any of the Work required to be performed by Contractor under this Agreement. The required policy of insurance shall be issued by an insurer authorized to sell such insurance by the State of California, and have at least a "Best's" policyholder's rating of "A" or "A+". Prior to commencing any work under this Agreement, Contractor shall provide the District: 1) a certificate of insurance documenting evidence of the required coverage; 2) an additional insured endorsement applying to the McKinleyville Community Services District, its agents, officers and employees; and, 3) a notice of cancellation or change of coverage endorsement indicating

that the policy will not be modified, terminated, or canceled without thirty (30) days' written notice to the District.

B. Business Vehicle.

Contractor shall procure and maintain in force throughout the duration of this Agreement, a business auto liability insurance policy with minimum coverage levels of one million dollars (\$1,000,000) per occurrence, combined single limit for bodily injury liability and property damage liability. The coverage shall include all Contractor-owned, non-owned, and hired vehicles employed by the Contractor in the performance of the Work requested by the District, as described in the Scope of Work (*Attachment A*). A certificate of insurance shall be provided to the District by Contractor prior to commencing any work under this Agreement. The policy shall maintain a provision prohibiting the cancellation or modification of said policy except upon thirty (30) days' written notice to the District.

C. Deductibles and Self-Insured Retentions.

Any deductibles or self-insured retentions shall be declared by Contractor and must be approved by the District prior to Contractor commencing the Work requested by the District under this Agreement. If possible, the insurer shall reduce or eliminate such deductibles or self-insured retentions with respect to the District, its officials, officers, employees, and volunteers, or Contractor shall provide evidence satisfactory to the District guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

D. Subcontractors.

Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein for Contractor.

E. Unemployment, Disability, and Liability Insurance.

Contractor shall maintain, if so required by law, unemployment, disability and liability insurance in an amount to be determined by the State which is reasonable to compensate any person, firm, or corporation who may be injured or damaged by the Contractor in performing work associated with this Agreement.

13. Bonds

Contractor shall furnish and maintain a performance bond in an amount equal to one hundred percent (100%) of the Contract Limit. Contractor shall also furnish and maintain a labor and materials payment bond in the amount equal to one hundred percent (100%) of the Contract Limit. The bonds shall comply with the requirements of California Civil Code Section 3248 and must be issued by an “Admitted Surety Insurer.” For purposes of this Agreement, an Admitted Surety Insurer means a corporate insurer or inter-insurance exchange to which the California State Insurance Commissioner has issued a certificate of authority to transact surety insurance in California, as defined in Section 105 of the California Insurance Code. Bonds shall be in a form acceptable to the McKinleyville Community Services District Counsel. The Attorney-in-Fact (resident agent) who executes the bonds on behalf of the surety company must attach a copy of his Power of Attorney as evidence of his authority. A notary shall acknowledge this Power of Attorney as of the date of the execution of the surety bond that it covers. If any surety becomes unacceptable to the District or fails to furnish reports as to its financial condition as requested by the District, Contractor shall promptly furnish such additional security as may be required from time to time to protect the interests of the District and of persons supplying labor or materials in the prosecution of the work contemplated by this Agreement.

14. Status of Contractor

Contractor, its agents, officers, employees, and subcontractors shall constitute independent contractors, and not agents, officers, or employees of the District. Contractor, by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of, or exercise any right or power vested in, the District, except as expressly provided by law or set forth in Attachment A of this Agreement. No agent, officer, or employee of the District is to be considered an employee of Contractor. It is understood by both Contractor and the District that this Agreement shall not under any circumstances be construed or considered to create an employer-employee relationship or joint venture.

As an independent contractor, Contractor: (1) shall determine the method, details, and means of performing the Work to be provided by Contractor under this Agreement (unless otherwise specified herein); (2) shall be responsible to the District only for the requirements and results specified in this Agreement and, except as expressly provided in this Agreement, shall be not be subjected to the District’s control with respect to the physical action or activities of Contractor in fulfillment of this Agreement; and (3) Contractor, its agents, officers and employees are, and at all times during the term of this Agreement shall, represent and conduct themselves as independent contractors, and not as employees of District.

15. Defense and Indemnification

Contractor shall defend, indemnify, and hold harmless the District, its agents, officers, and employees from and against all claims, damages, losses, judgments, liabilities, expenses, and other costs, including litigation costs and attorney's fees, arising out of, resulting from, or in connection with, the performance of this Agreement by Contractor, or Contractor's agents, officers, employees, or subcontractors. Contractor's obligation to defend, indemnify, and hold the District, its agents, officers, and employees harmless applies to any actual or alleged personal injury, death, or damage or destruction to tangible or intangible property, including the loss of use. Contractor's obligation under this paragraph extends to any claim, damage, loss, liability, expense, or other cost which is caused in whole or in part by any act or omission of Contractor, its agents, employees, suppliers, or anyone directly or indirectly employed by any of them, or anyone for whose acts or omissions any of them may be liable. Contractor's obligation to defend, indemnify, and hold the District, its agents, officers, and employees harmless under the provisions of this paragraph is not limited to, or restricted by, any requirement in this Agreement for Contractor to procure and maintain a policy of insurance.

16. Records and Audit

A. Records.

Contractor shall prepare and maintain all records required by the various provisions of this Agreement, and federal, state, county, and municipal law, ordinances, regulations, and directions. Contractor shall maintain these records for a minimum of four (4) years from the termination or completion of this Agreement. Contractor may fulfill its obligation to maintain records as required by this paragraph by substitute photographs, micrographs, or other authentic reproduction of such records.

B. Inspections and Audits.

Any authorized representative of the District shall have access to any books, documents, papers, and records, including, but not limited to, financial records of Contractor, which the District determines to be pertinent to this Agreement, for the purposes of making audit, evaluation, examination, excerpts, and transcripts during the period such records are to be maintained by Contractor. Further, the District has the right, at all reasonable times, to audit, inspect, or otherwise evaluate the work performed or being performed under this Agreement.

17. Non-Discrimination

During the performance of this Agreement, Contractor, its agents, officers, employees, and subcontractors shall not unlawfully discriminate in violation of any federal, state, or local law, against any employee, or applicant for employment, or person

receiving services under this Agreement, because of race, religion, color, ancestry, national origin, physical handicap, medical condition, marital status, age, or sex. Contractor and its agents, officers, employees, and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code section 12900, et seq.), and the applicable regulations promulgated thereunder in the California Code of Regulations. Contractor shall also abide by the Federal Civil Rights Act of 1964 (P.L. 88-352) and all amendments thereto, and all administrative rules and regulations issued pursuant to said act.

