

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, SEPTEMBER 7, 2022 AT 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, September 6, 2022.

All Public Comment received before the above deadline will be provided to the Board at 9 a.m. on Wednesday, September 7, 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.**

AGENDA
7:00 p.m.

A. CALL TO ORDER

- A.1 Roll Call
- A.2 Pledge of Allegiance
- A.3 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.4 Approval of the Agenda

A.5 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.

NO CLOSED SESSION SCHEDULED

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 July, 2022 | Pg. 5 |
| | Attachment 1 – Draft Minutes from August 3, 2022 | Pg. 6 |
| D.2 | Consider Approval of July 2022 Treasurer’s Report | Pg. 11 |
| D.3 | Consider Adoption of Resolution 2022-26 Amending the Rules and Regulations Rule 5.04: Water Installation Charges and Rule 21.02c: Sewer Connection Charges | Pg. 31 |
| | Attachment 1 – Resolution 2022-26 | Pg. 33 |
| 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. 35 |
| | Attachment 1 – Resolution 2021-27 | Pg. 37 |

- D.5 Consider Attendance to the Association of California Water Agencies (ACWA) 2022 Fall Conference & Exhibition in Indian Wells, CA on November 29-December 1, 2022 **Pg. 39**
 Attachment 1 – Preliminary Agenda **Pg. 40**
 Attachment 2 – Registration, Meals, and Hotel Pricing Sheet **Pg. 41**
- D.6 Consider Approval of the First Amendment to the 2022-2023 MUSD Agreement with MCSD for the 21st Century Community Learning Center After School Program **Pg. 43**
 Attachment 1—DRAFT First Amendment to the 2022-2023 MUSD Agreement with MCSD for the 21st Century Community Learning Center After School Program **Pg. 45**

E. CONTINUED AND NEW BUSINESS

- E.1 Water and Sewer Rate Evaluation and Proposition 218 Notice of Public Hearing (Action) **Pg. 47**
 Attachment 1 – Comprehensive Utility Rate Study, Willdan, August 2022 **Pg. 50**
 Attachment 2 – Willdan Utility Rate Study Presentation **Pg. 120**
 Attachment 3 – Proposition 218 Mailing Notice **Pg. 155**
- E.2 Update from CalTrout on Status of Mad River Restoration Project (Information) **Pg. 161**
- E.3 Consider Approval of Change Order 1 to Repair Rafters on Cochran Tank 1A as Part of the Tank Painting Project (Action) **Pg. 163**
 Attachment 1 – Unified Field Services Construction Contract Change Order 1 **Pg. 167**
- E.4 Discuss and Consider Approval of a Contract with Melton Design Group, Inc. for the Design of the BMX Track and Park and Authorizing the General Manager to Sign the Contract (Action) **Pg. 169**
 Attachment 1 – Professional Services Contract with MDG **Pg. 172**
- E.5 Consider Approval of Water and Wastewater Capital Improvement Plan Modification (Action) **Pg. 193**
 Attachment 1 – MCSD FY 2022-2023 CIP Revised **Pg. 194**
- E.6 Consider Approval of Resolution 2022-25 Declaring its Official Intent to Reimburse itself with the Proceeds of a Tax-Exempt Financing for Expenditures (Action) **Pg. 197**
 Attachment 1 – Resolution 2022-25 **Pg. 198**
- E.7 Election Update and Consider Approval of Appointment Recommendation Process (Action) **Pg. 201**

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 (Clark-Peterson/Binder)
- e. Audit and Finance Committee (Orsini/Couch)
- f. Employee Negotiations (Couch)
- 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. 203**
- b. Operations Department (James Henry) **Pg. 207**
- c. Parks & Recreation Department (Lesley Frisbee) **Pg. 213**
- d. General Manager (Pat Kaspari) **Pg. 215**
Attachment 1 – WWMF Monthly Self-Monitoring Report **Pg. 220**

F.4 PRESIDENT'S REPORT

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

G. ADJOURNMENT

Posted 5:00 pm on September 2, 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.

McKinleyville Community Services District

BOARD OF DIRECTORS

September 7, 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 August 3, 2022 Regular Board Meeting.

Discussion:

The Draft minutes are attached for the above listed meeting. 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 August 3, 2022 Regular Meeting

MINUTES OF THE REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT HELD ON WEDNESDAY, AUGUST 3, 2022 AT 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

AGENDA ITEM A. CALL TO ORDER:

A.1 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	Pat Kaspari, General Manager
Joellen Clark-Peterson, Vice President	April Sousa, Board Secretary
Scott Binder, Director	Joseph Blaine, IT Specialist
Dennis Mayo, Director	Nicole Alvarado, Finance Director
Greg Orsini, Director	James Henry, Operations Director
	Lesley Frisbee, Parks & Recreation Director

A.2 Pledge of Allegiance: The Pledge of Allegiance was led by President Couch.

A.3 Additions to the Agenda: Director Mayo noted the passing of a good friend and also past president of ACWA and Cal LAFCo chair, Jerry Gladbach. He asked if the meeting could be closed in his honor.

General Manager Kaspari noted a change to the agenda. Due to an illness of the presenter, Mary Burke, Item E.2: Update from CalTrout on Status of Mad River Restoration Project needed to be rescheduled for the September Board Meeting.

A.4 Approval of the Agenda:

Motion: It was moved to approve the agenda with the discussed changes.

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

There were no comments from the Board or public.

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

Motion Summary: Motion Passed

AGENDA ITEM B. PUBLIC HEARINGS:

None

AGENDA ITEM C. PUBLIC COMMENT AND WRITTEN COMMUNICATIONS:

None

AGENDA ITEM D. CONSENT CALENDAR:

- D.1 Consider Approval of the Minutes of the Board of Directors Regular Meeting on July 6, 2022**
- D.2 Consider Approval of June 2022 Treasurer's Report**
- D.3 Consider Approval of the Senior Center Management Services and Usage Agreement between McKinleyville Community Services District and the McKinleyville Senior Center**
- 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**
- D.5 Biennial Review and Adoption of MCSD Conflict of Interest Code**
- D.6 Consider Approval of Agreement between McKinleyville Union School District and the McKinleyville Community Services District for the Provision of After School Leaders to the**

21st Century Community Learning Center After School Program at Dows Prairie Elementary School and Morris Elementary School

D.7 Consider Approval to Declare 1989 Kohler Generator Surplus

Motion: It was moved to approve the Consent Calendar.

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

There were no comments from the Board or public.

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

Motion Summary: Motion Passed

AGENDA ITEM E. CONTINUED AND NEW BUSINESS:

E.1 Discuss and Consider Approval of Memorandum of Understanding with Humboldt Bay Municipal Water District (HBMWD) on Preliminary Feasibility Study for Extension of Water Main to Trinidad Rancheria

General Manager Kaspari gave an overview of the item. Additional edits from HBMWD Legal Counsel were presented at the meeting. Ryan Plotz, Legal Counsel for HBMWD, was present to answer questions at the meeting. John Friedenbach, General Manager of HBMWD, also answered questions as needed.

Motion: To approve the Memorandum of Understanding (MOU) with HBMWD to cooperate in the preparation of a Preliminary Feasibility Study for the extension of a HBMWD watermain from the MCSD System to the Trinidad Rancheria and authorize the Board President to sign the MOU.

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

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

Motion Summary: Motion Passed

E.2 Update from CalTrout on Status of Mad River Restoration

Postponed to the September 2022 Board Meeting.

E.3 Discuss and Consider Approval of Edits to the District's "Policy for the Naming and Dedication of District Facilities"

General Manager Kaspari gave the overview of this item. There was no further discussion or comment from the Board or the public.

Motion: To approve the edits to the District's policy for the Naming and Dedication of District's Facilities.

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

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

Motion Summary: Motion Passed

E.4 Discuss and Consider Approval of the LDA Contract for Architectural Services for the Office Remodel Project

General Manager Kaspari reviewed the staff note for this item. Discussion took place regarding the schedule of the project and other construction logistics. The Board also discussed the process needed to keep track of expenditures in order to finance the full project later.

Motion: To approve the contract with LDA Designers & Architects for the Office Remodel Project in the amount of \$324,975 with a 10% contingency for a total not to exceed price of \$357,472.50; authorize the General Manager to sign the contract; and direct staff to bring a budget modification for this line item back to the Board at the September Board Meeting.

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

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

Motion Summary: Motion Passed

E.5 Consider Topics for Joint McKinleyville Municipal Advisory Committee (MMAC) and MCSD Board Meeting in October

General Manager Kaspari reviewed the topics for discussion at the joint MMAC and MCSD Board meeting scheduled in October, 2022. Time constraints were discussed in order to keep the meeting moving forward. Director Mayo suggested that the MMAC Board Chair and MCSD Board President Couch discuss the agenda ahead of time to clarify parameters and logistics of the meeting.

Motion: To recommend to the MMAC the following items for a joint meeting with time constraints to be added to each item:

- The differing roles, nature, and structure of MCSD and MMAC Boards;
- Updates on MCSD projects;
- Utilities capacity issues related to town center and future housing development;
- Bringing the McKinleyville voice to County issues.

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

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

Motion Summary: Motion Passed

E.6 Consider Adoption of Resolution 2022-24 Ratifying Purchase and Sale Agreement to Acquire Real Property and Provide Direction to the General Manager

General Manager Kaspari gave the overview of this item. There was no further discussion or comments from the Board or public.

Motion: To approve Resolution 2022-24 ratifying the Purchase and Sale Agreement to acquire the real property for the construction of the 4.5 MG water tank, and to direct the General Manager to perform the actions reasonably necessary to meet the purpose and intent of the Purchase Agreement.

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

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

Motion Summary: Motion Passed

E.7 Review and Discuss Annual Board Self

Board Secretary April Sousa reviewed the staff note with the Board. The Board briefly reviewed the summary of the Board Self Evaluations.

This was an information only item. No action taken.

E.8 Consider the Regular Board Meeting Dates, Time, and Location for the 2023 Calendar Year

Board Secretary Sousa reviewed the Board Meeting schedule for the 2023 Calendar Year. The Board discussed the proposed dates. Suggestions were made to keep the January date if staff felt logistically this was possible and to move/cancel the July date. This item will come back for approval at the October Board Meeting.

This was an informational only item. 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 notes.

- b. **Area Fund (John Kulstad/Clark-Peterson):** No report
- c. **Redwood Region Economic Development Commission (Clark-Peterson/Binder):** Director Binder gave a brief report.
- d. **McKinleyville Senior Center Advisory Council (Binder/Clark-Peterson):** Director Binder gave a brief report on the activities of the Senior Center.
- e. **Audit and Finance (Orsini/Couch):** It was noted that the Audit and Finance committee had met two times since the last Board meeting. One was to discuss a Section 115 trust and the other was to facilitate the kickoff of the annual Audit.
- f. **Employee Negotiations (Couch/Mayo):** Did not meet.
- g. **McKinleyville Municipal Advisory Committee (Orsini/Binder):** Did not meet
- h. **Local Agency Formation Commission (Couch):** President Couch gave a brief report on the formation of a new fire district.
- i. **Environmental Matters Committee (Couch/Clark-Peterson):** Did not meet.
- j. **Ad Hoc Community Forest Committee (Mayo/Orsini):** It was noted that the committee met two times and had a site walk to review access points with Green Diamond Staff.

F.2 LEGISLATIVE AND REGULATORY REPORTS

Director Mayo noted information on SB222 and legislative information from his DC trip for ACWA.

F.3 STAFF REPORTS

- a. **Support Services Department (Nicole Alvarado/Colleen M.R. Trask):** Finance Director Alvarado had nothing further to add to her written report.
- b. **Operations Department (James Henry):** Operations Director James Henry noted that they had filled the maintenance positions and would bring the new employees to meet the Board at a future meeting.
- 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 the upcoming election requirements and deadlines.

F.4 PRESIDENT'S REPORT: President Couch noted that he and other Board members would be attending the CSDA conference at the end of August.

F.4 BOARD MEMBER COMMENTS, ANNOUNCEMENTS, REPORTS AND AGENDA ITEM REQUESTS:

Director Orsini asked Staff if the County contacted MCSD about plans on Central Ave. before beginning road work. Brief comments were made regarding the work that the County was doing on the road.

Director Mayo brought forth remarks on Jerry Gladbach and the Board Meeting closed in his honor.

G. ADJOURNMENT:

Meeting Adjourned at 8:39 p.m.

April Sousa, MMC, Board Secretary

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**McKinleyville Community Services District
Treasurer’s Report
July 2022**

Table of Contents

Page 2	Investments & Cash Flow Report
Page 3	Consolidated Balance Sheet by Fund
Page 4	Activity Summary by Fund with Selected Graphic Comparisons
Page 11	Capital Expenditure Report
Page 12	Summary of Long-Term Debt Report
Page 13	Cash Disbursement Report

Ratios

as of July 31, 2022

- Utility Accounts Receivable Turnover Days	12
- YTD Breakeven Revenue, Water Fund:	\$ 420,661
- YTD Actual Water Sales:	\$ 345,057
- Days of Cash on Hand-Operations Checking/MM	208

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

Petty Cash & Change Funds		9,197.46
<u>Cash</u>		
Operating & Money Market - Beginning Balance		5,906,585.80
Cash Receipts:		
Utility Billings & Other Receipts	957,368.70	
Money Market Account Interest	41.78	
Transfers from County Funds #2560, #4240, CalTRUST, Meas. B	-	
Other Cash Receipts (Grants/Other Receivables)	-	
Total Cash Receipts	<u>957,410.48</u>	957,410.48
Cash Disbursements:		
Transfers to County Funds #2560, #4240, CalTRUST	-	
Payroll Related Expenditures (incl. CalPERS UAL pmt)	(510,108.41)	
Debt Service	(263,591.51)	
Capital & Other Expenditures	(292,317.90)	
Total Cash Disbursements	<u>(1,066,017.82)</u>	(1,066,017.82)
Operating & Money Market - Ending Balance		<u>5,797,978.46</u>
Total Cash		<u>5,807,175.92</u>
<u>Investments</u>	<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	260.59	
LAIF - Ending Balance	<u>139,450.78</u>	139,450.78
Humboldt Co. #2560 - Beginning Balance	2,965,585.57	
Property Taxes and Assessments	-	
Transfer to/from Operating Cash	-	
Interest Income (net of adjustments)	3,822.42	
Humboldt Co. #2560 - Ending Balance	<u>2,969,407.99</u>	2,969,407.99
Humboldt Co. #4240 - Beginning Balance	3,417,304.41	
Transfer to/from Operating Cash	-	
Transfer to/from Biosolids Reserve	-	
Interest Income	3,627.42	
Humboldt Co. #4240 - Ending Balance	<u>3,420,931.83</u>	3,420,931.83
Humboldt Co. #9390 - Beginning Balance	663,032.08	
Reserves Recovery Deposits/Other Bal Withdrawals	-	
Humboldt Co. #9390 - Ending Balance	<u>663,032.08</u>	663,032.08
USDA Bond Reserve Fund - Beginning Balance	146,374.09	
Bond Reserve Payment/Transfer to Service Fund	4,255.62	
Debt Service Payment, Principal/Interest (Net)	-	
Interest Adjustment	0.35	
USDA Bond Reserve Fund - Ending Balance	<u>150,630.06</u>	150,630.06
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	<u>8,665,906.72</u>	8,665,906.72
CalTRUST - Beginning Balance	10,261,183.14	
Net Transfer to/from Designated Reserves: PERS/OPEB	-	
Net Transfer to/from Capacity Fees/Catastrophe/Other Reserves	-	
Net: Interest Income/Unrealized Gain/Loss	51,183.03	
CalTRUST - Ending Balance	<u>10,312,366.17</u>	10,312,366.17
Total Investments		<u>26,342,158.97</u>
Total Cash & Investments - Current Month		32,149,334.89
Total Cash & Investments - Prior Month		<u>32,242,614.66</u>
Net Change to Cash & Investments This Month		<u>(93,279.77)</u>
<u>Cash & Investment Summary</u>		
Cash & Cash Equivalents		31,373,065.89
Davis-Grunsky Loan Reserve		625,638.94
USDA Bond Reserve		<u>150,630.06</u>
Total Cash & Investments		<u>32,149,334.89</u>

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

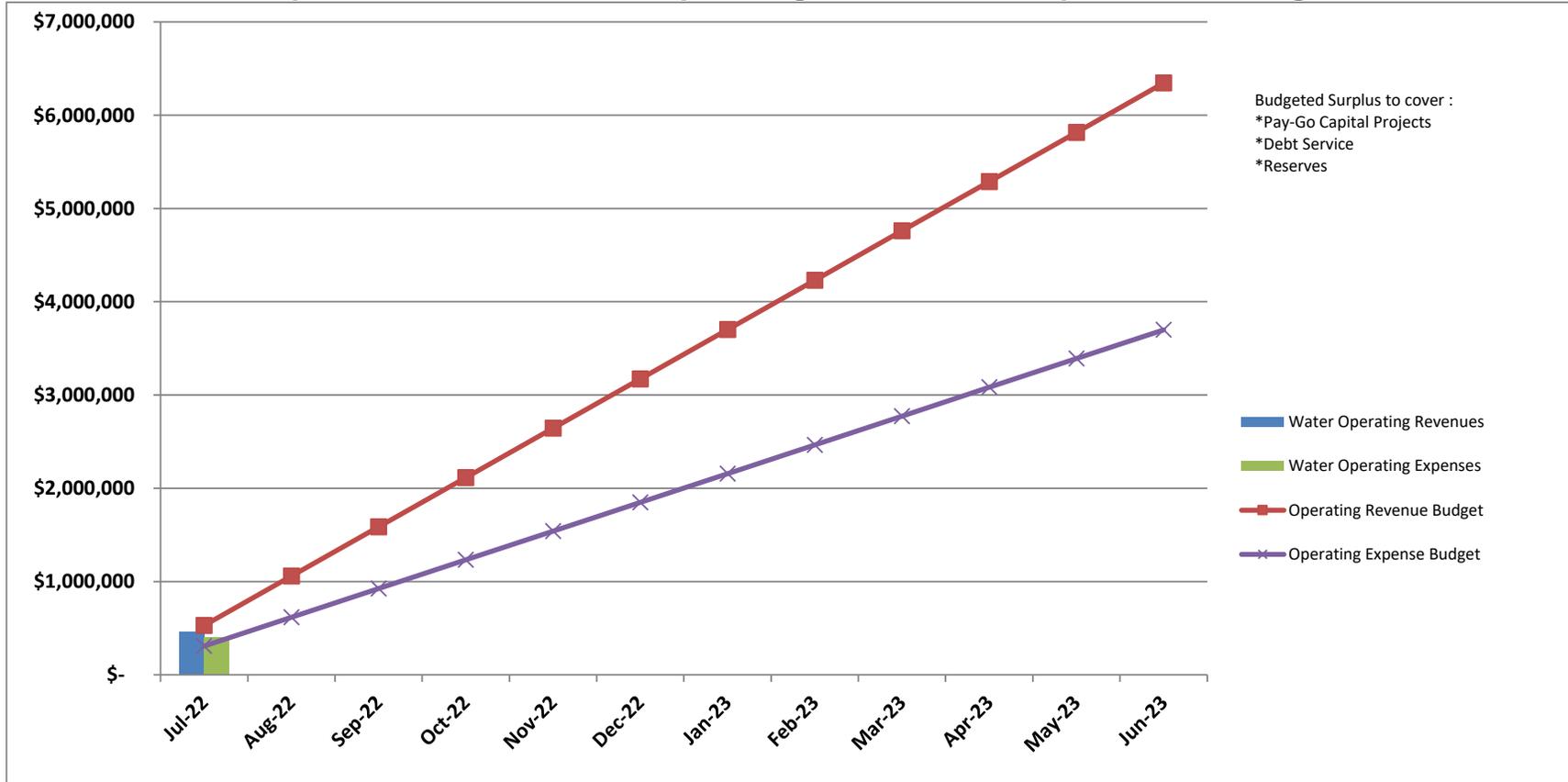
	Governmental Funds			Proprietary Funds		Total (Memorandum Only)
	Parks & General	Measure B	Streetlights	Water	Wastewater	
ASSETS						
Current Assets						
Unrestricted cash & cash equivalents	\$ 1,078,995.82	\$ (500,886.19)	\$ 109,183.32	\$ 9,174,338.15	\$ 13,119,205.28	\$ 22,980,836.38
Accounts receivable	4,938.46	-	4,034.46	567,103.47	1,636,638.99	2,212,715.38
Prepaid expenses & other current assets	19,994.15	2,206.61	274.53	109,617.08	55,493.60	187,585.97
Total Current Assets	1,103,928.43	(498,679.58)	113,492.31	9,851,058.70	14,811,337.87	25,381,137.73
Noncurrent Assets						
Restricted cash & cash equivalents	210,368.26	-	-	5,390,176.49	4,045,595.12	9,646,139.87
Other noncurrent assets	-	-	-	934,412.53	957,510.60	1,891,923.13
Capital assets (net)	-	-	-	8,358,738.91	31,280,819.13	39,639,558.04
Total Noncurrent Assets	210,368.26	-	-	14,683,327.93	36,283,924.85	51,177,621.04
TOTAL ASSETS	\$ 1,314,296.69	\$ (498,679.58)	\$ 113,492.31	\$ 24,534,386.63	\$ 51,095,262.72	\$ 76,558,758.77
LIABILITIES & FUND BALANCE/NET ASSETS						
Current Liabilities						
Accounts payable & other current liabilities	\$ 77,046.95	\$ 5,414.45	\$ 1,758.24	\$ 365,880.89	\$ 884,345.02	\$ 1,334,445.55
Accrued payroll & related liabilities	109,523.91	-	-	65,869.53	66,396.66	241,790.10
Total Current Liabilities	186,570.86	5,414.45	1,758.24	431,750.42	950,741.68	1,576,235.65
Noncurrent Liabilities						
Long-term debt	-	-	-	6,170,646.33	20,994,142.04	27,164,788.37
Other noncurrent liabilities	-	-	-	4,827,516.42	4,933,821.19	9,761,337.61
Total Noncurrent Liabilities	-	-	-	10,998,162.75	25,927,963.23	36,926,125.98
TOTAL LIABILITIES	186,570.86	5,414.45	1,758.24	11,429,913.17	26,878,704.91	38,502,361.63
Fund Balance/Net Assets						
Fund balance	(2,955,823.51)	(504,094.03)	111,734.07	-	-	(3,348,183.47)
Net assets	4,083,549.34	-	-	10,916,380.88	13,929,880.72	28,929,810.94
Investment in capital assets, net of related debt	-	-	-	2,188,092.58	10,286,677.09	12,474,769.67
Total Fund Balance/Net Assets	1,127,725.83	(504,094.03)	111,734.07	13,104,473.46	24,216,557.81	38,056,397.14
TOTAL LIABILITIES & FUND BALANCE/NET ASSETS	\$ 1,314,296.69	\$ (498,679.58)	\$ 113,492.31	\$ 24,534,386.63	\$ 51,095,262.72	\$ 76,558,758.77
Difference in Reclass from Cap Assets to Net Assets:						
Investment in General Capital Assets	\$ 3,634,025.87					
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
July 2022