18. District Termination and Cancellation Rights

This Agreement may be canceled by the District without cause, and at will, for any reason by giving to Contractor 30 days' written notice ("Termination Notice") of such intent to cancel. Upon receipt of Termination Notice, Contractor shall stop all performance under this Agreement except as directed by the District. In the event of any such cancellation, Contractor shall be entitled to compensation for all work performed prior to receipt of the Termination Notice as well as work performed after receipt of the Termination Notice and prior to expiration of the thirty (30) day notice period to the extent such post-notice work was performed at the direction of the District, assuming all of said work falls within the Scope of the Work commissioned by the District.

19. Assignment

This is an agreement for the services of Contractor. The District has relied upon the skills, knowledge, experience, and training of Contractor as an inducement to enter into this Agreement. Contractor shall not assign or subcontract this Agreement, or any part of it, without the express written consent of the District. Further, Contractor shall not assign any monies due or to become due under this Agreement without the prior written consent of the District.

20. Default

If Contractor abandons the Work, or fails to proceed with the Work requested by the District in a timely manner, or fails in any way as required to conduct the Work as required by this Agreement, the District may declare Contractor in default and terminate this Agreement upon five (5) days' written notice to Contractor. Contractor shall be liable to the District for all additional costs and expenses incurred by the District in finishing the Work as well as any damages incurred as a result of Contractor's default, which at the option of the District may be charged against any amounts due from the District to Contractor hereunder. Upon such termination by default, District will pay to Contractor all amounts owing to Contractor for services and work satisfactorily performed through the date of termination assuming said work falls within the Scope of

the Work commissioned by the District, less any offsets the District is entitled under this Agreement. This Section 20 is not intended to constitute and shall not constitute a limitation on any damages the District may seek in the event of Contractor's default.

21. Waiver of Default

Waiver of any default by either party to this Agreement shall not be deemed to be a waiver of any subsequent default. Waiver or breach of any provision of this Agreement shall not be deemed to be a waiver of any other or subsequent breach, and shall not be construed to be a modification of the terms of this Agreement unless this Agreement is modified as provided in paragraph 28 below.

22. Confidentiality

Contractor agrees to comply with various provisions of the federal, state, and county laws, regulations, and ordinances providing that information and records kept, maintained, or accessible by Contractor in the course of providing the Work under this Agreement, shall be privileged, restricted, or confidential. Contractor agrees to keep confidential all such privileged, restricted or confidential information and records. Disclosure of such information or records shall be made by Contractor only with the express written consent of the District.

23. Conflicts

Contractor agrees that it has no interest, and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of the Work under this Agreement. Contractor agrees to complete and file a conflict of interest statement.

24. Post-Agreement Confidences

Contractor agrees not to use any confidential, protected, or privileged information which is gained from the District in the course of providing the Work under this Agreement, for any personal benefit, gain, or enhancement.

25. Severability

If any portion of this Agreement or application thereof to any person or circumstance shall be declared invalid by a court of competent jurisdiction, or if it is found in contravention of any federal, state, or local statute, ordinance, or regulation, the remaining provisions of this Agreement, or the application thereof, shall not be

invalidated thereby, and shall remain in full force and effect to the extent that the provisions of this Agreement are severable.

26. Funding Limitations

The ability of the District to enter into this Agreement is based upon available funding from various sources. In the event that such funding fails, is reduced, or is modified, from one or more sources, the District has the option to terminate, reduce, or modify this Agreement, or any of its terms, within ten (10) days of its notifying Contractor of the termination, reduction, or modification of available funding, except, however, the District can not reduce Contractor's right(s) to recover payments due for work performed prior to the notification. Any reduction or modification of this Agreement made pursuant to this provision must comply with the requirements (except the requirement of mutual consent) of paragraph 28 below.

27. Venue

This Agreement shall be governed under the laws of the State of California and venue for any litigation under this Agreement shall be the county of Humboldt, State of California.

28. Amendment

This Agreement may be extended, modified, amended, changed, added to, or subtracted from, by the mutual consent of the parties hereto, if such amendment or change is in written form, signed by authorized representatives of the parties, in full compliance with the Public Contract Code, and attached to the original Agreement to maintain continuity.

29. Notice

Any notice, communication, amendments, additions, deletions to this Agreement, including change of address of either party during the term of this Agreement, shall be in writing and may be personally serviced, or sent by prepaid first class mail to the respective parties as follows:

McKinleyville Community Services District:

Attention: Patrick Kaspari, General Manager
1656 Sutter Rd.
P.O. Box 2037
McKinleyville, CA 95519
Phone: (707) 839-3251
Fax: (707) 839-8456

Contractor:

Attention: Joe Watkins, Vice President
Unified Field Services Corporation
6906 Downing Avenue
Bakersfield, Ca. 93308

30. Entire Agreement

This Agreement, along with **Attachments A and B**, contain the entire agreement of the parties, and no representations, inducements, promises, or agreements otherwise between the parties not embodied herein or incorporated herein by reference, shall be of any force or effect. Further, no term of provision hereof may be changed, waived, discharged, or terminated, unless the same be in writing executed by the parties hereto.

Signatures

MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

By: _____

Name: Patrick Kaspari

Title: General Manager

Date: _____

CONTRACTOR

By: _____

Name: Joe Watkins _____

Title: Vice President _____

Date: _____

McKinleyville Community Services District

BOARD OF DIRECTORS

July 6, 2022

TYPE OF ITEM: **ACTION**

ITEM: E.5 **Consider Approval of 2022 Strategic Plan Update for McKinleyville Community Services District**

PRESENTED BY: **Lesley Frisbee, Recreation Director**

TYPE OF ACTION: **Roll Call Vote**

Recommendation:

Staff recommends that Board review the information provided, discuss, take public comment, and approve the 2022 Update of the Strategic Plan for McKinleyville Community Services District.

Discussion:

District Staff and Board adopted the District's Five-Year Strategic Plan in September 2019. The plan was recently reviewed by the Board and updates to the Values definitions and Strategic Goal action plans were made during the Board of Directors Special meeting on May 7, 2022. The updated Strategic Plan can be reviewed in **Attachment 1**.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – 2022 Update 2019-2024 Strategic Plan

Strategic Plan

2019-2024

McKinleyville Community
Services District



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Plan Revisions

Date	Description of Change
July 2022	Values Definitions revised to incorporate input by new board members. Actions completed highlighted green. Added action to Goal 3. Goal 4 actions are not complete due to lack of urgency and necessity as determined by staff and current Board Members during May 7, 2022 review.

Introduction

Purpose

This Strategic Plan (Plan) exists to empower the McKinleyville Community Services District (District) to accomplish its mission by providing vision and specific objectives for the next five years.

The Plan was updated in July 2019 by the District's Board of Directors and staff with the understanding that it is a living document that will be reviewed regularly and revised as needed to better serve the District and the McKinleyville community. The Plan was purposefully fashioned as a succinct, workable document so that it can be easily used to:

- Measure District success
- Generate focused work plans
- Adopt comprehensive, goal-oriented budgets
- Communicate District values and direction to the community

History

The McKinleyville Community Services District created on April 7, 1970 when McKinleyville's voters voted to form the District. Initially, the District had authority to serve water and treat sewer wastes. In 1972, the voters added street lighting powers, in 1985 the voters added recreational powers and in 1995 the voters authorized construction of the McKinleyville Library.

Services

The District boundary encompasses 12,140 acres ranging from North Bank Road on the south to Patrick's Creek on the north and has over 5,300 active water services and 4,470 active sewer connections. The District is an independent, special district governed by a five member Board of Directors. The District provides the following services:

- Water
- Wastewater
- Street Lights
- Open Space
- Parks & Recreation
- Library Services

Mission, Vision & Values

Mission

Provide McKinleyville with safe and reliable water, wastewater, lighting, open space, parks and recreation, library services, and other appropriate services for an urban community in an environmentally and fiscally responsible manner.

Vision

The District is an engaged, collaborative and responsible public agency that is committed to enhancing and preserving McKinleyville's quality of life through the implementation of clear and forward thinking policies and plans for service provision within its scope of power.

The District has established the following visionary goals for the next five years:

- 1 The Parks & Recreation Department has developed and implemented an effective strategy that will close the gap between revenues and expenses, allowing for the long term sustainability of the department.
- 2 The District is prepared for a major natural disaster and the public is educated and aware of MCSD's role in response to a major natural disaster.
- 3 The District will know the number of building permits allocated by the county within the District AND will know the impact accommodating allocated permits will have on District capacity.
- 4 The District will have an effective strategic partnership plan in place.
- 5 The District will have acquired the property for a community forest and will have a plan for sustainable management of said property.

Mission, Vision & Values

Values

The Board of Directors has collectively established the following core values, along with the defining traits, culture and actions.

INTEGRITY

- Definition - Truthfulness; Saying what you mean and doing what you say.
- Culture - Trustworthy performance; Incorruptible.
- Actions - Communicate using non-discriminatory language; Provide clear and factually accurate information to public, staff and fellow board members; Make decisions transparently; Form opinions/make judgments based on facts, not assumptions.

RESPONSIBILITY

- Definition - Dependable and accountable; Doing what is necessary in the best possible way and with the best possible intentions.
- Culture - Accepting all consequences, both good and bad; Adaptive Management.
- Actions - Follow through with commitments and follow up to evaluate results and outcomes; Give full attention to listening to public, staff and/or fellow board members during discussion and comment periods; Accept ownership of decisions and all results/outcomes/consequences of decisions; do not engage in blaming or making excuses; Focus decision making to that which serves the best interest of McKinleyville community within the powers of the MCSD (water, sewer, streetlights, parks & rec and library powers).

FAMILY

- Definition - Group/Unit that is not always chosen, connected by commonalities and shared experience with defined roles.
- Culture - Efficiency, lightheartedness, respect, listening (open eared), care for members, forgiveness, and understanding with respected leadership.
- Actions - Listen to UNDERSTAND rather than to REPLY; focus listening until person stops talking and THEN formulate your reply; Do not engage in gossip; Remain mindful and considerate of commonalities between self and others when engaging in challenging dialogue; Volunteer in the community; Express gratitude, regularly and often; Develop a shared vision and goal that we work to achieve together.

Mission, Vision & Values

Values Cont.

FAIRNESS

- Definition - Decisions based on rules, facts and circumstances.
- Culture - Consideration given to all facets in a consistent manner.
- Actions - Clearly communicate criteria for fairness in decisions; Judge according to facts; leave out emotion, 'shoulds', judgements and assumptions; Listen and give due consideration to all sides of an issue with an open mind before forming opinions or making judgements and decisions; Give equitable and consistent consideration to issues and options when making decisions.

Goals & Objectives

GOAL 1

The Parks & Recreation Department has developed and implemented an effective strategy that will close the gap between revenues and expenses, allowing for the long term sustainability of the department.

ACTION DESCRIPTION	PARTY / DEPT RESPONSIBLE	BEGIN DATE	DUE DATE	RESOURCES REQUIRED (staff, tech, etc.)	HAZARD FORECAST	DESIRED OUTCOME
Plan and implement an annual Event as a fundraiser in Coordination with a local non-profit	Rec. Director	7/1/2023	2/28/2024	Willing & interested non-profit; Volunteers; Vendors; Activity & Teen Ctrs	No interested and willing non-profit; competing events;	Raise minimum of \$10,000 in first year
Add 2-3 revenue generating classes/programs to annual offerings	Rec. Coordinators	7/1/2019	6/30/2023	Facility space; available staff/instructors; supplies and/or technology depending on program	No interest in classes; will not generate revenue exceeding the cost of offering;	Increase dept. revenue by \$5k-\$10k
Implement a comprehensive marketing plan	Rec. Director	6/15/2019	6/30/2024	Staff time; money to invest in marketing strategies	Lack of resources to invest in marketing; possibility of not getting return on investment of marketing.	Increase facility revenue by \$8k-\$15k
Survey community to determine feasibility of increasing Measure B Assessment amount	GM & Rec. Director	03/01/2022	12/31/2022	Consultant/contractor to implement survey and write report	Lack of resources to hire consultants; community does not support increase.	Increase is feasible; know amount of feasible increase based on community support
Implement process for re-assessment of Measure B at higher rate	GM & Rec. Director	1/1/2023	11/10/2023	Consultant/contractor to implement process for reassessing measure B	Community does not support increase	Community supports reassessment and votes to increase in measure tax

Goals & Objectives

GOAL 2

The District is prepared for a major natural disaster and the public is educated and aware of MCSD's role in response to a major natural disaster.

ACTION DESCRIPTION	PARTY / DEPT RESPONSIBLE	BEGIN DATE	DUE DATE	RESOURCES REQUIRED (staff, tech, etc.)	HAZARD FORECAST	DESIRED OUTCOME
Plan and implement Public Education materials related to the District's role in Disaster response	EOP Team	8/1/2019	12/31/2022	Staff time; materials	Public does not participate; method of distributing materials does not reach whole community;	Disaster preparedness Education materials related the District's role and the roles of community members are available and distributed widely
Establish relationship with existing agencies to Host public workshops or trainings related to disaster preparedness specific to McKinleyville	EOP Team	1/2/2020	6/30/2024	Staff time; facility space; materials/resources	Public does not participate; Outreach/invitation methods not effective; lack of staff time	Workshops hosted and community feedback regarding increased knowledge evaluated

Goals & Objectives

GOAL 3

The District will know the number of building permits allocated by the county within the District AND will know the impact accommodating allocated permits will have on District capacity.