Department Summaries	July	% of Year 8.33% YTD	Approved YTD Budget	Over (Under) YTD Budget	Over (Under) YTD Budget %	% Year Remaining: 91.67%		Notes	
						Total Budget	Remaining Budget		Budget %
Water									
Water Sales	345,057	345,057	369,519	(24,462)	-6.62%	4,434,226	4,089,169	92.22%	
Other Revenues	112,578	112,578	159,233	(46,655)	-29.30%	1,910,800	1,798,222	94.11%	Includes YTD Capacity Fees \$0, Contrib.Construction \$73,570, Grants \$0
Total Operating Revenues	457,636	457,636	528,752	(71,116)	-13.45%	6,345,026	5,887,390	92.79%	
Salaries & Benefits	135,006	135,006	101,958	33,048	32.41%	1,223,498	1,088,492	88.97%	Budget spread evenly across 12 months, but actuals vary by schedule
Water Purchased	97,156	97,156	100,833	(3,677)	-3.65%	1,210,000	1,112,844	91.97%	
Other Expenses	133,879	133,879	72,058	61,821	85.79%	864,698	730,819	84.52%	Budget spread evenly across 12 months, but actuals vary by project & expenditure
Depreciation	33,333	33,333	33,333	-	0.00%	400,000	366,667	91.67%	
Total Operating Expenses	399,374	399,374	308,182	91,192	29.59%	3,698,195	3,298,822	89.20%	
Net Operating Income	58,262	58,262	220,570	20,075		2,646,831	9,186,212		
Interest Income	4,736	4,736	4,167	569	13.65%	50,000	45,264	90.53%	
Interest Expense	(25,112)	(25,112)	(17,983)	7,129	39.64%	(215,801)	(190,689)	88.36%	
Net Income (Loss)	37,886	37,886	206,754	(168,868)		2,481,030	9,040,787		
Wastewater									
Wastewater Service Charges	339,835	339,835	364,268	(24,433)	-6.71%	4,371,210	4,031,375	92.23%	
Other Revenues	496,932	496,932	192,224	304,708	158.52%	2,306,692	1,809,760	78.46%	Includes YTD Capacity Fees \$0 Contrib.Construction \$72,510, Grants \$381,338
Total Operating Revenues	836,767	836,767	556,492	280,275	50.36%	6,677,902	5,841,135	87.47%	
Salaries & Benefits	169,342	169,342	107,168	62,174	58.02%	1,286,020	1,116,678	86.83%	
Other Expenses	62,522	62,522	93,626	(31,104)	-33.22%	1,123,506	1,060,984	94.44%	Budget spread evenly across 12 months, but actuals vary by project & expenditure
Depreciation	102,083	102,083	102,083	-	0.00%	1,225,000	1,122,917	91.67%	
Total Operating Expenses	333,947	333,947	302,877	31,070	10.26%	3,634,526	3,300,579	90.81%	
Net Operating Income	502,820	502,820	253,615	249,205		3,043,376	9,141,714		
Interest Income	7,854	7,854	4,167	3,687	88.47%	50,000	50,000	100.00%	
Interest Expense	(34,362)	(34,362)	(33,860)	502	1.48%	(406,318)	(371,956)	91.54%	
Net Income (Loss)	476,311	476,311	223,922	252,389		2,687,058	8,819,759		
Enterprise Funds Net Income (Loss)	514,197	514,197	430,676	83,521		5,168,088			

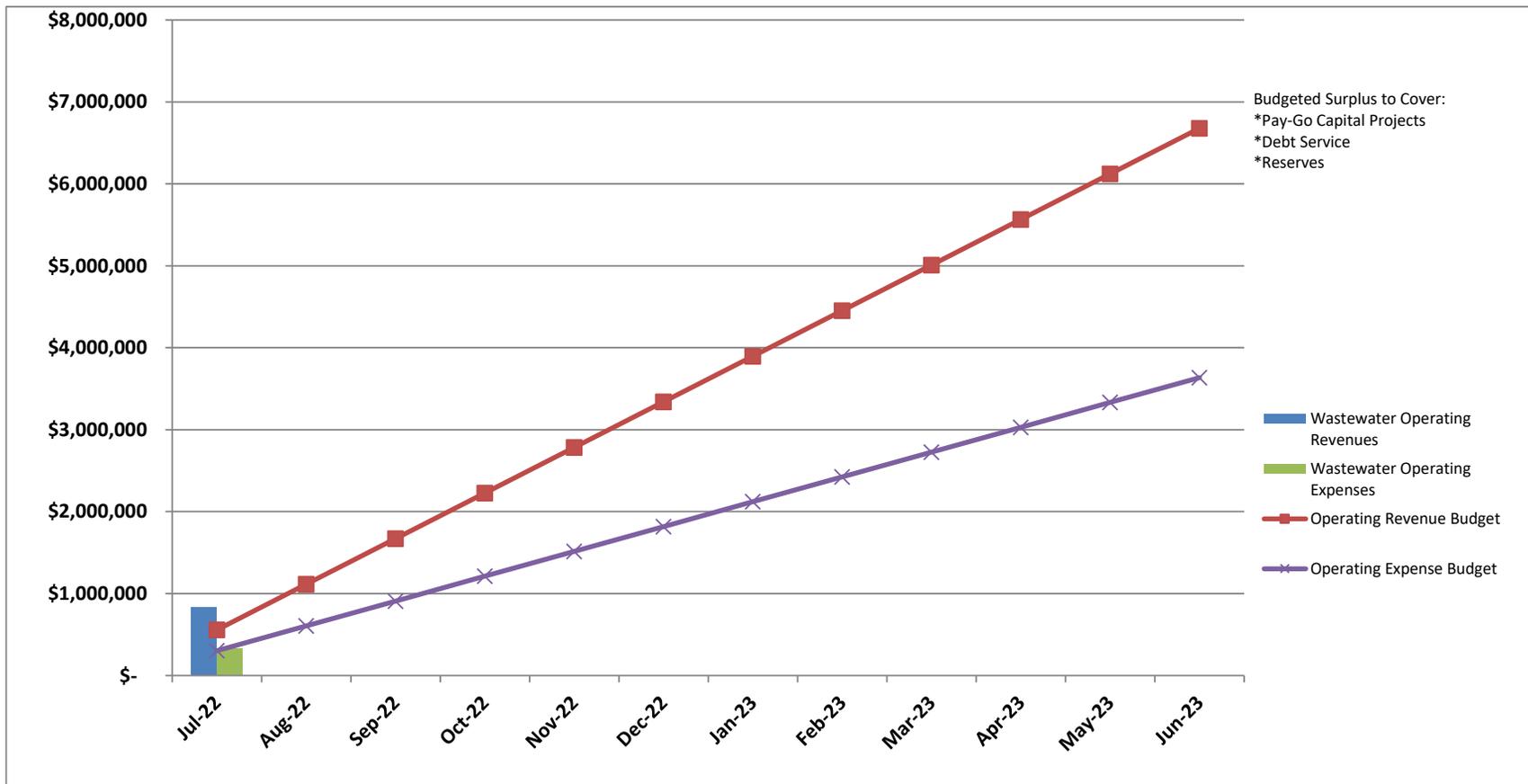
McKinleyville Community Services District July 2022

Comparison of Water Fund Operating Revenues & Expenses to Budget



McKinleyville Community Services District July 2022

Comparison of Wastewater Fund Operating Revenues & Expenses to Budget



***Parks & Recreation**

Program Fees	44,277	44,277	19,823	24,454	123.36%	237,880	193,603	81.39%	Budget spread evenly across 12 months, but actuals vary by schedule
Rents & Facility Related Fees	5,831	5,831	5,721	110	1.93%	68,650	62,819	91.51%	
Property Taxes	-	-	59,381	(59,381)	-100.00%	712,575	712,575	100.00%	
Other Revenues	18,231	18,231	139,054	(120,823)	-86.89%	1,668,644	1,650,413	98.91%	Budget spread evenly across 12 months, but actuals vary by schedule
Interest Income	5,039	5,039	2,917	2,122	72.74%	35,002	29,963	85.60%	

Total Revenues	73,379	73,379	226,896	(153,517)	-67.66%	2,722,751	2,649,372	97.30%	
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Salaries & Benefits	133,778	133,778	48,688	85,090	174.77%	584,258	450,480	77.10%	
Other Expenditures	18,780	18,780	50,931	(32,151)	-63.13%	611,171	592,392	96.93%	
Capital Expenditures	-	-	127,083	(127,083)	-100.00%	1,525,000	1,525,000	100.00%	Budget spread evenly across 12 months, but actuals vary by project schedule

Total Expenditures	152,557	152,557	226,702	(74,145)	-32.71%	2,720,429	2,567,871	94.39%	
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Excess (Deficit)	(79,178)	(79,178)	194	(79,372)		2,323			
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***Measure B Assessment**

Total Revenues	882	882	18,942	(18,060)	-95.35%	227,304	226,422	99.61%	
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Salaries & Benefits	9,378	9,378	5,607	3,771	67.25%	67,288	57,910	86.06%	Budget spread evenly across 12 months; actuals vary by maintenance schedule
Other Expenditures	5,414	5,414	5,506	(92)	-1.66%	66,069	60,654	91.80%	Budget spread evenly across 12 months, but actuals vary seasonally
Capital Expenditures/Loan Repayment	-	-	7,806	(7,806)	-100.00%	93,674	93,674	100.00%	Budget is spread evenly across 12 months. Loan pmts are October & April

Total Expenditures	14,792	14,792	18,919	(4,127)	-21.81%	227,030	212,238	93.48%	
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Excess (Deficit)	(13,911)	(13,911)	23	(13,934)		274			
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***Street Lights**

Total Revenues	10,592	10,592	10,373	219	2.11%	124,480	113,888	91.49%	
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Salaries & Benefits	7,871	7,871	4,479	3,392	75.72%	53,744	45,873	85.36%	Budget spread evenly across 12 months; actuals vary by maintenance schedule
Other Expenditures	4,535	4,535	3,065	1,470	47.96%	36,775	32,240	87.67%	
Capital Expenditures/Loan Repayment	-	-	3,917	(3,917)	-100.00%	47,000	47,000	100.00%	Budget spread evenly across 12 months, but actuals vary by project

Total Expenditures	12,406	12,406	11,461	945	8.24%	137,519	125,113	90.98%	
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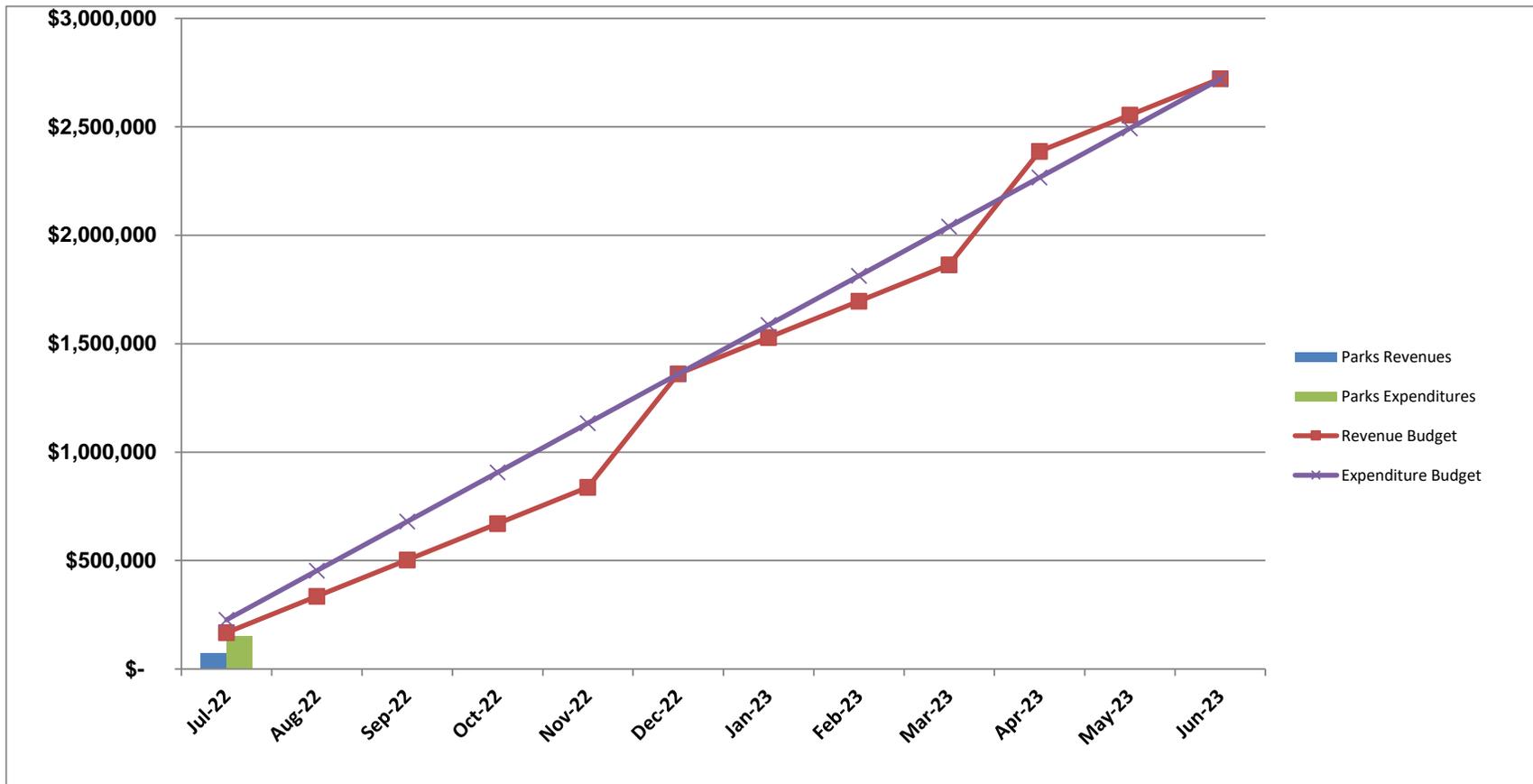
Excess (Deficit)	(1,814)	(1,814)	(1,088)	726		(13,039)			
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Governmental Funds Excess (Deficit)	(94,903)	(94,903)	(871)	(94,032)		(10,443)			
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*Governmental Funds use a modified accrual basis of accounting per GASB

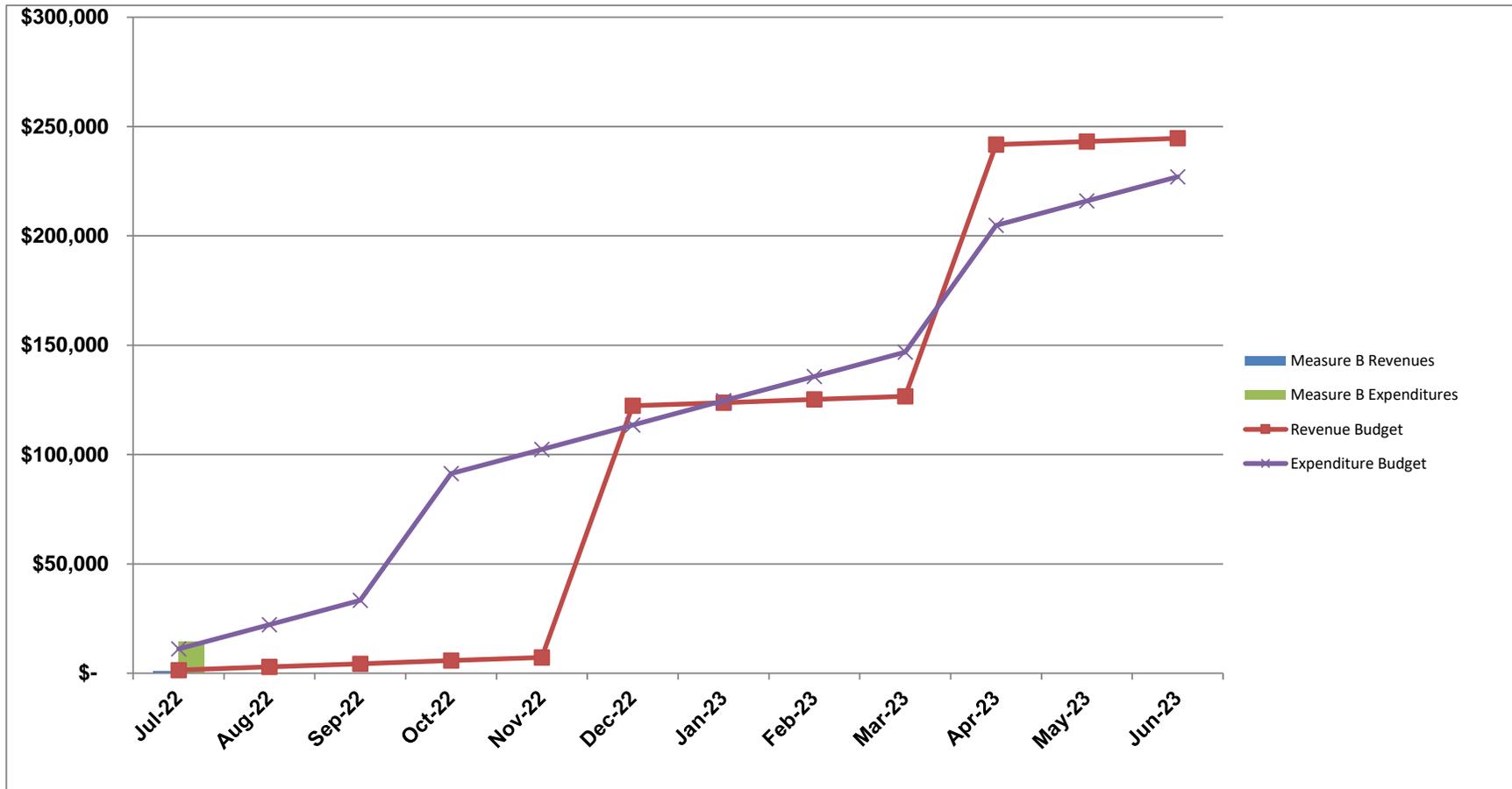
McKinleyville Community Services District July 2022