ACTION DESCRIPTION	PARTY / DEPT RESPONSIBLE	BEGIN DATE	DUE DATE	RESOURCES REQUIRED (staff, tech, etc.)	HAZARD FORECAST	DESIRED OUTCOME
Create process by which county permit allocation information is shared with the District	GM	7/29/2019	12/31/2019	Staff time; County Staff time/participation	County does not cooperate	Process is effective and efficient for collecting the necessary data
Integrate County information into District's Hydraulic Flow Analysis	GIS Tech	1/1/2020	12/31/2022	Staff time; County zoning and building permit data; hydraulic analysis software; GIS software;	Inadequate data or format of data;	Integrated data allows analysis of zoning, planning and hydraulic capacity.
Determine or set annual date for providing development information to the MCSD Board of Directors	GM, GIS Tech and BOD	7/1/2020	8/31/2020	Staff time; Modeling analysis; coordination w/county	Lack of agreement between county and MCSD related to the outcome of the analysis.	An annual date is set and agreed upon by both county and MCSD
Develop policy addressing impacts of proposed and existing development related to ADU's and Multifamily Housing	GM & BOD	1/1/2023	12/31/2023	Staff time; Modeling analysis; coordination w/county	Lack of information from county.	Growth estimates and related impacts to District facilities

Goals & Objectives

GOAL 4

The District will have an effective strategic partnership plan in place.

ACTION DESCRIPTION	PARTY / DEPT RESPONSIBLE	BEGIN DATE	DUE DATE	RESOURCES REQUIRED (staff, tech, etc.)	HAZARD FORECAST	DESIRED OUTCOME
Create a comprehensive list of existing partnerships including projects in progress or completed through the partnership	GM & Dept. Heads	6/1/2021	6/30/2021	Staff time	Lack of staff time; lack of participating/willing partners	List serves as a resource for current and future work of the District
Create a comprehensive list of potential partnerships that have not yet been developed	GM & Dept. Heads, BOD	2/1/2022	3/31/2024	Staff time	Lack of staff time; lack of participating/willing partners	List serves as a resource for current and future work of the District
Create a rubric for determining when to partner, with whom and for what	GM & Dept. Heads, BOD	7/1/2021	12/31/2021	Staff time	Lack of staff time	Rubric exists to guide partnership decisions
Outline the required steps and considerations for developing and implementing partnership agreements	GM & Dept. Heads	1/1/2022	6/30/2022	Staff time	Lack of staff time	Clear guidelines and expectations for staff to follow when developing partnerships and engaging in work with existing partners.
Create a rubric of criteria for measuring the effectiveness of a partnership	GM & Dept. Heads, BOD	7/1/2022	12/31/2022	Staff time	Lack of staff time	Rubric exists to measure effectiveness of partnership

Goals & Objectives

GOAL 5

The District will have acquired the property for a community forest and will have a plan for sustainable management of said property.

ACTION DESCRIPTION	PARTY / DEPT RESPONSIBLE	BEGIN DATE	DUE DATE	RESOURCES REQUIRED (staff, tech, etc.)	HAZARD FORECAST	DESIRED OUTCOME
Define amenities of Community Forest as desired by the community residents	GM, Rec. Dir & BOD	1/1/2019	12/31/2024	Staff time; public input; resources/materials	Lack of public participation	Parameters are defined for a Community Forest
Identify potential properties	GM & BOD	1/1/2022	12/31/2023	Staff time	Lack of available property	Potential properties are identified and available
Identify funding for acquisition of property	GM, Rec. Dir & BOD	7/1/2022	6/30/2024	Staff time	Lack of funding options; lack of public support for new taxes	Funding for acquisition obtained.
Identify Forest management strategies for identified properties	Forest Consultant	1/1/2023	12/31/2024	Resources to fund consultant; staff time	Lack of resources for consultant; lack of resources to support management strategies	Management strategies identified are feasible and funded.

Plan Review, Revisions & Reporting

The District will review this Plan at least once annually to ensure that the Plan continues to be accurate and best serve the needs of the District. Plan revisions may be made at any time. All revisions must be approved by the Board of Directors. A record of revisions will be kept on the Table of Contents page.

At the end of each fiscal year, the General Manager will prepare a brief report for the Board of Directors summarizing the progress that has been made toward attaining the District's goals and objectives. Reports will be included in the Appendix of this Plan.

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McKinleyville Community Services District

BOARD OF DIRECTORS

July 6, 2022

TYPE OF ITEM: **INFORMATION**

ITEM: F.3.A **Support Services – May - June 2022 Report**

PRESENTED BY: **Nicole Alvarado, Finance Director**

TYPE OF ACTION: **None**

FINANCIAL, AUDIT, & BUDGET INFORMATION

The District has \$1,382,084 to date in the Trust Account for the next Biosolids Disposal project. A total of \$778,345 has been spent on this project this fiscal year.

Customer adjustments at May month-end total \$51,925. While this amount still exceeds the annual \$42,000 budget for this sub-item due to a substantial number of COVID-related amortizations, significant payments received reduced May's total below April's. (GL# 501/551-62120)

Total Board Travel as of May 31, 2022 is \$13,283 which is 76% of the approved \$17,500 budget for this item. (GL# 001/005/501/551 62090/62155-888)

Audit/Budget Update:

Interim testing for the FY2021-2022 audit was completed on June 8th and 9th. The audit committee kickoff meeting is scheduled.

Treasurer's Report Highlights:

April balances for the Humboldt County trust accounts were received. Adjustments were posted to the May Treasurer's Report. June tax receipts will be estimated based on the budget if actuals are not available timely. Any final adjustments can be completed during the year-end process.

Debts & Grants

The Debt page of the Treasurer's report shows the current status of every long-term debt owed by the District. The columns show the interest rate and maturity date for each indebtedness. Activity for the current month is listed in the next columns. Outstanding balances for the remainder of the present fiscal year and the balance of debt due in years following complete the page.

Debts for the Water Fund are listed first, followed by those for the Wastewater Fund. The Parks/General Fund has no outstanding long-term debt at this time, though the Measure B debt used to fund the construction of the Teen Center is listed. Non-debt Long Term Liabilities (CalPERS Pension and Other Post Employment Liabilities – OPEB) are shown below the Debt section. These are single totals, annually recalculated on an actuarial basis as part of the year-end closing and audit process.

The Grants page comes after the long-term Debt listing. Grants are separated into two categories: those held directly by the District, and those being executed on behalf of the District by third parties. Grant applications will not be listed. Only grants the District has actually been awarded will be shown.

OTHER UPDATES

In addition to the annual audit kickoff meeting, the audit committee will also meet to review information required to authorize a IRS Section 115 Trust. This was outlined in the approved Reserve Policy for managing the District's unpaid accrued liabilities (UAL) for pensions and other post-employment benefits (OPEB).