Comparison of Parks & Recreation Total Revenues & Expenditures to Budget



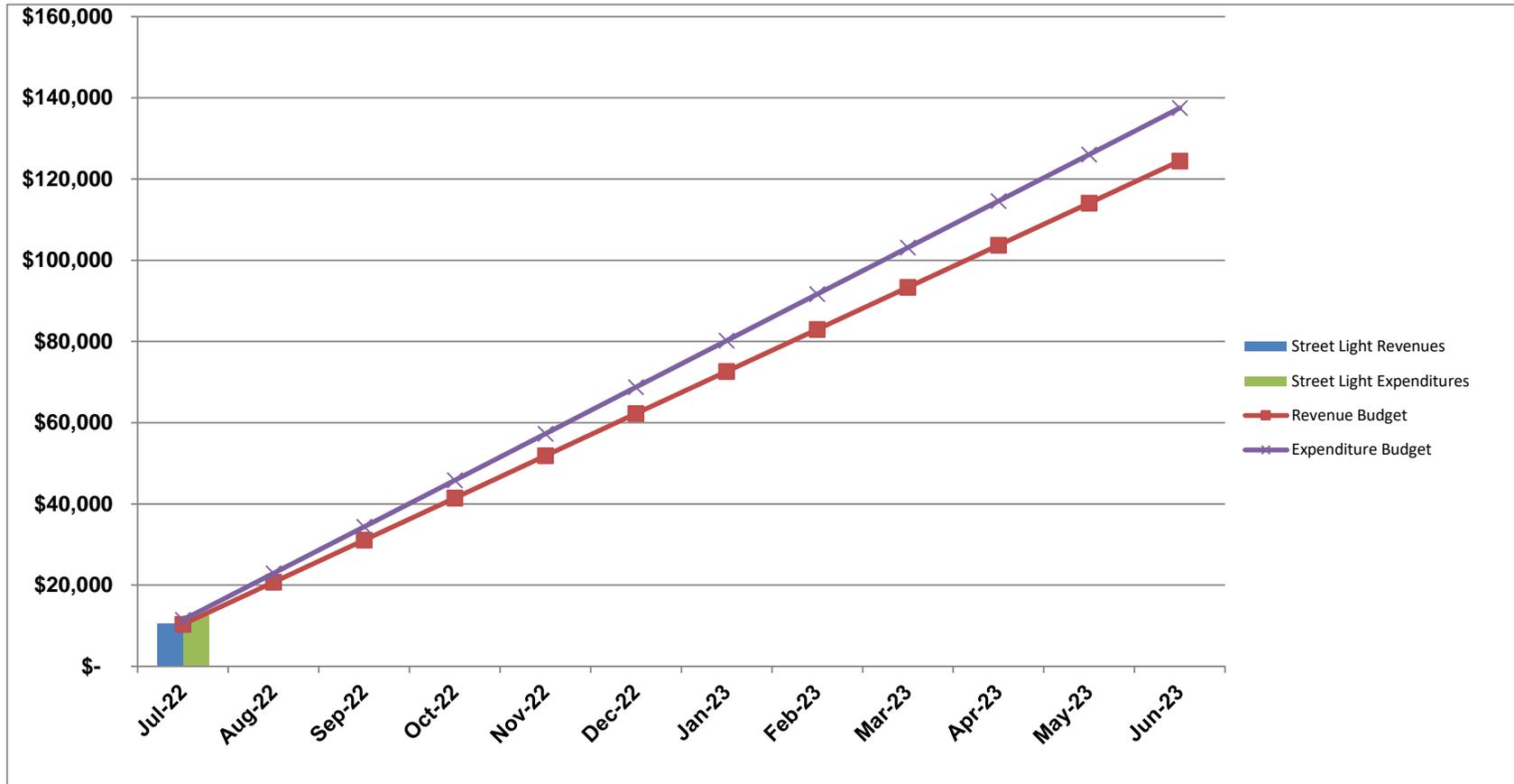
McKinleyville Community Services District July 2022

Comparison of Measure B Fund Total Revenues & Expenditures to Budget



McKinleyville Community Services District July 2022

Comparison of Street Light Fund Total Revenues & Expenditures to Budget



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

	July	YTD Total	FY 22-23 Budget	Remaining		Notes
				Budget \$	Budget %	
<u>Water Department</u>						
Norton Tank Tree Service	-	-	10,000	10,000	100%	
Water Tank Painting	30,210	30,210	500,000	469,790	94%	Water Tank Painting & Cathodic
4.5m New Water Tank	10,000	10,000	2,132,000	2,122,000	100%	Drilling, LACO Assoc.
Production Meter Replacements	-	-	8,000	8,000	100%	Production Meter Replacement
McCluski Tank3 Replace Roof Vents	-	-	-	-	#DIV/0!	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	-	-	-	-	#DIV/0!	Blake Station Upgrades
Digital Control & Radio Telemetry Upgrade	-	-	10,000	10,000	100%	Radio Telemetry upgrade
Water Main Rehab & Replacement	17,280	17,280	2,500,000	2,482,720	99%	Water Main Rehab
Property Purchase- Tank Site	-	-	-	-	#DIV/0!	Property Purch/Imprv.Tank Site
Subtotal	57,490	57,490	5,217,000	5,159,510	99%	
<u>Wastewater Department</u>						
Sewer Main Rehab & Replacement	16,736	16,736	1,500,000	1,483,264	99%	Sewer Main Rehab
WWMF Sludge Disposal - next	-	-	200,000	200,000	100%	Sludge handling/disposal
WWMF Engineering Study	-	-	70,000	70,000	100%	
WWMF Pond Armoring	-	-	75,000	75,000	100%	WWMF Pond Armoring
WWMF Secondary Effluent Motor	-	-	6,000	6,000	100%	WWMF Secondary Effluent Motor
Collection Upgrades-UndercrossingsProj	-	-	1,149,000	1,149,000	100%	Collection System upgrades
Fischer Lift Station Generator	-	-	40,000	40,000	100%	Fischer Lift Stn Generator
Solar Project - CWSRF Grant/Loan	12,152	12,152	1,060,000	1,047,848	99%	WWMF Solar Project
WWMF - CEQA/ NPDES Permit	-	-	25,000	25,000	100%	NPDES Permit Project
Underground pipe locator & camera	-	-	5,000	5,000	100%	Underground pipe locator & camera
SCBA Apparatus and Bottles	-	-	6,000	6,000	100%	WWMF Lab Cabinets
Sewer Main Camera Replacement	-	-	30,000	30,000	100%	SwrLiftStnUpgrade-Letz
Subtotal	28,888	28,888	4,166,000	4,137,112	99%	
<u>Water & Wastewater Operations</u>						
Heavy Equipment	-	-	130,000	130,000	100%	backhoe, aircompressor
Utility Vehicles	-	-	40,000	40,000	100%	CCTV truck, 3/4 or 1-ton Pickup
Office, Corporate Yard & Shops	-	-	170,000	170,000	100%	Facilities upgrade/sealcoat
Computers & Software	-	-	18,000	18,000	100%	Server, PCs, GIS/SEMS/CADD
Fischer Ranch - Reclamation Site Upgrade (tree far	4,400	4,400	100,000	95,600	96%	Match to 3rd party grant funding
Fischer Ranch - Barn & Fence upgrades, Irrig	-	-	50,000	50,000	100%	Barn/ house/ fence, Irrig. pipe, Unc
Property behind main office - purchase	-	-	600,000	600,000	100%	Purch property behind main offc
Small Equipment & Other	-	-	20,000	20,000	100%	Misc,response, & GPS surveying
Subtotal	-	4,400	1,128,000	1,123,600	100%	
Enterprise Funds Total	90,778	90,778	10,511,000	10,420,222	99%	
<u>Parks & Recreation Department</u>						
BMX Park	-	-	800,000	800,000	100%	BMX Park
Hiller Park & Sports Complex	-	-	-	-	#DIV/0!	Hiller Sports Sealcoat-CountyGrant
Pierson Park - Landscaping & signage	-	-	98,000	98,000	100%	Pierson Pk-Landscape & signage
Azalea Hall Projects	-	-	187,000	187,000	100%	Major appliance replacemnt
McKinleyville Activity Center Upgrades	-	-	-	-	#DIV/0!	Flooring replacement
Law Enforcement Facility Improvements	-	-	16,000	16,000	100%	LEF flooring/Library Carpet
Projects Funded by Quimby/Grants/ Other	-	-	400,000	400,000	100%	CommForest,SkatePk,LandAcq
Other Parks Projects & Equipment	-	-	24,000	24,000	100%	Utility truck from Ops?
Subtotal	-	-	1,525,000	725,000	48%	
<u>Streetlights</u>						
LED Repairs	-	-	5,000	5,000	100%	
Pole Inspection	-	-	42,000	42,000	100%	Pole Inspection/Replacement
Subtotal	-	-	47,000	47,000	100%	
Governmental Funds Total	-	-	1,572,000	772,000	49%	
All Funds Total	90,778	90,778	12,083,000	11,192,222	93%	

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

**Principal Maturities and
Scheduled Interest**

	%	Maturity Date		Balance- June 30, 2022	Balance- July 31, 2022	FY-23	Thereafter
Water Fund:							
I-Bank Interest	3.37%	8/1/30	P I	527,704.77	476,538.79	- -	476,538.81 67,028.60
State of CA Energy Commission (ARRA) Interest	1.0%	12/22/26	P I	54,710.00	54,651.86	11,933.99 516.85	42,717.67 859.98
State of CA (Davis Grunsky)		1/1/33	P	1,182,074.72	1,182,074.72	94,691.23	1,087,383.49
State of CA (Davis Grunsky) Deferred Interest	2.5%	1/1/33	P I	187,380.97	187,380.97	17,035.12 29,551.87	170,345.85 155,047.44
COPS - Series 2021A, Water Fund Interest	2.93%	8/1/51 8/1/51	P I	4,335,000.00 -	4,270,000.00 -	- 84,405.56	4,270,000.00 2,555,737.50
Total Water Fund-Principal				6,286,870.46	6,170,646.34	123,660.34	6,046,985.82
Total Water Fund-Interest						114,474.28	2,778,673.52
Total Water Fund				6,286,870.46	6,170,646.34	238,134.62	8,825,659.34
Wastewater Fund:							
WWMF SRF Loan Interest	1.6%	7/31/47	P I	14,012,342.00	14,012,514.71	438,831.84 224,200.24	14,034,677.46 3,002,119.13
Chase Bank (Pialorsi Property) Interest	2.9%	3/8/35	P I	1,335,000.00 -	1,289,500.00 -	45,900.00 12,250.25	1,243,600.00 153,015.55
USDA (Sewer Bond) Interest	5.0%	8/1/22	P I	65,000.00	65,000.00	65,000.00 1,625.00	- -
COPS - Series 2021B, Wastewater Fund Interest	2.93%	9/15/51 9/15/51	P I	3,560,000.00 -	3,560,000.00 -	75,000.00 118,150.00	3,485,000.00 2,056,175.00
Total Wastewater Fund-Principal				18,972,342.00	18,927,014.71	549,731.84	15,278,277.46
Total Wastewater Fund-Interest						238,075.49	3,155,134.68
Total Sewer Fund				18,972,342.00	18,927,014.71	787,807.33	18,433,412.14
Meas. B Fund: Teen/Comm Center Loan		11/1/29	P	823,539.00	823,539.00	98,767.00	733,552.00
	3.55%		I			28,686.18	94,344.18
Total Principal				26,082,751.46	25,921,200.05	772,159.18	22,058,815.28
Total Interest						381,235.95	6,028,152.38
Total				26,082,751.46	25,921,200.05	1,153,395.13	28,086,967.66

Non-debt Long Term Liabilities, District-wide

OPEB Liability
CalPERS Pension Liability

10,010,084.99
2,299,309.00

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

Check Number	Check Date	Vendor Number	Vendor Name	Net Amount	Invoice #	Description
Accounts Payable Disbursements						
39917	7/6/2022	HUM01	HUMBOLDT BAY MUNICIPAL WA	99,853	C20706	WTR PURCHASED
39918	7/6/2022	MAY03	DENNIS MAYO	125	C20705	BOARD MEETING 6-1-22
39919	7/6/2022	MAY03	DENNIS MAYO	356	C20706	ACWA DC CONFERENCE
39920	7/6/2022	STR01	STREAMLINE	300	E70020	WEBSITE MONTHLY FEE
39921	7/6/2022	VER01	VERIZON WIRELESS	76	363917	CELL PHONES & TABLET
39922	7/6/2022	\B002	MQ CUSTOMER REFUND FOR BA	63	000C20701	MQ CUSTOMER REFUND FOR BA
39923	7/6/2022	\B009	MQ CUSTOMER REFUND FOR BR	80	000C20701	MQ CUSTOMER REFUND FOR BR
39924	7/6/2022	\C019	MQ CUSTOMER REFUND FOR CL	54	000C20701	MQ CUSTOMER REFUND FOR CL
39925	7/6/2022	\C020	MQ CUSTOMER REFUND FOR CO	32	000C20701	MQ CUSTOMER REFUND FOR CO
39926	7/6/2022	\C021	MQ CUSTOMER REFUND FOR CR	6	000C20701	MQ CUSTOMER REFUND FOR CR
39927	7/6/2022	\C022	MQ CUSTOMER REFUND FOR CR	53	000C20701	MQ CUSTOMER REFUND FOR CR
39928	7/6/2022	\D009	MQ CUSTOMER REFUND FOR DU	19	000C20701	MQ CUSTOMER REFUND FOR DU
39929	7/6/2022	\D010	MQ CUSTOMER REFUND FOR DU	55	000C20701	MQ CUSTOMER REFUND FOR DU
39930	7/6/2022	\F004	MQ CUSTOMER REFUND FOR FA	33	000C20701	MQ CUSTOMER REFUND FOR FA
39931	7/6/2022	\F006	MQ CUSTOMER REFUND FOR FE	8	000C20701	MQ CUSTOMER REFUND FOR FE
39932	7/6/2022	\F008	MQ CUSTOMER REFUND FOR FI	26	000C20701	MQ CUSTOMER REFUND FOR FI
39933	7/6/2022	\I001	MQ CUSTOMER REFUND FOR IK	52	000C20701	MQ CUSTOMER REFUND FOR IK
39934	7/6/2022	\J010	MQ CUSTOMER REFUND FOR JO	129	000C20701	MQ CUSTOMER REFUND FOR JO
39935	7/6/2022	\K007	MQ CUSTOMER REFUND FOR JO	84	000C20701	MQ CUSTOMER REFUND FOR KO
39936	7/6/2022	\L006	MQ CUSTOMER REFUND FOR LA	158	000C20701	MQ CUSTOMER REFUND FOR LA
39937	7/6/2022	\L010	MQ CUSTOMER REFUND FOR LA	140	000C20701	MQ CUSTOMER REFUND FOR LA
39938	7/6/2022	\M009	MQ CUSTOMER REFUND FOR MI	45	000C20701	MQ CUSTOMER REFUND FOR MI
39939	7/6/2022	\P017	MQ CUSTOMER REFUND FOR PE	120	000C20701	MQ CUSTOMER REFUND FOR PE

39940	7/6/2022	\S016	MQ CUSTOMER REFUND FOR SC	6	000C20701	MQ CUSTOMER REFUND FOR SC
39941	7/6/2022	\S018	MQ CUSTOMER REFUND FOR SK	30	000C20701	MQ CUSTOMER REFUND FOR SK
39942	7/6/2022	\S019	MQ CUSTOMER REFUND FOR SZ	17	000C20701	MQ CUSTOMER REFUND FOR SZ
39943	7/7/2022	FID01	FIDELITY NATIONAL TITLE	10,000	C20707P	HEWITT TANK ESCROW DEPOSI
39944	7/14/2022	*0001	AH DEPOSIT REFUND	100	116928	AH DEPOSIT REFUND
39945	7/14/2022	*0075	TONY WALENDY	75	116926	YOUTH BASKETBALL REFUND
39946	7/14/2022	*0076	AH DEPOSIT REFUND	100	116927	AH DEPOSIT REFUND
39947	7/14/2022	70701	707 PEST SOLUTIONS	85	49771	PROFESSIONAL SERVICES
39948	7/14/2022	ACC04	ACCURATE DRUG TESTING SER	50	5626	PROFESSIONAL SERVICES
39949	7/14/2022	ACW01	CB&T/ACWA-JPIA	7,572	689228	GRP. HEALTH INS
39950	7/14/2022	ADV01	ADVANCED SECURITY SYSTEM	1,010	610463	SECURITY SYSTEMS
			Check Total:	<u>(1,010)</u>	610463u	Ck# 039950 Reversed
				<u>0</u>		
39951	7/14/2022	ARC12	ARCATA USED TIRE AND WHEEL	883	C20713	VEHICLE REPAIRS
39952	7/14/2022	ASB01	ASBURY ENVIRONMENTAL SERV	55	839186	GAS/OIL/LUB
39953	7/14/2022	BAD01	BADGER METER, Inc.	360	80102088	BEACON MBL HOSTING
39954	7/14/2022	BAL03	ELAINE BALL	33	C20712	REIMBURSEMENT
			Check Total:	<u>(33)</u>	C20712u	Ck# 039954 Reversed
				<u>63</u>	C207122	REIMBURSEMENT
				<u>(63)</u>	C207122u	Ck# 039954 Reversed
				<u>0</u>		
39955	7/14/2022	BNY01	BNY MELLON TRUST COMPANY,	145,404	C20712	LOAN PAYMENT CT2124630
39956	7/14/2022	COL06	COLANTUONO, HIGHSMITH &	1,295	52382	4.5 MG TANK PROJECT
39957	7/14/2022	DEP05	DEPARTMENT OF JUSTICE	256	590481	FINGERPRINTING
39958	7/14/2022	DEV02	DEVELOPED EMPLOYMENT SERV	221	7514	PROFESSIONAL SERVICES
39959	7/14/2022	EUR10	EUREKA GLASS COMPANY, INC	1,768	8535	50% DEPOSIT WINDOWS PIALO
39960	7/14/2022	FED02	FEDAK & BROWN LLP	11,236	C20713	ACCT. / AUDIT
39961	7/14/2022	FRA01	FRANKLIN'S SERVICE INC.	55	163599	PROFESSIONAL SERVICES
39962	7/14/2022	GHD01	GHD	32,205	15353	WATER/SEWER MAINLINE REHA
			Check Total:	<u>15,482</u>	15626	MICROGRID
				<u>991</u>	16135	WATER RECYCLING PROGRAM
				<u>48,678</u>		
39963	7/14/2022	GRA02	GRAINGER	89	91587	REPAIRS/SUPPLIES

			26	459173 REPAIRS/SUPPLIES
			19	529322 REPAIRS/SUPPLIES
			97	655930 REPAIRS/SUPPLIES
	Check Total:		<u>231</u>	
39964	7/14/2022 HAR03	HARPER MOTORS CO.	1,856	C20712 CONST EQUIP/VEHICLE REPAI
39965	7/14/2022 HUM08	HUMBOLDT SANITATION	599	26X01811 TRASH SERVICE
39965	7/14/2022 HUM08	HUMBOLDT SANITATION	569	26X01812 TRASH SERVICE
			365	26X01813 TRASH SERVICE
			569	26X01916 TRASH SERVICE
	Check Total:		<u>2,101</u>	
39966	7/14/2022 IBA01	US BANK-GLOBAL CORP TRUST	61,641	C20712 LOAN PMT 207877000
39967	7/14/2022 IND02	INDUSTRIAL ELECTRIC SERVI	152	C20713 REPAIRS/SUPPLY
39968	7/14/2022 INF02	INFOSEND	2,997	215579 OFFICE SUPPLIES/POSTAGE
39969	7/14/2022 INF03	INFINITE CONSULTING SERVI	4,030	9923 SUBSCRIPTIONS
39970	7/14/2022 KEN02	KENNEDY/JENKS CONSULTANTS	47,237	156070 4.5 MG TANK PROJECT
39971	7/14/2022 KEN03	KEN'S AUTO PARTS	279	C20713 REPAIRS/SUPPLY
39972	7/14/2022 MAD02	MAD RIVER UNION	116	49504 LEGAL AD
			40	C20713 SUBSCRIPTION RENEWAL
	Check Total:		<u>156</u>	
39973	7/14/2022 MCK03	MCKINLEYVILLE OFFICE SUPP	90	52562 BMX PROJECT (OVERNIGHT PO
39974	7/14/2022 MCK04	MCK ACE HARDWARE	439	C20714 REPAIRS/SUPPLY
39975	7/14/2022 MEN01	MENDES SUPPLY CO.	399	C20713 REPAIRS/SUPPLY
39976	7/14/2022 MES01	KIRSTEN MESSMER	45	C20713 REIMBURSEMENT/SUPPLIES
39977	7/14/2022 MIL01	Miller Farms Nursery	1,692	C20713 SM. TOOL PURHCASE/REPAIRS
39978	7/14/2022 MIL03	THE MILL YARD	25	C20713 REPAIRS/SUPPLY
39979	7/14/2022 MIT01	MITCHELL LAW FIRM	2,178	50376 LEGAL
			37	50377 LEGAL
	Check Total:		<u>2,215</u>	
39980	7/14/2022 NAP02	NAPA AUTO PARTS	12	C20713 REPAIRS/SUPPLY
39981	7/14/2022 NOR01	NORTH COAST LABORATORIES	3,670	C20713 LAB TESTS
39982	7/14/2022 NOR13	NORTHERN CALIFORNIA SAFET	120	28322 SAFETY TRAINING SUBSCRIPT
39983	7/14/2022 NOR35	NORTHERN HUMBOLDT	868	ES22-197 OPEN SPACE MAINTENANCE
			780	ES22-198 OPEN SPACE MAINTENANCE
	Check Total:		<u>1,649</u>	
39984	7/14/2022 ORE01	O'REILLY AUTOMOTIVE, INC.	48	C20713 REPAIRS/SUPPLY/VEHICLE RE

39985	7/14/2022	PGE01	PG & E (Office & Field)	33,877	C20713	GAS & ELECTRIC
39986	7/14/2022	PGE11	PGE STREETLIGHTS	20	C20713	GAS & ELECTRIC ACCT 6945
39987	7/14/2022	PGE12	PGE	237	C20713	GAS & ELECTRIC
39988	7/14/2022	ROT01	ROTO-ROOTER PLUMBERS	798	59814	ANDERSON AVE
39989	7/14/2022	SEQ01	Sequoia Gas Co.	182	125261	REPAIRS/SUPPLIES
39990	7/14/2022	STA11	STAPLES CREDIT PLAN	439	C20713	OFFICE SUPPLIES
39991	7/14/2022	STA21	SWRCB DFA - ARREARAGES PR	4,312	C20714	438529 ARREARAGES OVERPAY
39992	7/14/2022	THO02	Thomas Home Center	302	C20713	REPAIRS/SUPPLY
39993	7/14/2022	THR01	THRIFTY SUPPLY COMPANY	3,272	C20713	REPAIRS/SUPPLY
39994	7/14/2022	UMP01	UMPQUA COMMERCIAL CARD OP	193	0722CT	OFFICE SUPPLIES
				295	0722DS	OFFICE SUPPLIES
				2,024	0722JH	SUPPLIES
				5	0722LF	ADS/MARKETING
				1,330	0722PK	OFFICE SUPPLIES/TRAVEL
				1,618	0722BOARD	TRAINING/OFFICE SUPPLIES/
				131	0722PARKS	OFFICE SUPPLIES/PROGRAM S
			Check Total:	<u>5,596</u>		
39995	7/14/2022	VAL01	VALLEY PACIFIC PETROLEUM	1,715	515386	GAS/OIL/LUBE
39996	7/14/2022	VAL02	VALLEY PACIFIC	4,036	C20713	GAS/OIL/LUBE
39997	7/15/2022	BAL03	ELAINE BALL	33	C20712y	Ck# 039997->039954 Repla
				63	C207122y	Ck# 039997->039954 Repla
			Check Total:	<u>96</u>		
39998	7/19/2022	*0005	CUSTOMER REFUND	50	C20718	CUSTOMER REFUND
39999	7/19/2022	ATT04	ATT	926	941703	ETHERNET SERVICES
40000	7/19/2022	BAL03	ELAINE BALL	48	C20718	REIMBURSEMENT CHECK
40001	7/19/2022	CAM01	CAMPTON ELECTRIC SUPPLY	796	1022817	REPAIRS/SUPPLY
40002	7/19/2022	COA01	COASTAL BUSINESS SYSTEMS	1,016	39340	OFFC EQUIP LEAS
40003	7/19/2022	DEL02	DELFINO, MADDEN, O'MALLEY	572	151025	LEGAL
40004	7/19/2022	JOH05	CHAYSLIN JOHNSON	17	C20718	REIMBURSEMENT CHECK
40005	7/19/2022	MAY03	DENNIS MAYO	125	C20718	BOARD TRAVEL REIMBURSEMEN
40006	7/19/2022	MCK02	MCKINLEYVILLE GLASS CO.	738	49962	PROFESSIONAL SERVICES
40007	7/19/2022	MIT02	MITEL	774	40504547	PROFESSIONAL SERVICES/PHO

40008	7/19/2022	NAT04	NATURE JOES	250	C20718	SERVICES/STIPND KID'S CAM
40009	7/19/2022	NOR20	NORTHCOAST EMPLOYERS ADVI	40	2218	MEMBERSHIP DUES
40010	7/19/2022	PGE10	PGE STREETLIGHTS	4	C20718	STREET LIGHTS ACCT 0160-2
40011	7/19/2022	PGE15	PG&E CFM/PPC DEPARTMENT	145	C20718	APPLICATION FEE FOR NEM P
40012	7/27/2022	*0006	CHELSEA RYAN	80	C20726	CUSTOMER REFUND
40013	7/27/2022	*0009	SARA LORENTZEN	100	C20726	CUSTOMER REFUND
40014	7/27/2022	ADV01	ADVANCED SECURITY SYSTEM	1,040	610463R	SECURITY SYSTEMS
40015	7/27/2022	AFP01	AFP SPRINKLERS INC	3,200	01-21	INSPECTION AT MCSD SITES
40016	7/27/2022	COR01	CORBIN WILLITS SYSTEMS, I	963	C207151	MONTHLY FEE
40017	7/27/2022	FED01	FedEx Office	60	77180	LAB TESTS TREATMENT
40018	7/27/2022	INF03	INFINITE CONSULTING SERVI	3,025	9815	LICENSES/ACROBAT YEARLY R
				194	9825	ACROBAT LICENSE
				4,030	9842	MONTHLY SERVICING FEES
			Check Total:	<u>7,249</u>		
40019	7/27/2022	NOR35	NORTHERN HUMBOLDT	806	ES22-218	OPEN SPACE MAINTENANCE
				940	ES22-219	OPEN SPACE MAINTENANCE
			Check Total:	<u>1,745</u>		
40020	7/27/2022	PGE05	PGE	456	C20726	STREETLIGHTS ACCT 7620
40021	7/27/2022	PGE06	PG&E-STREETLIGHTS	42	C20726	STREETLIGHTS ACCT#3677
40022	7/27/2022	PGE07	PG&E STREETLIGHTS	1,317	C20726	STREETLIGHTS ACCT# 0908-6
40023	7/27/2022	PGE08	PGE STREETLIGHTS	20	C20726	STREETLIGHTS ACCT#3119-2
40024	7/27/2022	PGE09	PGE-STREETLIGHTS	102	C20726	PGE STREET LIGHTS ACCT 70
40025	7/27/2022	PGE10	PGE STREETLIGHTS	4	C20726	STREETLIGHTS ACCT# 0160-2
40026	7/27/2022	SEC03	SECURITY LOCK & ALARM	90	8278	LABOR
40027	7/27/2022	UND01	UNDERGROUND SERVICE ALERT	736	152434	ANNUAL SUBSCRIPTION/BILLA
40028	7/27/2022	WIL09	WILLDAN FINANCIAL SERVICE	6,210	010-51912	WATER/SEWER RATE STUDY
40029	7/29/2022	\N005	OVER PAID, CUSTOMER REFUND	700	NEL0070P	OVER PAID, CUSTOMER REFUN
40078	8/11/2022	INF02	INFOSEND	(106)	216583u	Ck# 040078 Reversed
				(3,002)	217943u	Ck# 040078 Reversed
			Check Total:	<u>(3,108)</u>		
D00074	7/6/2022	BIN01	BINDER, SCOTT	125	C20705	BOARD MEETING 6-1-22
				125	C20705	BOARD MEETING 6-1-22
			Check Total:	<u>250</u>		

Total Disbursements, Accounts Payable: 542,835

Payroll Related Disbursements

18215-18243	7/8/2022	Payroll Checks	12,944	
18236	7/7/2022	CAL12 CalPERS 457 Plan	8,915	C20707 RETIREMENT
			920	1C20707 PERS 457 LOAN PMT
		Check Total:	<u>9,835</u>	
18237	7/7/2022	DIR01 DIRECT DEPOSIT VENDOR- US	40,116	C20707 Direct Deposit
18238	7/7/2022	EMP01 Employment Development	1,900	C20707 STATE INCOME TAX
			867	1C20707 SDI
		Check Total:	<u>2,767</u>	
18239	7/7/2022	EMP02 Employment Dev Department	2,256	C20630 SUI
18240	7/7/2022	HEA01 HEALTHEQUITY, ATTN: CLINT	150	C20707 HSA
18241	7/7/2022	HUM29 UMPQUA BANK--PAYROLL DEP.	6,424	C20707 FEDERAL INCOME TAX
			9,753	1C20707 FICA
			2,281	2C20707 MEDICARE
		Check Total:	<u>18,458</u>	
18242	7/7/2022	ACW01 CB&T/ACWA-JPIA	61,598	C20630 MED-DENTAL-EAP INSUR
18243	7/7/2022	PUB01 Public Employees PERS	22,257	C20630 PERS PAYROLL REMITTANCE
18244-18245	7/9/2022	Payroll Checks	9,229	
18246-18247	7/13/2022	Payroll Checks	27,099	
18267	7/22/2022	CAL12 CalPERS 457 Plan	9,657	C20722 RETIREMENT
			920	1C20722 PERS 457 LOAN PMT
		Check Total:	<u>10,577</u>	
18268	7/22/2022	DIR01 DIRECT DEPOSIT VENDOR- US	40,588	C20722 Direct Deposit
18269	7/22/2022	EMP01 Employment Development	0	C20707A STATE INCOME TAX
			239	C20712 STATE INCOME TAX
			2,030	C20722 STATE INCOME TAX
			110	1C20707A SDI
			43	1C20712 SDI
			898	1C20722 SDI
			2,525	2C20712 STATE INCOME TAX
			421	3C20712 SDI
		Check Total:	<u>6,265</u>	
18270	7/22/2022	FRA05 COURT-ORDERED DEBT COLLEC	129	C20722 FRANCHISE TAX BOARD
18271	7/22/2022	HEA01 HEALTHEQUITY, ATTN: CLINT	50	C20722 HSA
18272	7/22/2022	HUM29 UMPQUA BANK--PAYROLL DEP.	0	C20707A FEDERAL INCOME TAX
			630	C20712 FEDERAL INCOME TAX

			6,670	C20722	FEDERAL INCOME TAX
			1,239	1C20707A	FICA
			481	1C20712	FICA
			10,117	1C20722	FICA
			290	2C20707A	MEDICARE
			112	2C20712	MEDICARE
			2,366	2C20722	MEDICARE
			8,417	3C20712	FEDERAL INCOME TAX
			4,744	4C20712	FICA
			1,110	5C20712	MEDICARE
	Check Total:		<u>36,176</u>		
18248-18272	7/25/2022	Payroll Checks	14,228		
18273	7/28/2022	Payroll Checks	8,774		
	Total Disbursements, Payroll:		<u><u>323,495</u></u>		
	Total Check Disbursements:		<u>866,330</u>		

Fiscal Analysis:

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Resolution 2022-26

RESOLUTION 2022-26

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT AMENDING THE RULES AND REGULATIONS RULE 5.04: WATER INSTALLATION CHARGES AND RULE 21.02c: SEWER CONNECTION CHARGES

WHEREAS, the Board wishes to provide services to the community that include the installation of water and sewer connections; and

WHEREAS, the Board has determined that fees and charges should reflect District costs of providing services; and

WHEREAS, the District has certain fees which may no longer be covering operating expenses; and

WHEREAS, the Board may revise and/or increase general cost fees as deemed necessary by Board action; and

WHEREAS, the suggested revisions of the installation of water and sewer connections has been determined to adequately cover operating expenses for the installation of such services including labor, equipment, and materials; and

WHEREAS, the amended Rules and Regulations will be duly accepted for implementation effective at the time of approval.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the McKinleyville Community Services District does hereby amend the Rules and Regulations as follows:

Rule 5.04. INSTALLATION CHARGES - services and meters shall be installed without charge for all applications for water service received prior to or during the initial construction of the District's water system. The charges below will apply to applications received after the District's Contractor has progressed with the work beyond their property frontage. Such services and meters will be installed without charge only to areas having an existing need providing the owner guarantees to pay at least the minimum each month (whether used or not) for at least a one- year period.

Where service is installed without charge for a vacant lot the owner must guarantee to pay at least the minimum each month (whether used or not) for at least a two-year period.

Where the applicant requests installation of a 1 1/2 inch or larger water meter or where unusual circumstances exist, the charge for installation of water service shall be equal to the estimated cost-plus 10 percent of such service connection. The applicant shall deposit said amount with the District prior to installation, the District will track actual expenditures, the District will compute the difference between the deposit and the actual expenditure, the District will rebate the difference to the applicant where the actual expenditure is less than the deposit. The term "unusual circumstances", as used in this rule, shall include water mains deeper than 6 feet, slopes greater than 20 percent, service line lengths of more than 35 feet and closure of roadway due to traffic safety considerations. The schedule for all other service connections is as follows:

5/8" x 3/4" Meter	\$1332.00 \$1,780.00
3/4" Meter	\$1357.00 \$1,810.00
1" Meter	\$1496.00 \$1,920.00

Where the applicant requests the installation of a water meter in an existing water meter box, and the requested meter is to be connected to an existing meter set, the schedule of water meter installation charges shall be as follows:

5/8" x 3/4" Meter	\$285.00
3/4" Meter	\$310.00
1" Meter	\$371.00

Connection charges do not include paving over trenches as required by Humboldt County Public Works Department. Paving costs are the responsibility of the Developer.

Rule 21.02. CONNECTION CHARGE. The connection charge provided by this Ordinance shall be computed by the Manager based upon "what the share of the cost of said sewer main and facilities of the connecting property would have been had it been assessed in said proceedings, using the same formula as used in the assessment district for determining the assessment." The basis of the original assessment levy is as follows:

- (a) General area charge (all land within 600 feet of sewer main) = \$180.00 per acre.
- (b) Local area charge (all land within 200 feet of a sewer main) = \$540.00 per acre,
- (c) Unit Charge
 - i. Lateral Charge - 4 inch = ~~\$1,200.00~~
\$1,600.00
 - ii. Lateral Charge - 6 inch = ~~\$1,425.00~~
\$1,825.00
- (d) Sewer Capacity Fee – If in a sewer service area, aA Sewer Capacity fee shall be collected from each applicant requesting a new water service in addition to any processing fees and/or installation charges.

ADOPTED, SIGNED AND APPROVED at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on September 7, 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

September 7, 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

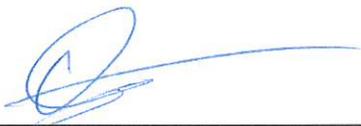
WHEREAS, as a result of the COVID-19 pandemic, the Humboldt County Health Officer has imposed and has recommended measures to promote social distancing as more particularly set forth in his August 6, 2021, Order, among other prior orders and guidance; and

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

September 8, 2022

TYPE OF ITEM: **CONSENT**

ITEM: D.5 **Consider Attendance at the Association of California Water Agencies (ACWA) 2022 Fall Conference & Exhibition in Indian Wells, CA on November 29-December 1, 2022**

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

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

Recommendation:

Staff recommends that the Board review the information provided for the ACWA 2022 Fall Conference and Exhibition in San Diego, CA, and consider authorization for interested Board Members to attend.

Discussion:

This year's ACWA 2022 Fall Conference and Exhibition will be held in Indian Wells, CA from November 29-December 1, 2022. Regular registration and cancellation deadline is November 11, 2022. **Attachment 1** is the preliminary agenda for the conference. **Attachment 2** is the Registration, Meals, and Hotel Pricing Sheet.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

Regular registration deadline is November 11, 2022. The cost for full conference registration and meals package is \$775. Meals not provided by the conference for four days will be \$139.50 per person. Special hotel rate (based on availability) is \$199 per night. Two nights of lodging would be \$298 per attendee before taxes and fees. United airfare at today's rate is approximately \$550 per attendee. Transportation to and from the airport is around \$50. An approximate total cost for travel, meals and attendance to the conference is \$1,812.50 per attendee. To maintain the lowest possible costs, if approved, the Board is asked to notify the Board Secretary no later than October 1st, earlier, if possible, of their attendance.

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Preliminary Agenda
- Attachment 2 – Registration, Meals and Hotel Pricing Sheet

★ Agenda items marked with this symbol will be recorded and available for on-demand access after the live event.

Note: Tuesday Committee meetings will not be recorded or available on-demand.

ACWA JPIA - MONDAY, NOV 28

8:30 - 10:00 AM

- ACWA JPIA Program Committee

10:15 - 11:15 AM

- ACWA JPIA Executive Committee

1:30 - 4:00 PM

- ACWA JPIA Board of Directors

4:00 - 5:00 PM

- ACWA JPIA Town Hall

5:00 - 6:00 PM

- ACWA JPIA Reception

TUESDAY, NOV 29

7:00 AM - 6:00 PM

- Registration

8:00 AM - 9:45 AM

- Agriculture Committee

8:30 AM - Noon

- ACWA JPIA Seminars

10:00 - 11:45 AM

- Groundwater Committee
- Energy Committee

11:00 AM - Noon

- Outreach Task Force

Noon - 2:00 PM

- Committee Lunch Break

1:00 - 2:45 PM

- Legal Affairs Committee
- Local Government Committee
- Finance Committee
- Water Management Committee

1:00 - 3:00 PM

- ACWA JPIA: Sexual Harassment Prevention for Board Members & Managers (AB 1825)

3:00 - 4:45 PM

- Communications Committee
- Federal Affairs Committee
- Membership Committee
- Water Quality Committee

5:00 - 6:30 PM

- Welcome Reception in the Exhibit Hall

WEDNESDAY, NOV 30

7:30 AM - 5 PM

- Registration

8:00 - 9:45 AM

- Opening Breakfast *(Ticket Required)* ★

8:30 AM - 6:00 PM

- Connect in the Exhibit Hall

10:00 - 11:00 AM

- Attorneys Program ★
- Finance Program ★
- Region Forum ★
- Statewide Forum ★
- Water Industry Trends Program ★

11:15 AM - 12:15 PM

- Roundtable Talks

12:30 PM - 1:30 PM

- Networking Lunch in the Exhibit Hall *(Ticket Required)*

1:45 - 2:45 PM

- Attorney Program ★
- Communications Committee Program ★
- Finance Program ★
- Statewide Forum ★
- Water Industry Trends Program ★

3:00 - 3:30 PM

- Ice Cream Break in the Exhibit Hall

3:30 - 4:45 PM

- Regions 1-10 Membership Meetings

5:00 - 6:00 PM

- ACWA Reception in the Exhibit Hall

6:00 - 7:00 PM

- Women in Water Hosted Reception

THURSDAY, DEC 1

7:30 AM - 2:00 PM

- Registration

8:00 AM - 9:15 AM

- Exhibitor Demonstrations
- Networking Continental Breakfast in the Exhibit Hall *(Ticket Required)*

8:00 AM - Noon

- Connect in the Exhibit Hall

8:30 - 10:45 AM

- Ethics Training (AB 1234) - *Limited Seating*

9:30 - 11:00 AM

- Attorney Program ★
- Innovation Program ★
- Region Forum ★
- Statewide Forum ★
- Water Industry Trends Program ★

11:15 - 11:45 AM

- Prize Drawings in the Exhibit Hall

Noon - 2:00 PM

- General Session Luncheon *(Ticket Required)* ★

2:15 - 3:15 PM

- Attorney Program ★
- Finance Program ★
- Region Forum ★
- Town Hall ★
- Water Industry Trends Program ★

3:30 - 4:30 PM

- Closing Reception

Last modified: July 21, 2022

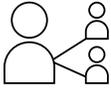
Registration required to attend any part of ACWA's Fall Conference & Exhibition, including Tuesday, Nov. 29 Committee Meetings. See www.acwa.com for health & safety attendance requirements.

REGISTRATION, MEALS AND HOTEL INFORMATION SHEET



REGISTER ONLINE

Register online by **November 11, 2022** at www.acwa.com to take advantage of the advance pricing.



REGISTER ON SOMEONE'S BEHALF

Select from a list of people affiliated with your company in your account. If the registrant is not listed, you will need to create a Portal profile for the registrant through the ACWA website before registering.

GROUP SAVINGS! Register 5 individuals from the same organization, receive a 6th registration free!
(Subject to terms and conditions.) **Contact Teresa Taylor at TeresaT@acwa.com for more information before registering.**

REGISTRATION OPTIONS <i>Advantage pricing applies to ACWA public agency members, associates & affiliates. Standard pricing applies to non-members of ACWA.</i>	ADVANCE DEADLINE: 11/11/22		ONSITE	
	ADVANTAGE	STANDARD	ADVANTAGE	STANDARD
Full Conference Registration & Meals Package Includes access to all conference programs, meal functions, Exhibit Hall and access to On-Demand Designated Conference Recordings after the live conference.	\$775	N/A	N/A	N/A
Full Conference Registration Only (meals sold separately) On-Demand Designated Conference Recordings NOT included but may be purchased separately.	\$620	\$930	\$650	\$975
Tuesday Committee Meetings Only (complimentary - must register to attend)	\$0	\$0	\$0	\$0
One-Day Conference Registration (meals sold separately) Wednesday, Nov. 30: Includes access to Welcome Reception in the Exhibit Hall on Tuesday night, access to the Exhibit Hall and all conference programs on Wednesday only. Thursday, Dec. 1: Includes access to the Exhibit Hall, all conference programs and the Closing Reception on Thursday only.	\$370	\$555	\$390	\$585
Guest Conference Registration (meals sold separately) Guest registration is not available to anyone with a professional reason to attend.	\$75	\$75	\$75	\$75
VIRTUAL OPTION: On-Demand Designated Conference Recordings Only Includes on-demand access to all designated recorded sessions after the live conference.	\$220	\$330	\$220	\$330
MEAL FUNCTIONS	ADVANCE		ONSITE	
Wednesday Opening Breakfast - November 30	\$50		\$55	
Wednesday Networking Luncheon - November 30	\$50		\$55	
Thursday Continental Breakfast in Exhibit Hall - December 1	\$40		\$45	
Thursday Luncheon - December 1	\$55		\$60	

HOTEL INFORMATION

You must be registered for the ACWA conference in order to receive hotel reservation information and conference special room rate. **Conference special rate is available August 29 - November 7**, based on availability.

HOTEL & ROOM RATES

Renaissance Esmeralda Resort & Spa Indian Wells
\$199 per night (plus applicable state, local taxes & fees, and \$10 discounted Resort fee)

Hyatt Regency Indian Wells Resort & Spa
\$199 per night (plus applicable state, local taxes & fees, and \$10 discounted Resort fee)

HEALTH & SAFETY

Please check [ACWA's conference page HERE](#) for current health & safety mandates.

IMPORTANT DATES

The conference hotel room block opens on August 29.

Deadline for group rate is November 7, 2022

For those **registering for conference prior to August 29**, information on how to reserve your hotel room will be provided via e-mail on August 15.

For those registering for conference from **August 29 to November 7**, your **confirmation e-mail** will include the information on how to reserve your hotel room and an opportunity to receive a conference special hotel rate.

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McKinleyville Community Services District

BOARD OF DIRECTORS

September 7, 2022

TYPE OF ITEM: **ACTION**

ITEM: D.6 **Consider Approval of the First Amendment to the Agreement Between McKinleyville Union School District and the McKinleyville Community Services District for the Provision of After School Leaders to the 21st Century Community Learning Center After School Program at Dows Prairie Elementary School and Morris Elementary School**

PRESENTED BY: **Lesley Frisbee, Parks & Recreation Director**

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

Recommendation:

Staff recommends the Board review the information provide, take public comment, and authorize the Board President to execute the agreement.