The State's Low-income household water assistance program (LIHWAP) is now available to customers, providing one-time assistance with past due balances to eligible customers. Those with large past due balances are being referred to this program in addition to the assistance available through the Family Resource Center.

McKinleyville Community Services District

BOARD OF DIRECTORS

July 6, 2022

TYPE OF ITEM: **INFORMATION**

ITEM: F.3.B **Operations Department – May / June 2022 Report**

PRESENTED BY: **James Henry, Operations Director**

TYPE OF ACTION: **None**

Water Department:

Water Statistics:

The district pumped 40 million gallons of water in May.
Five water quality complaints were investigated and rectified.
Daily, weekly and monthly inspections of all water facilities were conducted.

Double Check Valve Testing:

Annual routine testing and retests were conducted in May. Customers with failed DCV's were notified to make repairs and call the office to schedule a retest.

Average and Maximum Water Usage:

The maximum water usage day was 1.4 million gallons and the average usage per day was 1.3 million gallons.

Water Distribution Maintenance:

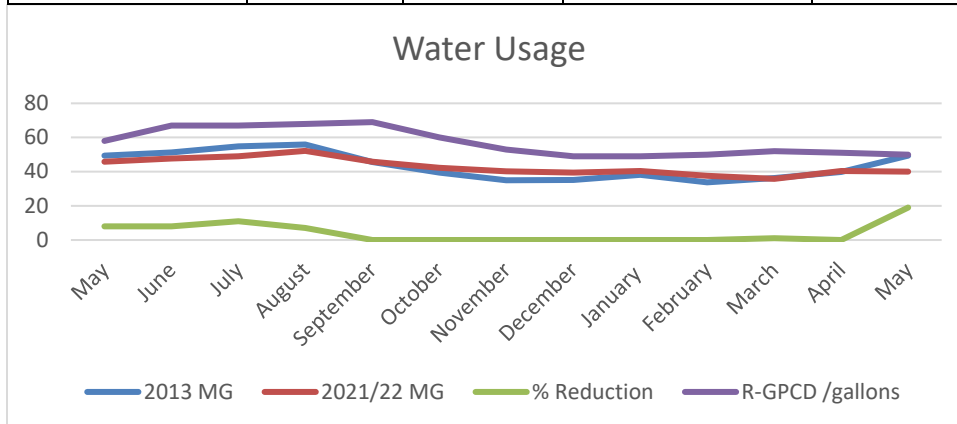
Weekly Bacteria Samples were collected on Schedules 1, 2, 3, 4, and 6 which represent different locations in the water distribution system. The schedules are made up of a sample taken in each pressure zone. The meter at Dow's Prairie School was repaired due to not opening the low side flow during low flows. Several meters were repaired due to gophers chewing on wires. These meters are found during meter reading when the meters send a trouble or tamper code. A water leak was repaired on Bates due to improper backfill which punctured the service line. New water services were installed on Chelsea, First Avenue, and on Gassaway due to second units.

Water Station Maintenance:

Monthly inspections and daily routines were conducted at the water stations. Any minor issues found are repaired during inspections, but if they require parts or extensive labor, the issue is documented on the monthly sheet, which will then generate a work order for repairs. The semi-annual expansion joint inspection was done at all water stations. Each joint is inspected for cracks and replaced if necessary. Tank bottoms were pressure washed to remove dirt and grit and preventing rot.

As of July 2014, the District is required to submit a Public Water Monthly Monitoring Report to compare water usage to last year's usage in the same month. I will keep the Board updated each month using the Table below.

	2013 (MG)	2021/22 (MG)	% Reduction	R-GPCD
May	49.407	45.752	8	58
June	51.337	47.654	8	67
July	54.757	49.099	11	67
August	55.908	52.171	7	68
September	45.702	45.874	(-1)	69
October	39.439	42.216	(-7)	60
November	34.879	40.116	(-15)	53
December	35.203	39.371	(-11)	49
January	38.241	40.314	(-6)	49
February	33.751	37.674	(-11)	50
March	36.244	35.798	1	52
April	39.755	36.072	10	49
May	49.407	40.019	19	50



R-GPCD = Residential Gallons Per Capita Day

New Construction Inspections:

Imeson Court. Subdivision is completed. The warranty camera work for the sewer main has been completed. Midtown Court Tract: Plans were reviewed, and plan check fees have been paid. Washington Estates: Plans have been reviewed and finalized. Contractor has started grading the site.

Sewer Department:**WasteWater Statistics:**

25.7 million gallons of wastewater were collected and pumped to the WWMF. 21.1 million gallons of wastewater were treated and discharged to land disposal or reclamation in May.

Sewer Station Maintenance:

Monthly inspections and daily routines were conducted on all sewer stations. Quarterly wet well cleaning was conducted at the Letz, Hiller and Kelly lift stations. This is done to prevent grease and rag build up which can plug up the pumps and to also remove hydrogen sulfide buildup which will damage the concrete walls. The semi-annual expansion joint inspection was done at all sewer stations. Each joint is inspected for cracks and replaced if necessary. The dehumidifier was replaced at the Kelly station due to not operating properly during the weekly station inspections.

Sewer Collection System:

Grease traps were inspected at required facilities. Customers that are out of compliance were notified to have their traps pumped and possibly shorten their pumping schedule.

Wastewater Management Facility:

Daily and weekly maintenance continues at the treatment plant to perform required service on the equipment. Staff has been working on painting the generator. This involves sanding down the rust, treating it with Ospho, taping the generator off and painting.

Daily Irrigation and Observation of Reclamation Sites:

Discharge has been going to the land and river since May 13th. Fischer and Pialorsi ranch fields were mowed. Several irrigation heads were replaced on the Pialorsi Ranch to get the site ready for irrigating.

Street Light Department:

There were two streetlight complaints in May. Staff has been replacing the photo-cells on each streetlight as part of the 10 year replacement plan. Approximately 280 cells will be replaced. This task is 86% completed.

Promote Staff Training and Advancement:

Weekly tailgate meetings and training associated with job requirements. Staff received training on Heat Illness Protection, Jackhammer Safety, Hand tool Safety and Traffic Control Zones.

Special Notes:

Monthly river samples were completed.
Monthly Self-Monitoring Reports (DMR/SMR) were submitted.
Public Water Monthly Monitoring report was submitted.
Monthly Water Quality report was sent to the Dept. of Health.
Attended Micro-grid progress meetings
Conducted interviews for the Maintenance position job opening.
Bid Opening for the Tank Painting Project.
Air Quality inspected generators, logbooks and permits. No findings to report.
2021 Consumer Confidence Report was submitted to the State and posted for public.
Responded to Engineering question regarding the 4.5 MG tank project.
Submitted new Bacteria Sampling Plan to the state to reflect new sampling locations.
Uploaded wastewater Arrearages on website portal.
Reviewed submitted qualifications for Office Remodel Design architect.
Communicating with Osmose to get a revised quote for 2022 pole inspections.
Inventory was completed for water and sewer materials and supplies.