Discussion:

After the approval of the 2022-23 MOU between MCSD and MUSD on August 3, 2022, MUSD requested a change to the wage for the After School Leader position as well as the addition of staffing hours for Recreation Leaders age 16-18 warranting an amendment to the MOU.

The First Amendment of the MOU between MCSD and MUSD (**Attachment 1**) for the provision of staff to the 21st Century Community Learning Center After School Program addresses the requested change to the starting wage for After School Leaders from \$16 per hour to \$17 per hour and adds the provision of 3,184 staff hours for Recreation Leaders age 16-18 at a starting wage of \$15.38 per hour. The wage changes and position additions required a change to the reimbursement rate charged by MCSD to MUSD for the provision of said staff. All After School Leader labor hours will be reimbursed at a rate of \$25.75 per hour and all Recreation Leader labor hours will be reimbursed at a rate of \$22.24 per hour. These rates include the administrative costs related to hiring, processing timesheets, and the payment of payroll taxes etc. All other aspects of the original MOU approved in August remain the same.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

This agreement will be cost neutral. The 2021-22 Agreement allowed all District costs to be recouped as per the compensation formula stated in the MOU.

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – First Amendment to the MUSD and MCSD Memorandum of Understanding 2022-23

First Amendment to the
2022-2023 McKinleyville Union School District Agreement with
McKinleyville Community Services District
For 21st Century Community Learning Center After School Programs

This First Amendment to the Management Services and Usage Agreement entered into on August 3, 2022, by and between McKinleyville Union School District, (“MUSD” or “District”) and the McKinleyville Community Services District (“MCSD” or “Contractor”), is entered into this 7th Day of September 2022

WHEREAS, MUSD provides after school programs for its students known as the 21st Century Community Learning Center program (“CCLC” or “Program”); and

WHEREAS, MCSD is willing to provide staffing for the 21st CCLC program through and in coordination with MCSD’s Recreation Division; and

WHEREAS, it is to the mutual benefit of MUSD and MCSD, MUSD students, and the community for MUSD and MCSD to enter into this Agreement to facilitate the provision of services as stated herein; and

WHEREAS, the Program services will be operated at the following location:
(the “Site”).

WHEREAS, MUSD would like to increase the rate of pay for the qualified personnel provided by MCSD,

NOW, THEREFORE, it is mutually agreed as follows:

1. Section 2, MCSD agrees to the following, shall be amended to read as follows:

C. Staffing

1. Subject to the compensation requirements recited in Section 5, below, Contractor shall provide the Program staff (AKA After School Leader and Recreation Leader) hours for the 180-day school year. After School Leaders will be provided for up to 5,850 hours for regular day schedules and Recreation Leaders will be provided for up to 3,184 hours for regular day schedules. As well as provide Program staff for out of school time ELP programs to the extent possible not to exceed 960 hours. For all additional required hours, including training or meetings or other required obligations, MCSD will be compensated at \$25.57/hr for all After School Leader hours and \$22.24 for all Recreation Leader hours.
2. **Section 5. Compensation**, shall be amended to read as follows:
As full compensation for all services contemplated by this Agreement, MCSD shall receive the sum of \$220,396.66 reflecting the following charges and assumptions: \$25.57 shall be paid by MUSD to MCSD for each After School Leader worker hour provided to the Program by MCSD staff/employees

First Amendment to the
2022-2023 McKinleyville Union School District Agreement with
McKinleyville Community Services District
For 21st Century Community Learning Center After School Programs

between the months of September 1, 2022 (which at this time will provide three (3) days of training prior to the start of school), through June 16, 2023, for up to 5,850 hours regular day schedules for a total up to \$149,584.50 (i.e., 5,850 hours multiplied by \$25.57), and \$22.24 shall be paid by MUSD to MCSD for each Recreation Leader worker hour provided to the program by MCSD staff/employees between the months of September 1, 2022 (which at this time will provide three (3) days of training prior to the start of school), through June 16, 2023, for up to 3,184 hours regular day schedules for a total up to \$70,812.16 (i.e., 3,184 hours multiplied by \$22.24).

For all additional required hours in excess of the 5,850 for After School Leaders and/or hours in excess of 3,184 for Recreation Leaders, including any hours required for training or meetings, will be compensated at \$25.57 or \$22.24 respectively based on the employee classification of the worker, by MUSD to MCSD for each worker hour provided to the Program by MCSD staff/employees.

If state funding or the length of the school year is reduced due to budget changes or any other reason during the term of this Agreement, the District has the right to unilaterally reduce the number of staff or days worked by MCSD staff/employees, subject to the obligation to pay for all such time provided prior to provision of written notice of the reduction by MUSD to MCSD.

MCSD will invoice the District on a monthly basis based on actual MCSD staff time worked as recited above. The District will pay MCSD within 30 days of the invoice date.

3. In all other respects the Agreement between the parties entered into on August 3, 2022, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to Agreement dated August 3, 2022, on the date indicated above.

McKinleyville Union School District

By: _____
Julie Giannini-Previde, Superintendent

Date: _____

McKinleyville Community Services District

By _____
Board President, David Couch

Date: _____

McKinleyville Community Services District

BOARD OF DIRECTORS

September 7, 2022

TYPE OF ITEM: **ACTION**

ITEM: E.1 **Water and Sewer Rate Evaluation and Proposition 218 Notice of Public Hearing**

PRESENTED BY: **Patrick Kaspari, General Manager**
Chris Fisher & Michael Cronan, Willdan Financial

TYPE OF ACTION: **Roll Call Vote**

Recommendation:

Staff recommends that the Board hear the presentation on the Water and Sewer Rate financial plan and rate analysis, take public comment, authorize staff to set the 218 Public Hearing Date for the November 2, 2022 regular Board Meeting, and initiate the Proposition 218 majority protest notice and mailings concerning adjusting water and sewer charges in accordance with the Willdan Comprehensive Utility Rate Study.

Discussion:

The District is considering an adjustment to the existing water and sewer rates to adequately fund operations, maintenance and present and future capital costs. Because of Proposition 218, rate analysis must be conducted every five years if incremental rate adjustments are to be carried out. The District's last Rate Study was conducted in 2018.

The District has experienced inflationary increases in ongoing operating and maintenance costs, and also needs to ensure adequate financial resources to address projects in the Capital Improvement Plan including the 4.5MG Water Storage Tank, the Highway 101 Sewer Mainline Crossing Replacements, the Central Avenue water and sewer mainline rehabilitation, etc.

MCSD has adjusted water and sewer rates based only on financial needs related to the operation and maintenance of water distribution and sewer facilities, and activities necessary for providing safe and reliable drinking water to our customers. District Staff and our consultant are tasked with ensuring that any recommended rate adjustment would provide the necessary revenue, and be reasonable, defensible, and fair to our residents and rate payers. We must also follow the Proposition 218 process that is outlined in the California State Constitution and Government Code for any adjustments in utility rates.

Proposition 218 establishes certain procedural requirements for adopting rate adjustments which include:

- **Noticing Requirements:** For any new or adjustment of fees or charges, the District must mail a Notice of Proposed Rate and Public Hearing to all affected property owners and/or tenants who are directly liable for the payment for these services. The notice must specify the new rates, the basis of their calculation, the reason for the rates, and the date/time/location of the public rate hearing at which the proposed rates will be considered for adoption. (See Attachment 3)
- **Public Hearing:** The District must hold a public hearing prior to adopting the proposed rate adjustments. The public hearing must be held not less than 45 days after the required notices are mailed. Any interested parties will be provided an opportunity to provide comments at the Public Hearing.
- **Rate Adjustments are subject to majority protest:** At the conclusion of the Public Hearing, the proposed rate adjustments are subject to a majority protest. Following the Public Hearing, all valid written protests received up until that point will be tabulated. If more than 50% of affected property owners or customers submit written protests against the proposed rate adjustments, the adjustment cannot be adopted by the Board. If there have been less than 50% submitted, the Board will then have the option of implementing the new rates.

Proposition 218 also established several substantive requirements that are deemed to apply to utility service charges, including:

- **Cost of service –** Revenues derived from the fee or charge cannot exceed the funds required to provide the service.
- **Intended purpose –** Revenues derived from the fee or charge can only be used for the purpose for which the fee was imposed.
- **Proportional cost recovery –** The amount of the fee or charge levied on any customer shall not exceed the proportional cost of service attributable to that customer.

Proposition 218 requires that the District ensure that its water and sewer rates reasonably reflect the proportionate cost of providing service to each customer. Consistent with this law, it is appropriate for rates to recover costs for operations, capital needs, debt service, administration, as well as costs related to prudent long-term operational or financial management of the utilities, such as maintaining adequate fund reserves and planning for contingencies.

The Comprehensive Utility Rate Study developed by Willdan Financial Services (see Attachment 1), is based on a comprehensive review and analysis of the District's operations, reserves, and CIP. The preliminary results presented here include five years of cost-of-service based rates, which if implemented, will provide sufficient revenue to finance the ongoing and anticipated capital projects, provide funding for existing and future operations and maintenance expenditures associated with the water and sewer services, and allow for accumulation of prudent reserves.

Chris Fischer from Willdan will present the methodology and findings of the Rate Study.

Alternatives:

Staff's analysis includes the following potential alternatives:

- Take no action
- Advise further direction

Fiscal Analysis:

Will be provided as part of the Engineering Report.

Environmental Requirements:

Not applicable

Exhibits/Attachments/Presentation

- **Attachment 1** – Comprehensive Utility Rate Study, Willdan, August 2022
- **Attachment 2** – Willdan Utility Rate Study Presentation
- **Attachment 3** – Proposition 218 Mailing Notice

McKinleyville Community Services District, CA

Report

Comprehensive Utility Rate Study

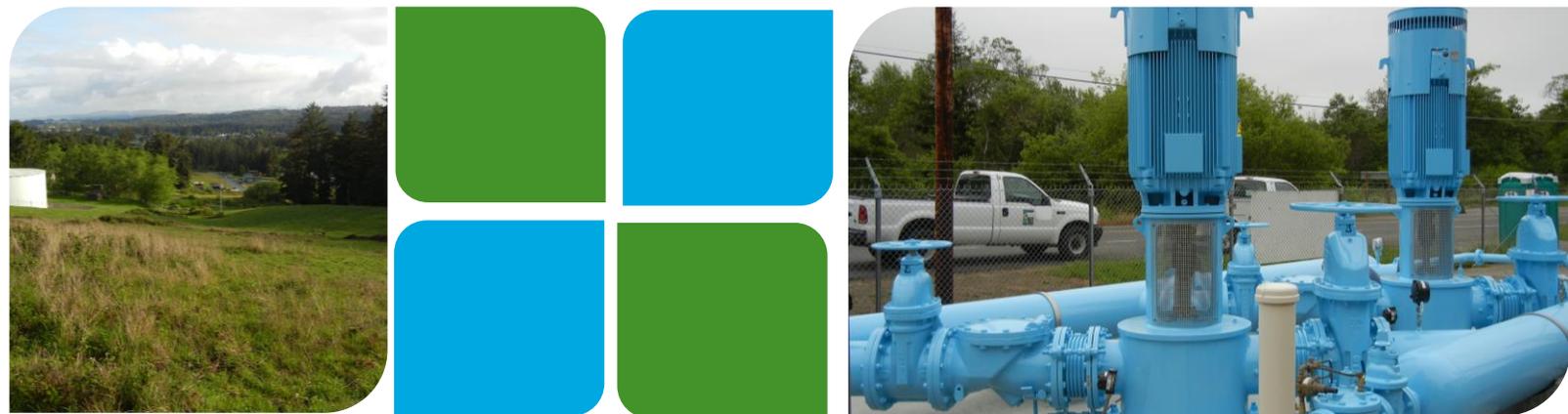


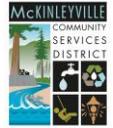


TABLE OF CONTENTS

TABLE OF CONTENTS	i
Section 1 – Executive Summary	1
1.1 Introduction.....	1
1.2 Overview of the Rate Study Process.....	1
1.3 Summary of Proposed Rates	3
Section 2 – Revenue Sufficiency Analysis	6
2.1 Financial Planning Principles	6
2.2 Existing Rates.....	6
2.3 Revenue Sufficiency Process	9
2.3.1 Test Year Revenue Requirements.....	9
2.3.2 Projected Revenue Requirements	10
2.4 Customers & Billable Flows.....	11
2.4.1 Customer Billing Analysis.....	11
2.4.2 Customer Accounts.....	12
2.5 Financial Projections Under Existing Rates.....	15
Section 3 – Cost of Service Analysis	17
3.1 General	17
3.2 Water Cost-of-Service	17
3.2.1 Peaking Factors	17
3.2.2 Functional Unbundling of Revenue Requirements.....	19
3.2.3 Classification of Water System Costs	20
3.2.4 Allocation to Customer Classes and Unit Cost Development.....	21
3.2.5 Rate Design by Unit Cost.....	23
3.3 Sewer Cost-of-Service	27
3.3.1 Functional Unbundling of Revenue Requirements.....	27
3.3.2 Classification of Revenue Requirements.....	28
3.3.3 Allocation to Customer Classes	29
Section 4 – Proposed Test Year Rates	31



4.1	General	31
4.2	Typical Monthly Bill Comparison.....	32
4.3	Rate Comparison with Other Utilities	34
Section 5 – Projected Operating Results		36
5.1	General	36
5.2	Projected Revenues	36
5.3	Debt Service Coverage	39
5.4	Summary of Projected Operating Results	40
Section 6 – Drought Surcharge		45
6.1	General	45
6.2	Purpose of a Drought Surcharge	45
6.2.1	The District's Water Shortage Contingency Plan	46
6.3	Proposed Drought Surcharge Rates	46
Section 7 – Conclusions and Recommendations		50
7.1	General Disclaimer	50
7.2	Conclusions	50
7.3	Recommendations	52



Section 1 – Executive Summary

1.1 Introduction

Willdan Financial Services (Willdan) is pleased to submit to McKinleyville Community Service District (the "District") the Water and Sewer Rate Study report (the "Report") for your consideration. Willdan has completed the study of the District's water and sewer rates and summarized the results of the investigations, analyses and conclusions in this Report.

The District owns and operates water storage, transmission and distribution facilities, and provides sewer treatment and collection services to residential and nonresidential customers within its incorporated limits. During recent years, the District has focused a significant amount of attention and effort on strategic planning measures in all areas of utility operations to ensure that it remains prepared for the future. As part of its ongoing strategic planning efforts, the District has commissioned Willdan to perform a water and sewer rate study to analyze the revenue sources and expenditures of the utility system and provide recommendations for proposed rate and/or rate structure adjustments to meet the financial and administrative goals and objectives of the District. The primary objectives of the rate study include:

- Full cost recovery (i.e., operating costs, debt and other expenditure requirements);
- Cost-based rate structures;
- Consistency with American Water Works ("AWWA") and Water Environment Federation ("WEF") guidelines;
- Equity among customer classes;
- Meeting substantive and procedural Proposition 218 requirements;
- Administrative efficiency (i.e., easy to understand and implement); and
- 5-Year capital funding plan.

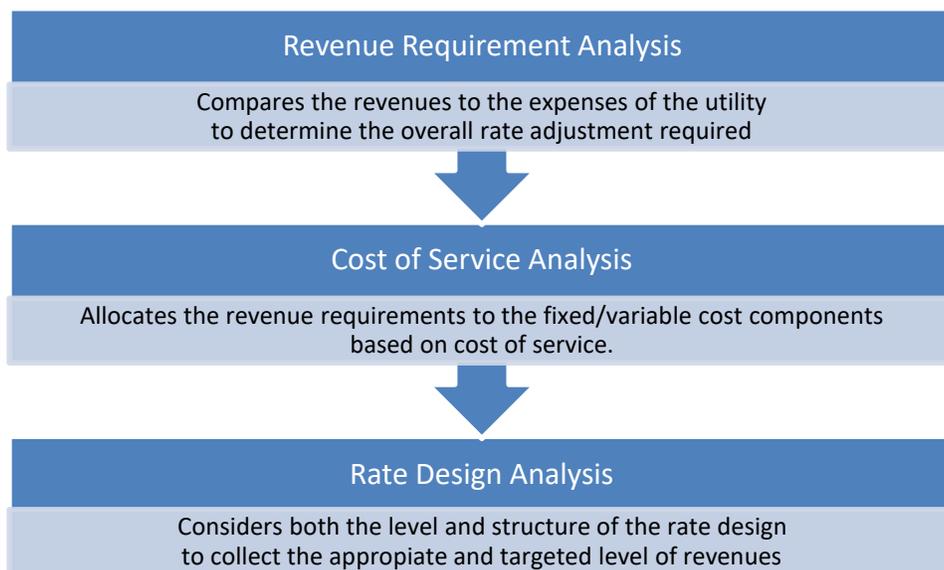
1.2 Overview of the Rate Study Process

The study develops water and sewer financial plans for the upcoming 5-year planning period and includes the development of cost-based rates through a cost-of-service and rate design analysis. Utility rates must be set at a level such that operating, maintenance, debt and capital expenses are funded with the revenues received from customers. In addition, the revenues generated from utility rates must only be used for this purpose and for each system separately. This is a significant point, as failure to achieve the needed revenues can lead to unacceptable service levels and inadequately maintained facilities. Therefore, a rate study typically consists of following three interrelated analyses:

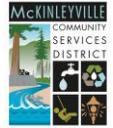
- I. **Financial Planning/Revenue Requirement Analysis:** Creates a five-year plan to support an orderly, efficient program of on-going maintenance and operating costs, capital improvement and replacement activities, debt financing, and retirement of outstanding debt. In addition, the plan should fund and maintain appropriate reserve balances based on industry standards, as well as the District's fiscal policies and specific needs.

- II. **Cost-of-Service Analysis:** Identifies and apportions annual revenue requirements (i.e., expenditures) to functional cost components based on the demand placed on the utility system. The purpose of this analysis is to develop rates that generate revenues relatively proportionate to the share of each utility's costs. This objective is consistent with industry standards as well as the requirements of Proposition 218.

- III. **Rate Design:** Develops an equitable and proportionate fixed/variable schedule of rates for the District's customer base. The policy objectives are coordinated with cost-of-service objectives to achieve a balance between customer equity and financial stability goals. The balance of fixed and variable charges considers the need for a stable revenue source (the fixed charge) and the variable component of the rate structure such that customers placing higher costs on the system (through higher water and sewer use) incur a higher bill reflective of their impact on the system.



This rate study utilizes generally accepted rate-making principles and standards established by such industry experts as the AWWA in its "M1 - Principles of Water Rates Fees and Charges" manual and WEF in its "Financing and Charges for Sewer Systems, Manual of Practice No. 27". The principles established by these entities are used as guidelines in the development of



the proposed rates for water and sewer. A discussion of some of the key principles of rate-making is presented in the following subsection of this Report.

1.3 Summary of Proposed Rates

The rate study methodology applied in the development of updated water and sewer rates, outlined in this Report, consisted of reviewing the historical operating results of the water and sewer utility systems, analyzing the budget to identify the net revenue requirements to be recovered from user rate revenues, performing general cost-of-service allocations based on the rate components and functional cost categories, and revising the rates based on the applicable costs and expenditures to be recovered from user rates. In addition, an analysis of the system customers and usage characteristics was performed to identify the rate determinants since these are the primary sources for generating revenues. The allocated revenue requirements were utilized in conjunction with the rate determinants and rate structure to develop proposed rates for water and sewer.

The findings and conclusions of the rate analysis, as well as the resulting revised rate recommendations, were utilized to develop a projection of future operating results for a 5-year planning period from Fiscal Year (FY) 2023 (beginning July 1, 2022) through FY 2027 (ending June 30, 2027), herein referred to as the "Projection Period". The purpose for developing the 5-year projections is to demonstrate the financial capability of the water and sewer revenues to support system operations and fund planned capital improvements. The analyses, findings and accompanying recommendations are presented in the subsequent sections of the Report.

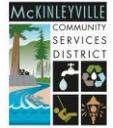
The water and sewer rate analyses described in the Report are performed based on the general guidelines of the defined objectives, as well as common industry standards for setting utility rates. In addition to focusing on these major objectives, the rate analyses performed herein will consider other factors in designing rates. As will be discussed in detail later in the Report, such other rate considerations generally include sensitivity to the impact on existing customers, the relative comparability with neighboring utilities and the District's existing rate structure. The proposed water and sewer rates for assumed implementation effective January 1, 2023 (or other such date as determined by the District) for FY 2022/23 (FY 2023, herein referred to as the "Test Year") are provided in **Tables 1 and 2**, respectively. The existing rates are provided in **Tables 3 and 4**, respectively.

Table 1 – Proposed Monthly Water Rates

Description	Rate
Monthly Base Charge by Meter Size:	
General Service	
5/8 Inch	\$ 20.45
3/4 Inch	\$ 28.39
1.0 Inch	\$ 44.28
1.5 Inch	\$ 83.98
2.0 Inch	\$ 131.63
3.0 Inch	\$ 242.81
4.0 Inch	\$ 401.63
6.0 Inch	\$ 798.69
8.0 Inch	\$ 1,275.17
Volumetric Rates Per 100 Cubic Feet:	
0 - 800 Cubic Feet	\$ 2.47
Over 800 Cubic Feet	\$ 3.32
HBMWD Pass Through ^[1]	\$ 1.76
Notes:	
[1] All customers pay an additional pass-through charge per 100 cubic feet of flow used by Humboldt Bay Municipal Water District.	

Table 2 – Proposed Monthly Sewer Rates

Description	Rate
Monthly Base Charge ^[1]:	
All Customers	\$ 35.69
Volumetric Rates Per 100 Cubic Feet ^[2]:	
2 sewer Units/Commercial	\$ 3.13
Apartment/Multi Unit (Each)	\$ 3.13
Bakery	\$ 4.25
Barber/Beauty Shop	\$ 3.13
Car Wash	\$ 2.91
Church & Residence	\$ 3.13
Churches	\$ 3.13
Coast Guard Station/Airport	\$ 3.13
Dialysis Clinic	\$ 3.08
Fire Station/School	\$ 2.97
Gas Stations (No Market)	\$ 3.19
Laundromats	\$ 3.00
Market	\$ 4.26
Metered Septage Vault	\$ 3.55
Moblie Homes (Each)	\$ 3.13
Motels/Hotels	\$ 3.79
Office Building/Post Office	\$ 3.13
Restaurant/Tavern	\$ 4.25
Retail/Banks/Theater/Other	\$ 3.13
Round Table/Market	\$ 4.03
Sewer Only Accounts	\$ -
Sewer Units - Commercial	\$ 3.19
Single Family Residential	\$ 3.13
Two Sewer Units/Business	\$ 3.13
Two Sewer Units/Daycare	\$ 3.13
Brewery	\$ 11.20
Notes:	
[1] All sewer customers pay the same base charge.	
[2] Each customer class pays a different volumetric rate based on the strength of their respective sewer discharge.	



Section 2 – Revenue Sufficiency Analysis

2.1 Financial Planning Principles

While the individual rates for each of the utility systems vary based on a variety of factors, rates should be consistent with common rate-making principles within the utility industry. The guiding principle is that rates designed for any utility should provide a reasonable balance between several key factors. In general, the utility rates should:

- Generate a stable revenue stream that, when combined with other sources of funds, is sufficient to meet the expenditure requirements and goals of the system;
- Be based upon the proportionate cost of providing the service and not exceed the cost of providing the service;
- Be equitable – that is, they should generate revenue from customer classes in a manner which is reasonably in proportion to the cost to provide service to that customer class;
- Be easy to understand by customers; and
- Be easy to administer by the utility.

Striking the appropriate balance between the principles of rate-making is the result of a detailed process of evaluation of revenue requirements and cost-of-service, and how those translate into the rate design alternatives which meet legal requirements and the specific objectives of the utility under the circumstances in which it operates.

2.2 Existing Rates

The District has established user rates that are applied to the retail customers (residential and non-residential) of the system. The rates charged for water and sewer service are approved by the District Board and are not subject to administrative review or approval by any other local or state agency. The District has historically adjusted rates, as necessary, to provide for recovery of financial obligations including operating expenses, debt service, capital expenditures and any other expenses and transfers.

The existing water rates consist of 1) monthly base charge that designates the minimum amount a customer will pay regardless of water use, and 2) volumetric rates per 100 cubic feet (CCF) based upon the amount of monthly metered water usage. The monthly base charge is incremented based on the size of the metered connection. The volumetric rates apply an inclining tiered structure such that the rate per CCF increases as monthly flows exceed the defined thresholds. The existing rates for water service are provided in **Table 3**.

Table 3 – Water Monthly Existing Rates

Description	Rate
Monthly Base Charge by Meter Size:	
General Service	
5/8 Inch	\$ 19.80
3/4 Inch	\$ 29.11
1.0 Inch	\$ 47.52
1.5 Inch	\$ 93.06
2.0 Inch	\$ 147.91
3.0 Inch	\$ 291.85
4.0 Inch	\$ 459.76
6.0 Inch	\$ 915.75
8.0 Inch	\$ 1,464.41
Volumetric Rates Per 100 Cubic Feet:	
0 - 800 Cubic Feet	\$ 1.89
Over 800 Cubic Feet	\$ 4.73
HBMWD Pass Through ^[1]	\$ 1.76
Notes:	
[1] All customers pay an additional pass-through charge per 100 cubic feet of flow used by Humboldt Bay Municipal Water District.	

The existing sewer rates consist of 1) a monthly base charge regardless of sewer flows that designates the minimum amount a customer will pay, and 2) a volumetric rate per 100 CF based upon the amount of monthly metered water usage. The monthly base charge is constant regardless of the size of the water-metered connection. The volumetric rates are applied based on the assumed strength of sewer discharge related to each respective customer class. The existing rates for sewer service are provided in **Table 4**.

Table 4 – Wastewater Monthly Existing Rates

Description	Rate
Monthly Base Charge ^[1]:	
All Customers	\$ 34.59
Volumetric Rates Per 100 Cubic Feet ^[2]:	
2 sewer Units/Commercial	\$ 3.03
Apartment/Multi Unit (Each)	\$ 2.89
Bakery	\$ 13.81
Barber/Beauty Shop	\$ 2.89
Car Wash	\$ 0.66
Church & Residence	\$ 3.41
Churches	\$ 3.03
Coast Guard Station/Airport	\$ 3.03
Dialysis Clinic	\$ 3.61
Fire Station/School	\$ 1.97
Gas Stations (No Market)	\$ 2.86
Laundromats	\$ 2.28
Market	\$ 11.56
Metered Septage Vault	\$ 3.24
Moblie Homes (Each)	\$ 2.89
Motels/Hotels	\$ 7.37
Office Building/Post Office	\$ 2.89
Restaurant/Tavern	\$ 13.81
Retail/Banks/Theater/Other	\$ 3.03
Round Table/Market	\$ 9.65
Sewer Only Accounts	\$ -
Sewer Units - Commercial	\$ 2.86
Single Family Residential	\$ 2.89
Two Sewer Units/Business	\$ 3.03
Two Sewer Units/Daycare	\$ 2.92
Brewery	\$ 23.12
Notes:	
[1] All sewer customers pay the same base charge.	
[2] Each customer class pays a different volumetric rate based on the strength of their respective sewer discharge.	

2.3 Revenue Sufficiency Process

In evaluating whether the existing rates will generate sufficient revenue to meet the expenditure requirements of the water and sewer systems, the annual expenditures required (herein referred to as the "Revenue Requirements") must be developed. The Revenue Sufficiency Analysis compares the forecasted revenues of each system under its existing rates (including customer growth) to the projected Revenue Requirements.

2.3.1 Test Year Revenue Requirements

The rate analysis performed herein utilizes the District's preliminary budget for fiscal year 22/23 (the "Budget" for fiscal year ending June 30, 2023) as the basis for developing the Revenue Requirements to be recovered from user rates over the Projection Period. The Budget, as prepared by the District, has certain expenditures that are allocated between identifiable water and sewer components, as well as expenditures that are associated with the combined system operations. In developing the rate analysis, certain adjustments are made such that the expenditures are categorized into either Operating and Maintenance (O&M) expenses or Non-Operating expenses. The O&M expenses are primarily those ongoing costs for labor, materials, supplies, services, etc., required to manage and operate the utility system on a day-to-day basis while maintaining a dependable level of service. The O&M requirements are generally a function of a budgetary process and are directly related to the level of service provided to customers of the utility system. The non-operating expenses include such items as capital outlay and any other expenses & transfers. The Budget also identifies estimated revenues to be derived from sources other than the retail water and sewer user rates. Such other revenue sources include interest earnings on investments, water meter sales and various other miscellaneous service charges. The revenues generated from the other sources are applied to the gross Revenue Requirements to reduce the amount of revenues required from user rates. The result is the net Revenue Requirement.

In performing the rate analysis, each of the budgeted expenditures and revenues are allocated between water and sewer on a line-item basis. The allocations are based on such factors as revenues (water vs. sewer), specific system identification, capital expenditures and combined expenditure results (e.g., total O&M allocated to water vs. sewer).

The proposed water and sewer rates developed in the Report are designed for assumed implementation for FY 2022/23 (the Test Year as previously defined). The projected Test Year Revenue Requirements are estimated by utilizing the Budget, actual debt service requirements as provided in the applicable debt service schedules, using capital outlay estimates as provided by the District, and tying non-operating transfers to revenues or O&M expenses as applicable. The Test Year Revenue Requirements that are used for developing the user rates proposed herein are detailed in **Appendix A** at the end of this report and summarized in **Table 5**.



Table 5 – Test Year Revenue Requirements – FY 2023

Description	Water	Wastewater	Total
Total O&M	\$ 3,380,194	\$ 2,402,326	\$ 5,782,520
Debt Service	455,627	1,039,140	1,494,767
Other Expenditures & Transfers	878,384	1,236,155	2,114,539
Gross Revenue Requirement	\$ 4,714,205	\$ 4,677,621	\$ 9,391,826
Less Other Revenues	(341,566)	(406,725)	(748,291)
Net Revenue Requirement	\$ 4,372,639	\$ 4,270,896	\$ 8,643,535

2.3.2 Projected Revenue Requirements

As previously discussed, the estimated Revenue Requirements for the Test Year are developed utilizing the District's Budget as a basis. The Revenue Requirements for the Test Year and the remainder of the Projection Period are developed by escalating the budgeted costs on a line-item basis in accordance with assumed future activities and events that may impact the system. The costs associated with certain operating expenses that are typically more variable in nature, such as chemicals and electrical power, are escalated pursuant to various factors based on a combination of estimated customer and/or flow growth and assumed inflationary factors. Personnel related costs such as employee salaries and benefits are generally escalated based on assumed labor escalator factors that, over the Projection Period, include adjustments in pay and incremental addition of employees as necessary. Certain expenses that do not generally vary with system growth (e.g., telephones, publications, training, etc.) are assumed to either escalate based only on inflation or remain relatively constant. Materials, supplies, general repair and maintenance expenses generally increase from current levels based on inflationary factors that directly impact the water and sewer industry. Such factors are derived on a composite basis from historical analyses of price indices used by many utilities for financial forecasting. Line-item budgeted costs are also evaluated to make determinations as to whether they are recurring or one-time, and adjustments made accordingly.



The projected Revenue Requirements for the water and sewer systems over the entire Projection Period are provided in **Tables 6 and 7**.

Table 6 – Water Revenue Requirements for the Projection Period

Description	Projected for Fiscal Year Ending June 30,				
	2023	2024	2025	2026	2027
Total O&M	\$ 3,380,194	\$ 3,511,921	\$ 3,657,352	\$ 3,810,374	\$ 3,960,790
Existing Debt Service	455,627	455,587	457,057	458,326	453,168
Future Debt Service	-	-	-	-	-
Other Expenditures & Transfers	878,384	904,558	1,040,617	1,173,114	1,285,887
Gross Revenue Requirement	\$ 4,714,205	\$ 4,872,066	\$ 5,155,026	\$ 5,441,814	\$ 5,699,845
Less Other Revenues	(341,566)	(358,648)	(376,580)	(395,409)	(415,179)
Net Revenue Requirement	\$ 4,372,639	\$ 4,513,418	\$ 4,778,446	\$ 5,046,405	\$ 5,284,666

Table 7 – Sewer Revenue Requirements for the Projection Period

Description	Projected for Fiscal Year Ending June 30,				
	2023	2024	2025	2026	2027
Total O&M	\$ 2,402,326	\$ 2,501,536	\$ 2,597,394	\$ 2,696,022	\$ 2,797,428
Existing Debt Service	1,039,140	970,320	973,015	971,632	965,921
Future Debt Service	-	-	-	-	-
Other Expenditures & Transfers	1,236,155	1,332,765	1,469,423	1,648,269	1,844,616
Gross Revenue Requirement	\$ 4,677,621	\$ 4,804,621	\$ 5,039,832	\$ 5,315,923	\$ 5,607,965
Less Other Revenues	(406,725)	(421,367)	(436,538)	(452,253)	(468,533)
Net Revenue Requirement	\$ 4,270,896	\$ 4,383,254	\$ 4,603,294	\$ 4,863,670	\$ 5,139,432

2.4 Customers & Billable Flows

The rate study performed herein is heavily reliant upon a detailed analysis of system customers and accompanying usage characteristics. The existing utility customer base and metered/billable flows provide the determinants utilized in calculating the monthly user rates and charges, which become the foundation for projecting future revenues generated by the water and sewer systems.

It is important to note that the customer and flow analysis focuses primarily on the customer classifications that will be impacted by the user rates and charges to be developed in the Report. This consists of the general service (retail) customers that currently pay for utility services pursuant to the existing user rates and charges as previously detailed. For the purposes of the rate study, it is these customers and their accompanying flows that will generate revenues based upon the proposed user rates and charges.

2.4.1 Customer Billing Analysis

For the purpose of the rate study, detailed information was provided for each individual customer for the 48-consecutive month period from July 2017 through June 2021. This data offered a breakdown of water and sewer customers by class, billed flows and billed charges. The historical billing data was queried from the District's electronic billing records for the time

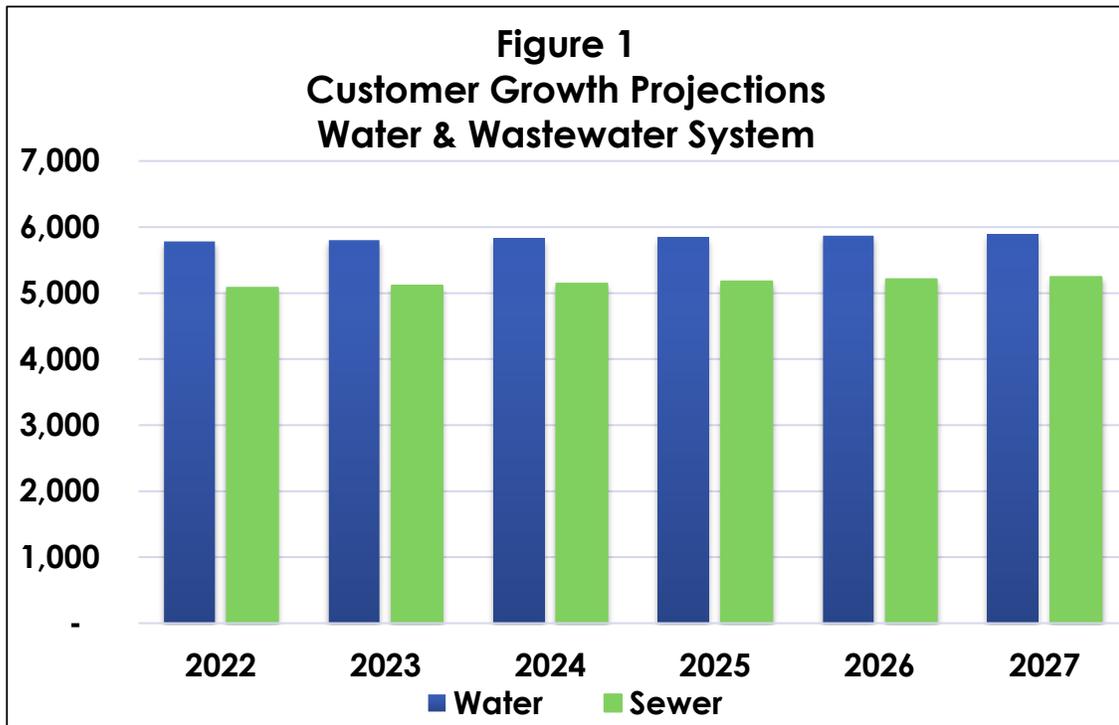
period described. An analysis of the billing data was conducted in order to obtain an understanding of existing customers, customer classes, and metered usage per customer class. In addition, the historical billing data provides a basis to estimate future customer growth trends within each class. In accordance with the data, as well as discussions with the District staff, the utility system provides service to various identifiable retail customer classes consisting of:

- Residential, and
- Non-Residential.

Each of these customer classes embodies certain common characteristics in their utility use and service demand profiles that provide the basis for establishing an equitable allocation of system costs. The billing data was utilized to identify the number of customer accounts within each class, the applicable equivalent residential units (ERUs) based on meter size, and the metered/billable usage profiles.

2.4.2 Customer Accounts

A customer account is representative of a single physical connection to the water and/or sewer system regardless of the size of the meter, the number of dwelling units or the amount of flow. The historical customer data was utilized to establish growth trends for each customer classification. The growth trends were then used to project the average number of accounts/users within each class for the Test Year plus the remaining years of the Projection Period. The existing and projected average customer accounts are summarized in **Figure 1**. The projected customer accounts and billable flows are provided in **Tables 8 and 9** for water and sewer, respectively.



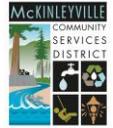


Table 8 – Projected Number of Customer Accounts

System	Estimated	Projected				
	2022	2023	2024	2025	2026	2027
Water						
Residential	5,027	5,047	5,068	5,090	5,114	5,139
Multi-Family	512	512	512	512	512	512
Commercial	245	245	245	245	245	245
Total Water	5,784	5,804	5,825	5,847	5,871	5,896
Sewer						
2 sewer Units/Commercial	3	3	3	3	3	3
Multi-Family	439	442	445	448	451	454
Bakery	1	1	1	1	1	1
Barber/Beauty Shop	7	7	7	7	7	7
Car Wash	3	3	3	3	3	3
Church & Residence	1	1	1	1	1	1
Churches	14	14	14	14	14	14
Coast Guard Station/Airport	4	4	4	4	4	4
Dialysis Clinic	1	1	1	1	1	1
Fire Station/School	5	5	5	5	5	5
Gas Stations (No Market)	9	9	9	9	9	9
Laundromats	6	6	6	6	6	6
Market	5	6	6	6	6	7
Metered Septage Vault	1	1	1	1	1	1
Mobile Homes	29	29	29	29	29	29
Motels/Hotels	2	2	2	2	2	2
Office Building/Post Office	52	52	52	52	52	52
Restaurant/Tavern	19	19	19	19	19	19
Retail/Banks/Theater/Other	48	48	48	48	48	48
Round Table/Market	1	1	1	1	1	1
Sewer Only Accounts	36	36	36	36	36	36
Sewer Units - Commercial	7	7	7	7	7	7
Single Family Residential	4,380	4,410	4,440	4,470	4,501	4,531
Two Sewer Units/Business	5	5	5	5	5	5
Brewery	1	1	1	1	1	1
Total Sewer	5,080	5,113	5,146	5,180	5,213	5,247



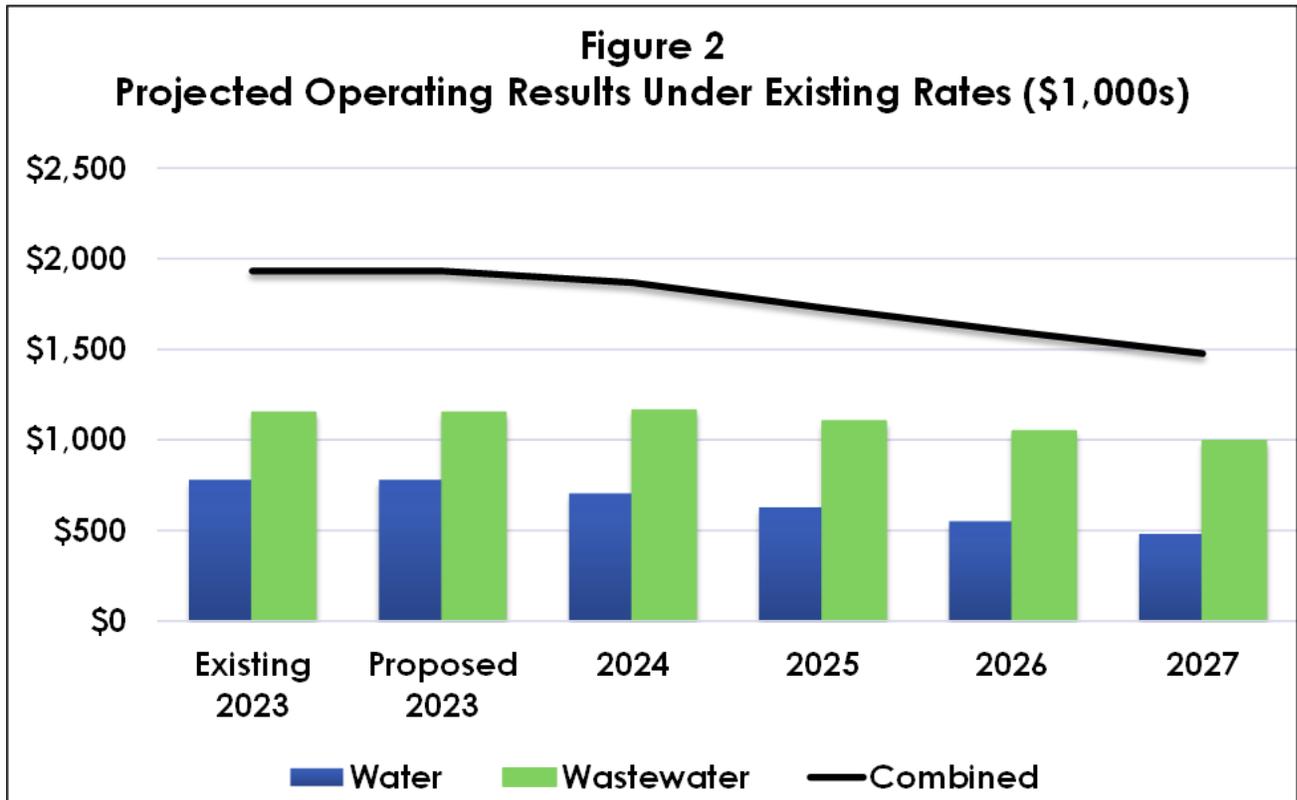
Table 9 – Projected Billed Volume Sold (100s CF)

System	Estimated	Projected				
	2022	2023	2024	2025	2026	2027
Water						
Residential	384,293	385,610	386,993	388,443	390,024	391,671
Multi-Family	108,355	108,355	108,355	108,355	108,355	108,355
Commercial	49,805	49,805	49,805	49,805	49,805	49,805
Total Water	542,453	543,770	545,153	546,603	548,184	549,831
Sewer						
2 sewer Units/Commercial	251	251	251	251	251	251
Multi-Family	79,188	79,715	80,256	80,797	81,339	81,880
Bakery	122	122	122	122	122	122
Barber/Beauty Shop	488	488	488	488	488	488
Car Wash	1,728	1,728	1,728	1,728	1,728	1,728
Church & Residence	288	288	288	288	288	288
Churches	1,469	1,469	1,469	1,469	1,469	1,469
Coast Guard Station/Airport	7,707	7,707	7,707	7,707	7,707	7,707
Dialysis Clinic	2,035	2,035	2,035	2,035	2,035	2,035
Fire Station/School	1,482	1,482	1,482	1,482	1,482	1,482
Gas Stations (No Market)	409	409	409	409	409	409
Laundromats	4,000	4,000	4,000	4,000	4,000	4,000
Market	3,205	3,358	3,511	3,663	3,867	4,070
Metered Septage Vault	5,036	5,036	5,036	5,036	5,036	5,036
Moblie Homes	2,033	2,033	2,033	2,033	2,033	2,033
Motels/Hotels	2,317	2,317	2,317	2,317	2,317	2,317
Office Building/Post Office	3,406	3,406	3,406	3,406	3,406	3,406
Restaurant/Tavern	5,900	5,900	5,900	5,900	5,900	5,900
Retail/Banks/Theater/Other	6,900	6,900	6,900	6,900	6,900	6,900
Round Table/Market	291	291	291	291	291	291
Sewer Only Accounts	-	-	-	-	-	-
Sewer Units - Commercial	11,990	11,990	11,990	11,990	11,990	11,990
Single Family Residential	299,603	301,638	303,690	305,754	307,834	309,926
Two Sewer Units/Business	835	835	835	835	835	835
Brewery	1,152	1,152	1,152	1,152	1,152	1,152
Total Sewer	441,835	444,550	447,296	450,053	452,879	455,715

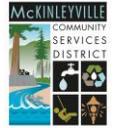
2.5 Financial Projections Under Existing Rates

The projected customers and accompanying billable flows are applied to the existing rates to develop a projection of user rate revenues under existing rates. The revenues are then compared to the projected revenue requirements/expenditures to determine if rate adjustments are needed. Based on this comparison, it is projected that both the water and sewer systems can meet their projected operating (O&M) financial obligations at the existing rates. While this is the case, neither the water nor sewer system can cover the costs of capital projects that are anticipated to be funded with cash reserves under existing rates. Therefore, anticipated revenue increases are required to generate additional cash in order to fund capital projects and maintain adequate cash reserves. The District currently looks to maintain 360 days of cash reserves in order to help fund ongoing operations, and to cover

any unexpected capital projects that may need to be funded with cash. A graphical illustration of the projected operating results under the existing rates is provided in **Figure 2** for water and sewer, respectively.