GIS:**Plans and Programs**

- Review of the Heat Injury and Illness Prevention Program
 - No changes made
- Review of the Hazardous Materials Business Plan
 - No changes made
- Review of the Confined Spaces Entry Program
 - No changes made

Maps Completed/General GIS

- Hiller Marsh discharge line locating and mapping.
 - Located Hiller Marsh discharge line, irrigation heads, and valves.
- Locate Water facilities on Scott Rd.
- Completed several edits to the Online Facilities map
 - Laterals, meters, and misc. facilities.
- Updated Street Lights map
- GPS'd Pialorsi irrigation heads, valves and lines.

Misc. Work Completed

- Replaced Flammable signs on all propane tanks
- Attended webinar for integrating DocStar and GIS
 - Waiting on Coastal business to provide more information
- Reviewed and imported camera footage for Avelar Subdivision
- USA's
- Paper filing
- Attended TAC meeting

- Operations document filing
- Posted documents onto website
- Doc Star search

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McKinleyville Community Services District

BOARD OF DIRECTORS

July 6, 2022

TYPE OF ITEM: **INFORMATION**

ITEM: F.3.C **Parks & Recreation Director's Report for June 2022**

PRESENTED BY: **Lesley Frisbee, Parks & Recreation Director**

TYPE OF ACTION: **None**

TEEN & COMMUNITY CENTER-BOYS & GIRLS CLUB PARTNERSHIP:

Staff continues to meet with BGCR staff weekly. The Teen Club is open Monday- Friday 12:00pm-6:00pm. The Teen Club is running a wide variety of programs including a weekly cooking program, a cycling program, an art program, a community service program and several BGCA national programs such as Power Hour, SMART Girls, SMART Moves and Youth for Unity. The Club's average daily attendance reached 25-30 teens per day.

BGCR McKinleyville Teen Club staff will be hosting several special events for club members in July as well as selling baked goods at Music in the Parks on July 14th.

PARK AND RECREATION COMMITTEE:

The Park and Recreation Committee (PARC) did not meet due to staff illness.

COMMUNITY FOREST UPDATES:

The monthly meeting with Green Diamond Resource Co. and Trust for Public Lands was held on June 6th. GDRC and TPL continue to work on the appraisal of the property. TPL reported that the timber appraisal is 90% complete. GDRC is working on encroachment issues and lot line adjustments for the legal descriptions of the property. District staff is currently waiting for GDRC to schedule walks with GDRC staff of potential access points.

RECREATION PROGRAM UPDATES

- Drop-in Pickleball is running on Friday evenings 6:30pm-8:30pm. \$4 per person
- Drop-in Kung Fu is on Tuesday and Thursday evenings 5:30pm-6:30pm \$10 per person per class. Bulk class passes are available to purchase at \$7.50 per class
- Drop-in Tai Chi is Sundays 11:00am-12:00pm \$10 per person per class. Bulk class passes are available to purchase at \$7.50 per class
- The Martial Arts classes are averaging 8-12 people per class.
- The two sessions of Tot-letics T-ball starting in July are already full.
- Kids Camp Summer Day Camp started on June 20th and will run for 9 weeks of summer through August 19th. The first week of camp hosted 18 youth 5-12 years old and the second week is hosting 28 youth.
- Summer Basketball for 7th-9th graders will start on June 29th and enrollment is almost full with only 5 participant slots open.
- Staff was recently hired for the re-opening of Sunday Night drop-in Basketball. The program is anticipated to start up by the end of the month

PARK & FACILITY MAINTENANCE UPDATES:

Landscaping in parks and Open Space Zones is growing non-stop. Parks Crew is busy with landscape maintenance. The tractor mower deck broke early in the month causing some poorly mowed spaces and delays in maintaining spaces. A new mower deck has been acquired and the crew will be catching up. An additional landscape crew from Developed Employment Services has been contracted to help with open space maintenance 8 hours a week from June through August. The Parks crew and NHES continue the routine schedule for maintenance on Central Ave. landscaping. Staff continues to keep up with daily/weekly routine facility and vehicle maintenance. Monthly inspections were conducted on all facilities and Open Spaces.

Two trees fell down at Hiller Park this month, one causing damage to the fence behind the Hiller Park restrooms.

FACILITY RENTALS & USE

7 Azalea Hall Rentals in June through August. 16 Pierson Park rentals May through July. The Activity Center is hosting 8 rentals this month, mostly for end of year events for various schools. Pierson Park picnic areas are very busy this summer, with rentals every weekend in June, Music in the Park events on Thursdays through out the end of June and through July and August.

OTHER UPDATES:

- Summer-Fall Newsletter and Activity Guide was mailed on June 15th.
- The McKinleyville Area Fund Awarded \$3,574 for the purchase of new roller skates at the Activity Center.
- Staff met with Mike McIntyre of Action Sports Design (ASD), BMX USA's sanctioned track and park design architect firm. ASD has agreed to assist with the drafting of the RFP documents for the design and construction of the BMX track and park. We hope to release the RFP in late June.
- Staff participated in volunteer service for the McKinleyville Chamber of Commerce, the McKinleyville Family Resource Center, and the Boys and Girls Club of the Redwoods.
- The McKinleyville Chamber of Commerce is hosting Music in the Park at Pierson Park on the following dates:
 - June: 9, 23, 30
 - July: 7, 14, 21
 - August: 4, 11, 18, 25
- Staff continues to provide support to other departments of the District; assisting with accounts payable, payroll, and facilitating professional development workshops.

ATTACHMENTS:

N/A

McKinleyville Community Services District

BOARD OF DIRECTORS

July 6, 2022

TYPE OF ITEM: **INFORMATIONAL**

ITEM: F.3.D **General Manager’s Report for July 6, 2022 Meeting**

PRESENTED BY: **Patrick Kaspari, General Manager**

TYPE OF ACTION: **Information Only**

A summary of activity for the month of June 2022

Cost Savings Related to District Activities – The following is a review of some of the recent cost savings opportunities District staff identified for the month:

• Use of NHE Services =	\$2,841
• CSW =	\$960
• SWAP =	\$6,720
• Volunteer Pickleball Labor =	\$188
• Tree Removal at Cochran Tank Site =	\$2,200
• <u>Repair Pialorsi Barn Roof =</u>	<u>\$160</u>
TOTAL COST SAVINGS FOR JUNE =	\$11,089

Over the District’s 2021/22 Fiscal Year, Staff was responsible for over \$355,554 in savings to the District and its Rate Payers.