Since it is projected that neither the water nor sewer utility systems will meet their respective financial and capital requirements without rate adjustments, the analysis developed herein proposes annual adjustments that will address the financial objectives of each utility system and mitigate the impacts of rate shock on system customers. The proposed rates and projected financial results are addressed in the subsequent sections of this Report.



Section 3 – Cost of Service Analysis

3.1 General

In accordance with the American Water Works Association (AWWA) Manual M1, the costs incurred in a water utility system are generally driven by specific service requirements imposed on the system by its customers. The primary service requirements that drive costs include annual flow volumes, peaking flow volumes (e.g., peak day, peak hour), the number of customers and the type of customers served. There are several different options that can be used to perform a cost-of-service (COS) analysis and the allocation methodology depends upon the basis applied. The analysis performed for the rate study utilizes a common industry approach known as the base-extra capacity method. Sewer analyses involve an examination of flows and strength factors.

3.2 Water Cost-of-Service

The COS utilizes the revenue requirements for the Test Year as the cost basis. The Test Year revenue requirements as identified in the previous section of the Report are functionally unbundled, classified and allocated to customer classes to determine the cost of service by class. More detail relating to the water COS approach can be found in **Appendix B**.

3.2.1 Peaking Factors

System-wide peaking factors are used to derive the cost component allocation bases for Base (Delivery), Max Day, and Max Hour costs. Base represents average daily demand during the year, which has been normalized to a factor of 1.00. Based on data provided by District staff, the average water demand was 1.40 million gallons per day (MGD), the Max Day water demand was 1.88 MGD, and the Max Hour water demand was 2.97 MGD, in the most recent full fiscal year. The Max Day peaking factor shows that the system-wide Max Day demand is 1.34 (1.88 Max Day MGD divided by 1.40 Base Delivery) times greater than the average daily demand. The Max Hour peaking factor shows that the system-wide Max Hour demand is 2.12 (2.97 Max Hour MGD divided by 1.40 Base Delivery) times greater than average daily demand. The system-wide peaking factors are shown in **Table 10**.

The Max Day allocations are calculated as follows:

$$\text{Base Delivery: } 1.88 / 1.40 \times 100\% = 74.47\%$$

$$\text{Max Day: } (1.88 - 1.40) / 1.88 \times 100\% = 25.53\%$$

The Max Hour allocations are calculated as follows:

$$\text{Base Delivery: } 1.40 / 2.97 \times 100\% = 47.17\%$$

$$\text{Max Day: } (1.88 - 1.40) / 2.97 \times 100\% = 16.17\%$$

$$\text{Max Hour: } (2.97 - 1.88) / 2.97 \times 100\% = 36.66\%$$

Table 10 – Peaking Factors System-Wide

Description	Demand (MGD)	Factor	Base	Max Day	Max Hour	Total
Avg Day	1.40	1.00	100.00%	0.00%	0.00%	100.00%
Max Day	1.88	1.34	74.47%	25.53%	0.00%	100.00%
Max Hour	2.97	2.12	47.17%	16.17%	36.66%	100.00%

Max Day Customer specific peaking factors are then developed, based on the maximum monthly usage divided by average monthly usage for each customer class. Since daily peaking statistics are not available, the maximum month peaking factor is used as a proxy for the class-specific Max Day peaking factors. For Max Hour demands, the Max Day customer-specific peaking factors are inflated based on the ratio between the system-wide Max Day and Max Hour peaking factors to determine the Max Hour peaking factors for all classes. This is calculated using the following equation:

$$(\text{Max Day Peaking Factor (Table 11)} \times [(2.97 / 1.40) / (1.88 / 1.40)])$$

The peaking factors by customer class are shown in **Table 12**.

Table 11 – Peaking Factors by Customer Class

Description	Max Day Peaking Fator	Max Hour Peaking Factor
All Customers		
Tier 1	1.22	1.92
Tier 2	2.32	3.67

Once peaking factors are determined, Max Day and Max Hour demands of each customer class are calculated and shown in **Table 12**. Total annual usage is derived from the customer data and then converted to an average daily usage by dividing the total annual usage by 365 days in a year. Total Max Day capacity is developed by multiplying the customer-specific peaking factors (from **Table 11**) by the average daily usage to arrive at the total capacity required to meet each class's Max Day demand. The extra capacity required to meet Max Day demands is calculated by subtracting the average daily usage from the total capacity for Max Day. The total capacity for Max Hour demand is calculated by multiplying the average daily usage by the Max Hour peaking factors. The extra capacity required for Max Hour demand is equal to the Max Hour total capacity less the Max Day total capacity. The calculation of additional capacity to meet Max Day and Max Hour demands for each customer class is shown in **Table 12**.

Table 12 – Usage and Extra Capacity by Customer Class

Description			Max Day			Max Hour		
	Total Annual Flow (CCF)	Average Daily Flow (CCF)	Peaking Factor	Total Capacity (CCF/Day)	Additional Capacity (CCF/Day)	Peaking Factor	Total Capacity (CCF/Day)	Additional Capacity (CCF/Day)
All Customers	-	-	-	-	-	-	-	-
Tier 1	417,571	1,144	1.22	1,392	248	1.92	2,198	806
Tier 2	126,199	346	2.32	803	458	3.67	1,268	465
Total	543,770	1,490		2,196	706		3,466	1,271

The discussion thus far related to peaking factors reflect the system wide peaking factors including an average day factor of 1.00. It should be noted for further cost-of-service analysis and rate design under the base extra capacity method, base costs include a peaking factor. Previously the industry standard was to assume there was no peaking within base demand (often the lowest tier of a tiered rate structure). However, the industry standard has evolved to recognize that there are differing water demands from month to month and peaking factors within the base demand category should be recognized. Our cost-of-service and rate design analyses recognizes and incorporates this evolution.

3.2.2 Functional Unbundling of Revenue Requirements

The water system costs are unbundled into operating components consisting of Supply/Treatment, Transmission, Distribution, Customer, and Administration functions. These are the primary services provided by most water utility systems to its customers. A brief description of each component is as follows:

- **Supply/Treatment** – the costs associated with obtaining and converting raw water to potable water;
- **Transmission** – the costs associated with major pumping and large diameter line facilities that transmit potable water throughout the system at-large;
- **Distribution** – the costs associated with smaller diameter lines that carry water to individual customer properties;
- **Customer** – the costs associated with metering, billing and providing other services to customers (e.g. printing, delivering and collecting utility bills, recordkeeping, etc.);
- **Administration** – various overhead and other non-operating costs.

The allocation of the functionally unbundled revenue requirements for the Test Year are summarized in **Table 13**.

Table 13 – Functionally Unbundled Cost Allocations

Description	Test Year
Total O&M	\$ 3,380,194
Existing Debt Service	455,627
Future Debt Service	-
Other Expenditures & Transfers	878,384
Gross Revenue Requirement	\$ 4,714,205
Less Other Revenues	(341,566)
Net Revenue Requirement	\$ 4,372,639
Functional Unbundled Revenue Requirement	
Treatment	\$ -
Transmission & Distribution	816,179
Pumping	117,171
Customer Service	58,300
Admin	1,058,082
Source of Supply	1,330,462
Transfers	-
Existing Bond DS	455,627
New Bond DS	-
CIP	1,874,000
Non-Rate Revenue	(341,566)
Fund Balance ^[1]	(995,616)
Total	\$ 4,372,639
Notes:	
[1] Represents a transfer from reserves to provide funding for capital outlay and CIP costs.	

3.2.3 Classification of Water System Costs

As previously addressed, the functionally unbundled water system revenue requirements are then classified using the base-extra capacity cost allocation method. Applying this methodology, costs are classified into the following categories:

- **Base Costs** – capital costs and O&M expenses associated with service to customers under average demand conditions. This category does not include any costs attributable to variations in water use resulting from peaks in demand. Base costs tend to vary directly with the total quantity of water used.
- **Maximum Day/Extra Capacity Costs** – costs attributable to facilities that are designed to meet peaking requirements. These costs include capital and operating costs for additional plant and system capacity beyond that required for average usage. For the purposes of this analysis, the max/extra capacity costs are further separated into systemwide facilities and distribution facilities.
- **Customer Costs** – costs associated with any aspect of customer service including billing, accounting, recordkeeping and meter services. These costs are

independent of the amount of water used and the size of the customer's meter and are not subject to peaking factors.

As the name would indicate, using the base-extra capacity method, the costs are separated between those attributed to base capacity and those attributed to extra capacity. Other components such as treatment, transmission and distribution are allocated based on flows and peaking factors. All customer service-related costs are allocated 100% to customer billing.

Based on discussions with District staff, the general makeup of the customer base is not expected to change, so it is anticipated that the allocation percentages and factors will not change materially during the Projection Period. However, it is important to note that COS analyses are based on the data at a specific point in time (e.g., the most recent fiscal year). To the extent that weather conditions, economic conditions and customer usage characteristics change during the Projection Period, the cost allocators can be impacted. The system-wide costs by service characteristic are shown in **Table 14**.

Table 14 - Classification of Unbundled Revenue Requirements

Component	Base	Max Day	Max Hour	Meters & Services	Billing & Collection	Total
Treatment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission & Distribution	384,990	131,997	299,192	-	-	816,179
Pumping	87,255	29,916	-	-	-	117,171
Customer Service	-	-	-	30,573	27,727	58,300
Admin	-	-	-	554,870	503,212	1,058,082
Source of Supply	1,330,462	-	-	-	-	1,330,462
Transfers	-	-	-	-	-	-
Existing Bond DS	-	-	-	455,627	-	455,627
New Bond DS	-	-	-	-	-	-
CIP	880,780	-	-	993,220	-	1,874,000
Capital Outlay	-	-	-	-	-	-
Non-Rate Rev & Fund Bal	(628,445)	(37,918)	(70,068)	(476,410)	(124,341)	(1,337,182)
Total	\$ 2,055,042	\$ 123,995	\$ 229,124	\$ 1,557,880	\$ 406,598	\$ 4,372,639

3.2.4 Allocation to Customer Classes and Unit Cost Development

The functionalized and classified revenue requirements are allocated to customer classes as follows:

- **Base Costs** – Based on relative percentage of Base Annual Usage.
- **Maximum Day/Extra Capacity System Costs** – Based on relative percentage of Extra Capacity for the entire system.

- **Maximum Day/Extra Capacity Distribution Costs** – Based on relative percentage of Extra Capacity for the distribution system.
- **Customer Costs** – Based on relative percentage of Equivalent Residential Units (ERUs).

The units of service for each component of cost by customer class (if applicable) are provided in **Table 15**. The units of service consist of the number of accounts and units, ERUs, annual flows in CCF and Max Day and Max Hour extra capacity. Units are based on the number of customers as provided in the customer data. ERUs are based on meter equivalencies in accordance with AWWA standards. Base is the total annual usage projected for the test year based on historical customer data. Max Day and Max Hour are the extra capacity demand results as previously developed in **Table 12**.

Table 15 – Units of Service

Description	Accounts/ Units	ERUs	Base (CCF)	Max Day (CCF/Day)	Max Hour (CCF/Day)
All Customers	7,413	8,174	543,770	706	1,271
Tier 1			417,571	248	806
Tier 2			126,199	458	465
Total	7,413	8,174	543,770	706	1,271

The revenue requirement for each cost component is divided by its respective unit of service to calculate a unit cost. The unit cost for each cost component is demonstrated in **Table 16**.

Table 16 – Cost Per Unit

Description	Base	Max Day	Max Hour	Meters & Services	Billing & Collection	Total
Total Revenue Requirement	\$ 2,055,042	\$ 123,995	\$ 229,124	\$ 1,557,880	\$ 406,598	\$4,372,639
Units of Service	543,770	706	1,271	98,088	88,956	
	CCF	CCF/Day	CCF/Day	ERUs/Year	Bills/Year	
Cost Per Unit	\$ 3.78	\$ 175.69	\$ 180.32	\$ 15.88	\$ 4.57	
	CCF	CCF/Day	CCF/Day	ERU	Bill	

The allocation of the revenue requirement to each customer class is based on the unit costs for each component multiplied by the units of service for each customer class. For example, the Base unit cost is multiplied by the base flow amounts for each customer class to generate the allocated revenue requirement. The total costs to be recovered from each customer class by rate component are shown in **Table 17**.

Table 17 – Cost of Service by Customer Class and Cost Component

Rate Class	ERUs	Accounts	Base (CCF)	Max Day (CCF/Day)	Max Hour (CCF/Day)	Total Costs
All Customers	\$1,557,880	\$ 406,598	\$2,055,042	\$ 123,995	\$ 229,124	\$4,372,639
Tier 1			\$ 1,578,105	\$ 43,608	\$ 145,292	
Tier 2			\$ 476,937	\$ 80,387	\$ 83,832	
Total	\$1,557,880	\$ 406,598	\$2,055,042	\$ 123,995	\$ 229,124	\$4,372,639

3.2.5 Rate Design by Unit Cost

The unit costs developed in the previous section are used to design the proposed rates for the Test Year. The fixed rate components are based on accounts, ERUs and the allocated customer-related costs. The volumetric rate component is based on the annual usage and extra capacity requirements (Max Day and Max Hour).

The first component of the fixed charge is the meter charge and is applied on an ERU basis. It is common practice in the utility industry to establish a rate structure that includes an incremented service availability charge (monthly meter charge) such that customers placing a greater potential demand requirement on the system (those with larger meters) will pay proportionately more for the service availability component. The methodology for incrementing the availability charge is based upon standardized meter/capacity criteria established by the AWWA relative to the size of the water meter. The AWWA equivalent meter capacity criteria are commonly used to establish a standard unit of measure for customers referred to as an ERU. Based upon the established standards, an ERU is equal to one single-family residential connection with a 5/8 x 3/4-inch water meter (the standard meter size for a single-family residential customer in the District). The applicable ERU factors for larger water meters are based upon the incremental increase in potential capacity of those meters as compared to the standard meter size. These factors are derived from actual flow testing results as performed and defined by the AWWA, and commonly utilized by the water and sewer utility industry. In fact, many state public service commissions have adopted the AWWA meter equivalency basis as the required structure for rate-making by the private utility systems within their regulatory jurisdiction. The AWWA equivalency factors can be applied to the meter charge for a 5/8 x 3/4-inch meter to calculate the applicable meter charges for each meter size. A summary of the AWWA meter-size equivalency factors is provided in **Table 18**.

Table 18 - AWWA Meter Equivalency Factors

Description	AWWA Factors ⁽¹⁾
Meter Size	
5/8 Inch	1.00
3/4 Inch	1.50
1.0 Inch	2.50
1.5 Inch	5.00
2.0 Inch	8.00
3.0 Inch	15.00
4.0 Inch	25.00
6.0 Inch	50.00
8.0 Inch	80.00
<p>Notes: (1) Meter-size equivalency factors established by the AWWA and identified in AWWA Standards C700, M1 and M22. Such factors are commonly applied consistently for both water and wastewater rate design.</p>	

The second component of the fixed charge is the customer charge. Unlike meter-related costs, customer costs do not vary with meter size. Therefore, the monthly customer unit cost is applied equally to each account. The two fixed charge components are added together to develop the total proposed monthly base charge for each respective meter size. The proposed monthly base charges for the Test Year are shown in **Table 19**.

Table 19 – Monthly Base Charge Calculation

Meter Size	Capacity Ratio	Meter Charge	Customer Charge	Proposed Charge
General Service				
5/8 Inch	1.00	\$ 15.88	\$ 4.57	\$ 20.45
3/4 Inch	1.50	\$ 23.82	\$ 4.57	\$ 28.39
1.0 Inch	2.50	\$ 39.71	\$ 4.57	\$ 44.28
1.5 Inch	5.00	\$ 79.41	\$ 4.57	\$ 83.98
2.0 Inch	8.00	\$ 127.06	\$ 4.57	\$ 131.63
3.0 Inch	15.00	\$ 238.24	\$ 4.57	\$ 242.81
4.0 Inch	25.00	\$ 397.06	\$ 4.57	\$ 401.63
6.0 Inch	50.00	\$ 794.12	\$ 4.57	\$ 798.69
8.0 Inch	80.00	\$ 1,270.60	\$ 4.57	\$ 1,275.17

The water volumetric rates are made up of two different cost components. The first cost component is for base usage. The second cost component represents peaking costs (the combination of Max Day and Max Hour cost components). The base unit cost is \$3.78 as previously identified in **Table 16**. The Max Day and Max Hour peaking costs for each customer class (from **Table 17**) are added together and then divided by the annual usage. The peaking unit costs are shown in **Table 20**.

Table 20 – Peaking Unit Cost Calculation

Rate Class	Annual Use (CCF)	Peaking Costs	Peaking Unit Cost
All Customers			
Tier 1	417,571	\$ 188,900	\$ 0.45
Tier 2	126,199	\$ 164,219	\$ 1.30
Total	543,770	\$ 353,119	

The peaking unit costs are then added to the base unit cost to come up with the proposed volumetric rates for each customer class. The proposed volumetric rates are shown in **Table 21**.

Table 21 – Volumetric Rate Calculation

Meter Size	Base	Peaking	Proposed Rate (\$/CCF) [1]	Tier Differential
All Customers				
Tier 1	\$ 3.78	\$ 0.45	\$ 4.23	1.00
Tier 2	\$ 3.78	\$ 1.30	\$ 5.08	1.20

Notes:

[1] The proposed rate per CCF for each tier includes the \$1.76 HBMWD passthrough charge.

3.3 Sewer Cost-of-Service

As with the water system, the COS analysis for the sewer utility utilizes the revenue requirements for the Test Year as the cost basis. The Test Year revenue requirements are functionally unbundled, classified and allocated to customer classes to determine the cost-of-service by class. More detail relating to the sewer COS approach can be found in **Appendix C**.

3.3.1 Functional Unbundling of Revenue Requirements

The sewer system costs are unbundled into Collection, Treatment, and Customer functions. A brief description of each component is as follows:

- **Collection** – costs associated with lines and facilities that transport wastewater from customer properties to the plants for treatment;
- **Treatment** – costs associated with treating wastewater for disposal reclamation and/or discharge;
- **Customer** – costs associated with metering, billing and providing other services to customers (e.g. printing, delivering and collecting utility bills, recordkeeping, etc.).

The allocation of the functionally unbundled revenue requirements for the Test Year are summarized in **Table 22**.