District staff are recognized and commended for their continued efforts in looking for cost savings, the use of internal labor, and grant opportunities that result in real savings for the District, ratepayers, and the community.

COVID-19 – Unfortunately the District continues to have people testing positive for Covid and I’m sure it will eventually work its way completely through Staff. Cases generally don’t appear to be originated at our facilities. This indicates that our procedures are working as well as we can control them. We have been purchasing additional at home test kits to allow Staff to monitor their health if they are exposed or begin to feel symptoms.

As previously reported, the District received a check for \$47,746.22 for water arrearages and \$26,426.53 for wastewater arrearages from the California Water and Wastewater Arrearage Payment Program administered by the State Water Resources Control Board (SWRCB). The District has applied the funds to delinquent customer’s accounts as credits and sent letters to all these customers letting them know that we have applied this credit to their account. We also submitted the necessary reports to the SWRCB documenting our expenditure of those funds.

At this Board Meeting (and for the foreseeable future) we are once again reconfirming the resolution to conform to the requirements of AB361 for remote meetings.

4.5 Gallon Water Tank Project – The District continues work on this project with Kennedy Jenks (KJ) and their subconsultants. KJ Staff was out looking at the electrical components and the existing utilities at the Cochran Tank site. Their schedule currently shows the 60% design submittal on August 9th and the design being completed in January 2023, bidding and awarding the bid in February/March 2023, and construction starting in May 2023 and completion in May 2024.

Given the approval of the Phase 2 funds, this puts pressure on closing the land purchase. As previously reported, the District has been working on the purchase from American Hospital Management Corp. (AHMC) for six years. Offers have been made, and we are still waiting on final approval of the Purchase Agreement drafted by District Legal Counsel. The District did agree to requests from AHMC to grant pedestrian (and recently equestrian) access across the acquired land to allow for future access to the Hewitt Ranch property. We also granted a drainage easement across the proposed District property in the Purchase Agreement. The revised Purchase Agreement was forwarded to Mr. Shaw on August 18th, 2021 and is for the purchase of approximately 6.5 acres for \$253,511. Russ Gans also resubmitted the Purchase Agreement in DocuSign format to Mr. Shaw on June 10, 2022. As discussed at this Board Meeting, we continue to work with Legal Counsel Michael Colantuono to potentially acquire the property through the eminent domain process.

Water and Sewer Mainline Master Plan Phase 3c – The Basis of Design Report from GHD has been completed and presented to the Board. GHD is moving forward with the preparation of the design of a new 16-inch waterline and CIPP lining for the existing sewer line and submitted the 30% design drawings in May 2022. They are moving onto the 60% design and are scheduled to submit the 60% drawings on July 29, 2022. The intent is still to complete the design and permitting in 2022 and bid the project at the end of 2022 for construction in 2023. \$2M in the water bond sales and \$2M in the wastewater bond sales will fund this project.

SRF Energy Efficiency WWMF Micro-grid Project – The installation of the microgrid at the Wastewater Management Facility (WWMF) is proceeding behind schedule. The current schedule has the construction completed and the solar portion of the facility brought on-line at the end of June 2022. That is not going to happen. It likely will not be up and running and signed off by PG&E until the end of July. The battery portion of the project has been delayed due to Covid but showed up on-site in May. The battery portion of the system still needs to be permitted through PG&E and it could take as long as November or December for the complete system to be fully permitted and brought on-line.

Mad River Restoration Project – CalTrout and their engineers have completed the final design and construction bid documents, and the project was released for bid on May 19, 2022. Bids were due back on June 10, 2022 and six bids were received, ranging from \$899,845 to

\$1,245,782. The low bidder was Kernan Construction and CalTrout is working with them to get them under contract. The available grant funding is \$1M, so there should be enough contingency to complete the entire construction. Construction will likely start in July and will extend through October 15, 2022. The District has also been working with Chris Turner, a local restoration contractor, to build a river access point with the funds from the Habitat Conservation Grant the District obtained. Mr. Turner has completed constructing of the gravel trail portion of the project and a river access point. It looks very good. District Staff have submitted the final closeout documents for the Habitat Construction Grant and should get reimbursed for all the work Mr. Turner completed.

Sewer Undercrossing Project – We still have not been notified whether FEMA has completed their National Environmental Policy Act (NEPA) review and issued a Finding of No Significant Impact (FONSI) to release the Phase 2 funding of the grant to fund the final design and construction. We had updated the Benefit Cost Analysis (BCA) when we submitted the request for additional funding. We have heard back from CalOES that they have approved the updated BCA and submitted it with the final funding request to FEMA in November 2021. We have also heard from CalOES that the NEPA process review has been started by FEMA and have received one project notification from FEMA that we were required to (and have) posted. We have yet to hear any schedule for the completion of NEPA.

Office Remodel – The District has released a Request for Qualifications for an Architect/Engineer to prepare design drawings and a bid package for the remodel of the District office. The Statement of Qualifications were due June 3, 2022, and we received three SOQ's back in response to the request. The Review Committee evaluated the SOQ's and selected LDA Partners as the most responsive and responsible. They are also the Architectural firm that designed the Teen Center. Staff will negotiate a contract with LDA and bring it to the Board in August. We hope to get a final bid package developed by Spring 2023 to potentially include costs for construction in the 2023/24 or 2024/25 Fiscal Years budgets.

Reporting by Sheriff's office, County Public Work – A regular meeting has been scheduled with President Couch, GM Kaspari, Supervisor Madrone, and the MMAC Chair, Bonnie Oliver, to occur on the fourth Monday of every month to discuss various topics of concern to all three organizations and the community. This month I was flying back from the CSDA GM Conference and was not able to attend.

Grant Applications – The McCluski Tanks Replacement and the Mad River Watermain Crossing Hazard Mitigation grant applications were submitted to CalOES in March 2021. We heard in December 2021 that both projects have been forwarded on by CalOES to FEMA for funding. We have not received the grant agreements yet, but we have received Requests for Information from FEMA on the scopes of both projects so it looks like both of those projects will be 75% grant funded.

A new Hazard Mitigation Grant was submitted for the upgrade of the Fischer Sewer Lift station on April 6th 2022. This grant, if funded, will cover the complete retrofit of the Fischer Lift Station, which pumps wastewater from the entire southern half of McKinleyville to the wastewater management facility. This would include the replacement of the pumps and upgrading the electrical system, valves, and further seismically strengthen the building.

The Department of Water Resources also release the grant application for Phase 2 of the Prop. 1 funding. The grants are to fund drought related projects. We are considering submitting applications for the matching funds owed on the 4.5 MG Tank, McCluski Tanks and/or Mad River pipeline crossing. Grants are due August 19, 2022 and/or February 1, 2023 and there is \$26.5M available in funding for the Northcoast Region.

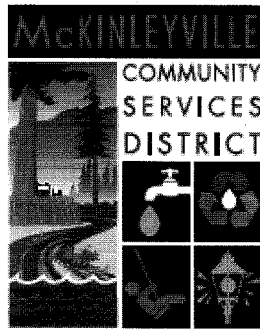
Meetings –The General Manager attended numerous meetings as usual. The meetings in June included a meeting with Willdan on the Rate Study, meetings with Green Diamond to discuss the Community Forest access sites, a meeting with Humboldt Trails Council on the purchase of a Flail Mower, several Microgrid construction meetings, design meetings for the Central Avenue Water & Sewer replacement project, several Mad River Restoration project design meetings and the oversight on the gravel trail construction on the Mad River Bluff, meetings on the BMX Park development in preparation of sending out the RFQ for professional design services, several Rotary meetings, meetings with Kennedy Jenks Engineers on the design of the 4.5MG Reservoir, meetings to prepare for the CSDA GM Conference presentation, attendance at the CSDA GM Conference, a CSDA Chapter Meeting, attendance at Pony Express Days to control traffic for the parade and run a MCSD table in Pierson Park, meetings with the cell tower leasee to discuss terms, bid opening meetings for the Mad River Project and the Tank Painting project, and a meeting to rank the Office Remodel SOQs.

Attachments:

- Attachment 1 – WWMF Monthly Self-Monitoring Report

PHYSICAL ADDRESS:
1656 SUTTER ROAD
McKINLEYVILLE, CA 95519

MAILING ADDRESS:
P.O. BOX 2037
McKINLEYVILLE, CA 95519



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PARKS & RECREATION OFFICE:
PHONE: (707) 839-9003
FAX: (707) 839-5964

R.W.Q.C.B. NORTH COAST REGION
5550 SKYLANE BLVD., SUITE A
SANTA ROSA, CA 95403

June 23, 2022

RE: MONTHLY MONITORING REPORT

Dear Justin:

Enclosed is the Monthly Monitoring Report for May 2022 for McKinleyville Community Services District Wastewater Management Facilities WDID NO. 1B82084OHUM, operating under Order Number R1-2018-0032.

The normal discharge of effluent was 13 days going to 001 and 13 days going to 004. The required monitoring and water quality constituents that were tested and reported was in compliance in May.

Effluent Limitations Parameters	Units	Average Monthly	Average Weekly	Avg. % Removal	Max Daily	Instant Max	Instant Min	Results
Monitoring Location EFF- 001								
BOD	mg/L	30	45	>85				Compliance
TSS	Mg/L	30	45	>85				Compliance
PH	s.u.					6.5	8.5	Compliance
Settleable Solids	ml/L	0.1			0.2			Compliance
Chlorine Total Residual	mg/L	0.1			0.2			Compliance
Carbon Tetrachloride	ug/L	.25			.75			Compliance
Ammonia Impact Ratio	mg/L	1.0			1.0			Compliance
Dichlorobromomethane	ug/L	.56			1.4			Compliance
Monitoring Location LND-001, REC-001								
Nitrate		10						Compliance
PH		6.0- 9.0	6.0 – 9.0					Compliance

Total Coliform Organisms MPN/100 ml. The Monthly Median not to exceed MPN of 23 and the daily maximum not to exceed MPN of 240. The reported results for the month of May are as follows. Median was <1.8 and a Maximum of <1.8. Five samples were collected in the month of May and was in compliance.

Monthly River Monitoring was conducted in May.

Discharged to river in May for 13 days.

Acute Toxicity Percent Survival. Minimum for any bioassay is 70% survival. Median for three or more consecutive bioassays at least 90% survival. Acute results were 100% and TST Pass for Rainbow trout.

MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
WASTEWATER MANAGEMENT FACILITY
RIVER CFS - EFFLUENT FLOWS -

M-003

RIVER DILUTION

M-004

M-005

May 2022

DATE	INF-001 INFLUENT MGD	EFF-001 EFFLUENT MGD	EFFLUENT MAXIMUM GPM	M-002 PERK PONDS MGD	M-006 IRRIGATE MGD	EFF-001 RIVER MGD	RIVER DILUTION 100:1	MAXIMUM G.P.M. DISCHARGE FOR 100:1	RIVER FLOW IN CFS	RIVER FLOW IN GPS
1	0.927	0.790	783				529	4138	922	6897
2	0.869	0.86	848				441	3743	834	6239
3	0.846	0.929	962				382	3672	818	6119
4	0.859	0.989	1049				309	3241	722	5401
5	0.833	1.034	1192				254	3025	674	5042
6	0.837	1.076	1190				319	3797	846	6329
7	0.874	0.816	1025				464	4758	1060	7930
8	0.930	0.811	790				994	7855	1750	13092
9	0.941	0.865	822				1715	14094	3140	23490
10	0.875	0.917	927				1312	12164	2710	20274
11	0.856	0.975	1020				946	9650	2150	16084
12	0.842	1.019	1040				816	8483	1890	14139
13	0.860	0.602	1115				676	7541	1680	12568
14	0.896	0.000	0		No Discharge		#DIV/0!	8663	1930	14438
15	0.939	0.000	0		No Discharge		#DIV/0!	7945	1770	13241
16	0.870	0.000	0		No Discharge		#DIV/0!	6643	1480	11072
17	0.852	0.438	1602		0.438		350	5611	1250	9351
18	0.842	0.831	937		0.831		0	0		0
19	0.829	0.821	1108		0.821		0	0		0
20	0.831	0.532	965		0.532		0	0		0
21	0.846	0.000	0		No Discharge		#DIV/0!	0		0
22	0.910	0.000	0		No Discharge		#DIV/0!	0		0
23	0.860	0.512	1223		0.512		0	0		0
24	0.826	0.912	1046		0.912		0	0		0
25	0.825	0.979	1029		0.979		0	0		0
26	0.806	0.994	1116		0.994		0	0		0
27	0.805	0.919	980		0.919		0	0		0
28	0.799	0.843	908		0.843		0	0		0
29	0.808	0.839	872		0.839		0	0		0
30	0.871	0.841	876		0.841		0	0		0
31	0.841	0.917	1086		0.917		0	0		0
TOTAL	25.764	21.144		0.000	9.461	0.000				
AVERAGE	0.859	0.705	848	0.000	0.000	0.000	0	3834	1507	6390
MAXIMUM	0.941	1.076	1602	0.000	0.994	0.000	0	14094	3140	23490
MINIMUM	0.799	0.000	0	0.000	0.000	0.000	0	0	674	0
DAYS	30	29		0	13	0	13			
DAYS WITH NO DISCHARGE TO THE MAD RIVER = 13										