Table 22 - Functional Unbundled Cost Allocations

Description	Test Year
Total O&M	\$ 2,402,326
Existing Debt Service	1,039,140
Future Debt Service	-
Other Expenditures & Transfers	1,236,155
Gross Revenue Requirement	\$ 4,677,621
Less Other Revenues	(406,725)
Net Revenue Requirement	\$ 4,270,896
Functional Unbundled Revenue Requirement	
Treatment	\$ 304,000
Collection	87,500
Administration	1,893,026
Pumping	78,500
Customer Service	39,300
Transfers	-
CIP	1,996,000
Capital Outlay	-
Existing Debt	1,039,140
New Debt	-
Non-Rate Revenue	(406,725)
Fund Balance ^[1]	(759,845)
Non-Rate Rev & Fund Bal	\$ 4,270,896
Notes:	
[1] Represents a transfer from reserves to provide funding for capital outlay and CIP costs.	

3.3.2 Classification of Revenue Requirements

The functionally unbundled revenue requirements for the sewer system are classified into fixed and volumetric customer components based on methodology consistent with the Water Environmental Federation (WEF), Manual of Practice No. 27. As discussed for the water COS analysis, it is anticipated that the allocation percentages will not change materially during the Projection Period. However, it is important to note that COS analyses are based on the data at a specific point in time (e.g., the most recent fiscal year). To the extent that weather conditions, economic conditions and customer usage characteristics change during the Projection Period, the cost allocators can be impacted. The system-wide costs by service characteristic are shown in **Table 23**.



Table 23 - Classification of Unbundled Revenue Requirements

Component	Volume	Capacity	Strength - SS	Strength - BOD	Billing & Collection	Customer Service	Total
Treatment	\$ 30,400	\$ 30,400	\$ 121,600	\$ 121,600	\$ -	\$ -	\$ 304,000
Collection	43,750	43,750	-	-	-	-	87,500
Administration	-	-	-	-	946,513	946,513	1,893,026
Pumping	39,250	39,250	-	-	-	-	78,500
Customer Service	-	-	-	-	19,650	19,650	39,300
Transfers	-	-	-	-	-	-	-
CIP	499,000	499,000	-	-	499,000	499,000	1,996,000
Capital Outlay	-	-	-	-	-	-	-
Existing Debt	166,262	166,262	-	-	353,308	353,308	1,039,140
New Debt	-	-	-	-	-	-	-
Non-Rate Rev & Fund Bal	(167,057)	(167,057)	(26,088)	(26,088)	(390,140)	(390,140)	(1,166,570)
Total	\$ 611,606	\$ 611,606	\$ 95,512	\$ 95,512	\$1,428,331	\$1,428,331	\$4,270,896

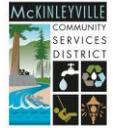
3.3.3 Allocation to Customer Classes

The functionalized and classified costs are allocated to customer classes proportionate to service characteristics such as biochemical oxygen demand (BOD) and suspended solids (SS) as well as billable flow levels for each class. BOD and SS are considered “strength factors” which reflect different treatment costs. Discharge from customers with higher concentrations of BOD and SS are more expensive to provide service to. There are incrementally higher costs (capital, chemical, electricity etc.) to treat the discharge from these customers. By contrast there is no difference in the cost to convey the flows from different customer classes as conveyance costs are independent of the strength of a customer’s discharge. Customer costs are commonly allocated based on ERUs in accordance with WEF guidelines that are also the same as the AWWA meter equivalency factors. All of these factors are considered in a cost-of-service and rate design analysis in determining rates by customer class. The functionalized and classified costs are allocated to the applicable customer class is summarized in **Table 24**.



Table 24 - Allocation of Functionalized & Classified Revenue Requirements

Rate Class	Volume Cost/CCF	Capacity Cost/CCF	Strength - SS Cost/pound	Strength - BOD Cost/pound	Billing & Collection	Customer Service	Total
Single Family Residential	\$ 414,989	\$ 414,989	\$ 57,832	\$ 55,997	\$ 942,814	\$ 942,814	\$ 2,829,436
Apartment/Multi Unit (Each)	109,671	109,671	15,284	14,799	369,857	369,857	989,137
2 sewer Units/Commercial	345	345	48	47	1,283	1,283	3,351
Bakery	168	168	70	113	214	214	947
Barber/Beauty Shop	671	671	94	91	1,497	1,497	4,520
Car Wash	2,377	2,377	248	32	641	641	6,318
Church & Residence	396	396	55	53	428	428	1,756
Churches	2,021	2,021	282	273	3,634	3,634	11,865
Coast Guard Station/Airport	10,603	10,603	1,478	1,431	855	855	25,825
Dialysis Clinic	2,800	2,800	195	472	214	214	6,694
Fire Station/School	2,039	2,039	142	179	1,069	1,069	6,537
Gas Stations (No Market)	563	563	110	68	1,924	1,924	5,152
Laundromats	5,503	5,503	422	557	1,283	1,283	14,551
Market	4,620	4,620	2,575	2,494	1,283	1,283	16,874
Metered Septage Vault	6,928	6,928	2,704	1,309	214	214	18,297
Moblie Homes (Each)	2,797	2,797	390	377	6,200	6,200	18,761
Motels/Hotels	3,188	3,188	1,333	1,075	428	428	9,639
Office Building/Post Office	4,686	4,686	653	632	25,227	25,227	61,112
Restaurant/Tavern	8,117	8,117	3,394	5,476	4,276	4,276	33,656
Retail/Banks/Theater/Other	9,493	9,493	1,323	1,281	10,262	10,262	42,114
Round Table/Market	400	400	190	181	428	428	2,027
Sewer Only Accounts	-	-	-	-	8,552	8,552	17,103
Sewer Units - Commercial	16,496	16,496	3,218	2,003	44,468	44,468	127,150
Two Sewer Units/Business	1,149	1,149	160	155	1,069	1,069	4,751
Two Sewer Units/Daycare	-	-	-	-	-	-	-
Brewery	1,585	1,585	3,313	6,416	214	214	13,326
Total	\$ 611,606	\$ 611,606	\$ 95,512	\$ 95,512	\$1,428,331	\$1,428,331	\$4,270,896



Section 4 – Proposed Test Year Rates

4.1 General

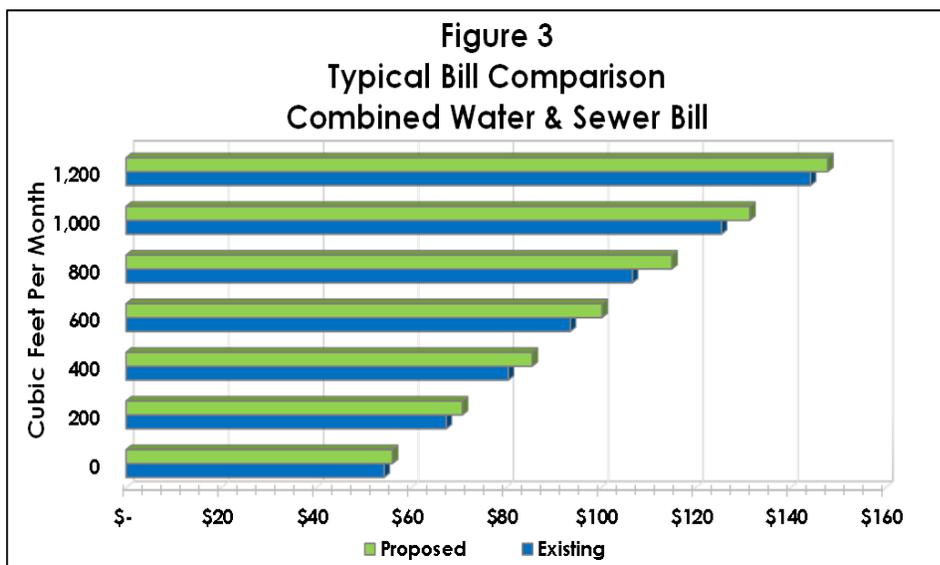
The methodology used to calculate the water and sewer rates proposed herein involves applying the projected customers and flows to the existing rates in order to develop the estimated revenues (separately for water and sewer), comparing the projected revenues to the estimated Test Year revenue requirements, and adjusting the water and/or sewer rates on a percentage basis as necessary to generate the revenues sufficient to meet the revenue needs of the utility system. In addition, there are other factors that must be considered in designing rates in order to satisfy the District's objectives. Such other rate considerations include, but are not limited to:

1. **Sensitivity to existing customers** - the proposed rates must consider the impact on existing customers and avoid putting an inequitable financial burden on any particular customer class.
2. **Comparability with neighboring utilities** - the proposed rates should consider the rates and charges applied to customers of neighboring utilities of relatively similar size for similar service.
3. **Existing rate structure** - the proposed rates must consider the logistics and cost/benefit implications of instituting significant changes to the existing rates and rate structure.
4. **Economic development** - the proposed rates must consider the potential for future development within the District's service area and ensure that the rates do not make it cost-prohibitive for future development.

The proposed rates developed herein utilize these considerations, as well as discussions with the District staff, professional judgment, and prior experience with comparable utility systems. The results of the COS indicated that, although the existing rates will not generate sufficient revenues to meet all the expenditure needs, the existing rate structure equitably recovers the costs allocated to each customer class. When reviewing potential rate structure options in conjunction with the need for additional revenues, it was determined that existing rate structure will be maintained at this time, however, the specific rates within the rate structure are proposed to be adjusted.

In conjunction with the existing rate structure, the proposed water and sewer rates for the upcoming fiscal year are composed of two rate components consisting of a monthly base charge and a volumetric rate for both water and sewer. The proposed water and sewer rates for the Test Year were provided at the beginning of this Report in **Tables 1 and 2**, respectively.

4.2 Typical Monthly Bill Comparison



In addition to reviewing the effect that a change in the rates will have on the system revenues, it is also important for utility management to understand the impact that a change will have on the existing customers. **Tables 25, 26 and 27** provide a comparison of several typical

monthly bills at various flow levels for water and sewer, as well as the combined utility bills under the existing and proposed rates. A graphical illustration of the typical bill comparison is provided in **Figure 3** for a residential customer with both water and sewer service. Based on the proposed rates, a typical customer with monthly flow of 600 CF (approximately 4,500 gallons) will experience an increase of **\$6.68** in their combined monthly water and sewer bill.

Table 25 – Residential Water Rate Impact

Description	Monthly Flow	Monthly Charges		\$ Amount Difference
		Existing	Proposed	
Residential				
5/8 Inch	0	\$ 19.80	\$ 20.45	\$ 0.65
5/8 Inch	100	\$ 23.45	\$ 24.68	\$ 1.23
5/8 Inch	200	\$ 27.10	\$ 28.92	\$ 1.82
5/8 Inch	300	\$ 30.75	\$ 33.15	\$ 2.40
5/8 Inch	400	\$ 34.40	\$ 37.38	\$ 2.98
5/8 Inch	500	\$ 38.05	\$ 41.61	\$ 3.56
5/8 Inch	600	\$ 41.70	\$ 45.84	\$ 4.14
5/8 Inch	700	\$ 45.35	\$ 50.07	\$ 4.72
5/8 Inch	800	\$ 49.00	\$ 54.31	\$ 5.31
5/8 Inch	1,000	\$ 61.98	\$ 64.47	\$ 2.49
5/8 Inch	1,200	\$ 74.96	\$ 74.63	\$ (0.33)
5/8 Inch	1,400	\$ 87.94	\$ 84.79	\$ (3.15)
5/8 Inch	1,600	\$ 100.92	\$ 94.95	\$ (5.97)
5/8 Inch	1,800	\$ 113.90	\$ 105.11	\$ (8.79)
5/8 Inch	2,000	\$ 126.88	\$ 115.27	\$ (11.61)

Table 26 – Residential Sewer Rate Impact

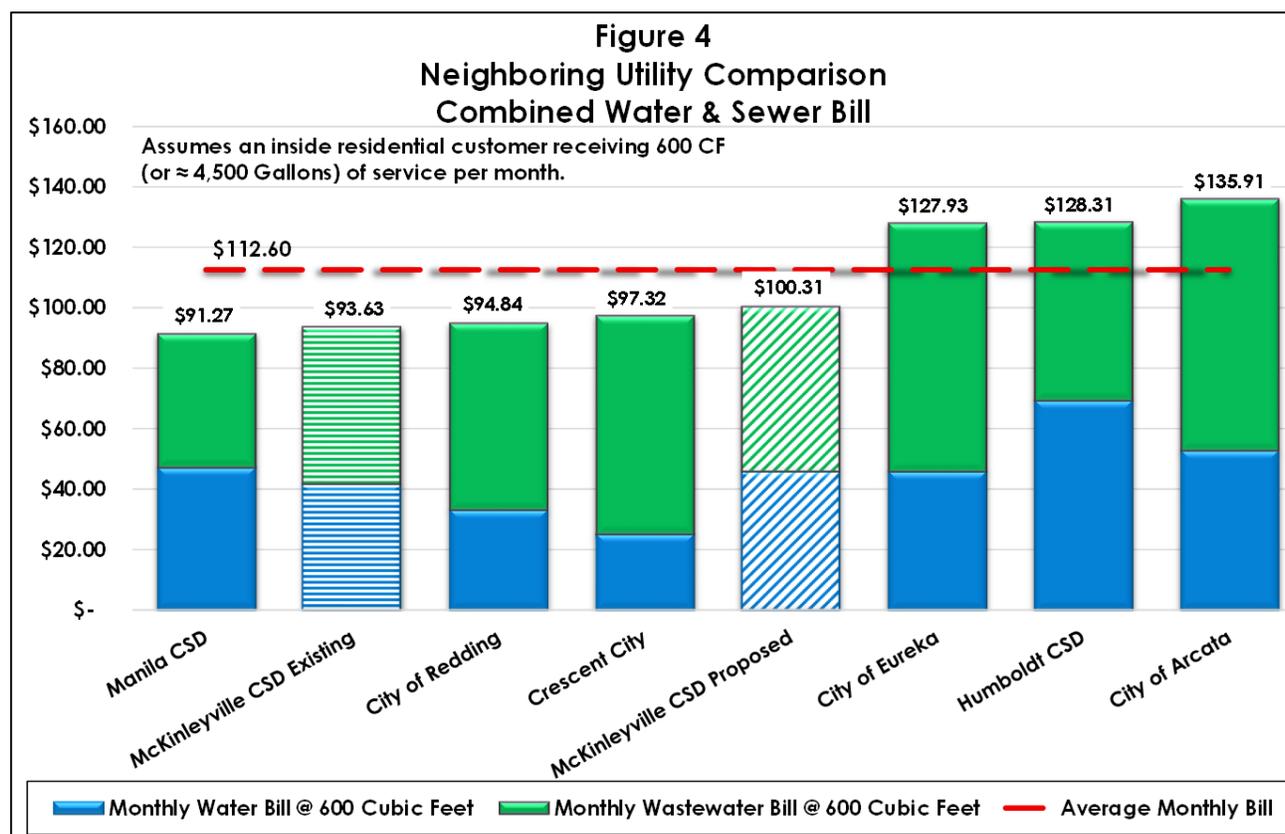
Description	Monthly Flow	Monthly Charges		\$ Amount Difference
		Existing	Proposed	
Residential				
5/8 Inch	0	\$ 34.59	\$ 35.69	\$ 1.10
5/8 Inch	100	\$ 37.48	\$ 38.82	\$ 1.34
5/8 Inch	200	\$ 40.37	\$ 41.95	\$ 1.58
5/8 Inch	300	\$ 43.26	\$ 45.08	\$ 1.82
5/8 Inch	400	\$ 46.15	\$ 48.21	\$ 2.06
5/8 Inch	500	\$ 49.04	\$ 51.34	\$ 2.30
5/8 Inch	600	\$ 51.93	\$ 54.47	\$ 2.54
5/8 Inch	700	\$ 54.82	\$ 57.59	\$ 2.77
5/8 Inch	800	\$ 57.71	\$ 60.72	\$ 3.01
5/8 Inch	1,000	\$ 63.49	\$ 66.98	\$ 3.49
5/8 Inch	1,200	\$ 69.27	\$ 73.24	\$ 3.97
5/8 Inch	1,400	\$ 75.05	\$ 79.50	\$ 4.45
5/8 Inch	1,600	\$ 80.83	\$ 85.76	\$ 4.93
5/8 Inch	1,800	\$ 86.61	\$ 92.01	\$ 5.40
5/8 Inch	2,000	\$ 92.39	\$ 98.27	\$ 5.88

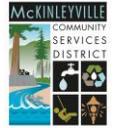
Table 27 – Residential Combined Rate Impact

Description	Monthly Flow	Monthly Charges		\$ Amount Difference
		Existing	Proposed	
Residential				
5/8 Inch	0	\$ 54.39	\$ 56.14	\$ 1.75
5/8 Inch	100	\$ 60.93	\$ 63.50	\$ 2.57
5/8 Inch	200	\$ 67.47	\$ 70.87	\$ 3.40
5/8 Inch	300	\$ 74.01	\$ 78.23	\$ 4.22
5/8 Inch	400	\$ 80.55	\$ 85.59	\$ 5.04
5/8 Inch	500	\$ 87.09	\$ 92.95	\$ 5.86
5/8 Inch	600	\$ 93.63	\$ 100.31	\$ 6.68
5/8 Inch	700	\$ 100.17	\$ 107.66	\$ 7.49
5/8 Inch	800	\$ 106.71	\$ 115.03	\$ 8.32
5/8 Inch	1,000	\$ 125.47	\$ 131.45	\$ 5.98
5/8 Inch	1,200	\$ 144.23	\$ 147.87	\$ 3.64
5/8 Inch	1,400	\$ 162.99	\$ 164.29	\$ 1.30
5/8 Inch	1,600	\$ 181.75	\$ 180.71	\$ (1.04)
5/8 Inch	1,800	\$ 200.51	\$ 197.12	\$ (3.39)
5/8 Inch	2,000	\$ 219.27	\$ 213.54	\$ (5.73)

4.3 Rate Comparison with Other Utilities

In order to provide the District with additional insight regarding the proposed rate levels, the analysis includes a comparison of both the existing and proposed user rates relative to the user rates imposed by other water and sewer utility systems located in same region. A summary analysis is provided comparing the cost of monthly water and sewer service for a typical residential customer (assumed to have a 5/8-inch water meter) calculated under the existing and proposed rates of the District with those of the other utilities. The rates utilized for the other neighboring utilities shown were in effect as of February 2022 and are exclusive of local taxes, outside surcharges, franchise fees, regulatory fees or other rate adjustments. A summary comparison with other utilities for a residential customer using 600 CF (approximately 4,500 gallons) per monthly billing is illustrated in **Figure 4**.





It should be noted that when making comparisons for water and sewer service, several factors effect the level of rates and charges. Such factors may include:

- 1) Terms of wholesale service agreements;
- 2) Time since last rate update for comparison providers;
- 3) Level of treatment required before the distribution of water to the ultimate customers;
- 4) Level of treatment and effluent disposal methods of sewer service;
- 5) Anticipated capital improvement programs and capital financing methods;
- 6) Plant capacity utilization, age of facilities, and assistance in construction by federal or state grants, connection fees, developer contributions, etc.;
- 7) General Fund and/or administrative fee transfers made by other systems which may account for differences in the level of rates charged; and
- 8) Bond covenants and funding requirements of the rates.

For the utilities included in the rate comparisons, no analysis has been performed with consideration to the above-mentioned factors as they relate to the reported water and sewer rates currently being charged.



Section 5 – Projected Operating Results

5.1 General

As a conclusion to the study, individual proforma operating statements are developed for both the water and sewer systems, and together with a combined proforma of the collective operations. The statements summarize the projected financial results based on the system revenues, expenses and other revenue requirements anticipated in future years. The individual operating statements cover the 5-fiscal year Projection Period through June 30, 2027 and are prepared on a cash-flow basis. In addition, the individual statements provide the applicable annual percentage rate adjustments necessary to meet the projected revenue requirements. The annual rate adjustments are considered separately for both water and sewer and further separated by the base charge and volumetric rate components. The following discussions describe the development of the major components of the projected operating results.

5.2 Projected Revenues

The user rate and charge revenues are estimated by applying the existing and proposed rates to the projected customers and flows. The revenues for the Projection Period are estimated separately for both water and sewer and further segmented by rate component and customer class. The resulting revenues are then compared to the projected revenue requirements (i.e., O&M expenses, debt service, capital outlay, transfers, etc.) in each fiscal year in order to determine if the revenues are sufficient to satisfy the expenditure needs of the system. To the extent that there are revenue shortfalls, the water and/or sewer rates are adjusted on a percentage basis as necessary to generate the required level of revenues. The projected water, sewer and combined revenues are provided in **Table 28**.

Table 28 – Projected User Rate Revenues

System	Existing	Proposed	Projected			
	2023	2023	2024	2025	2026	2027
Total Water Revenue	\$ 4,273,977	\$ 4,372,639	\$ 4,513,418	\$ 4,778,446	\$ 5,046,405	\$ 5,284,666
Total Sewer Revenue	\$ 4,186,171	\$ 4,270,896	\$ 4,383,254	\$ 4,603,294	\$ 4,863,670	\$ 5,139,432
Combined Revenue	\$ 8,460,148	\$ 8,643,535	\$ 8,896,672	\$ 9,381,740	\$ 9,910,075	\$10,424,098

The projected revenues include the annual water and sewer rate adjustments anticipated for the remaining years of Projection Period beyond the Test Year. The proposed user rates from which the projected operating results are developed for the entire 5-fiscal year Projection Period are provided in **Tables 29 and 30**. The rates identified in the tables reflect the cost of providing service to individual customer classes based on peaking factors, volume of flow, and strength characteristics.

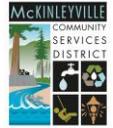


Table 29 – Proposed Monthly Water Rates

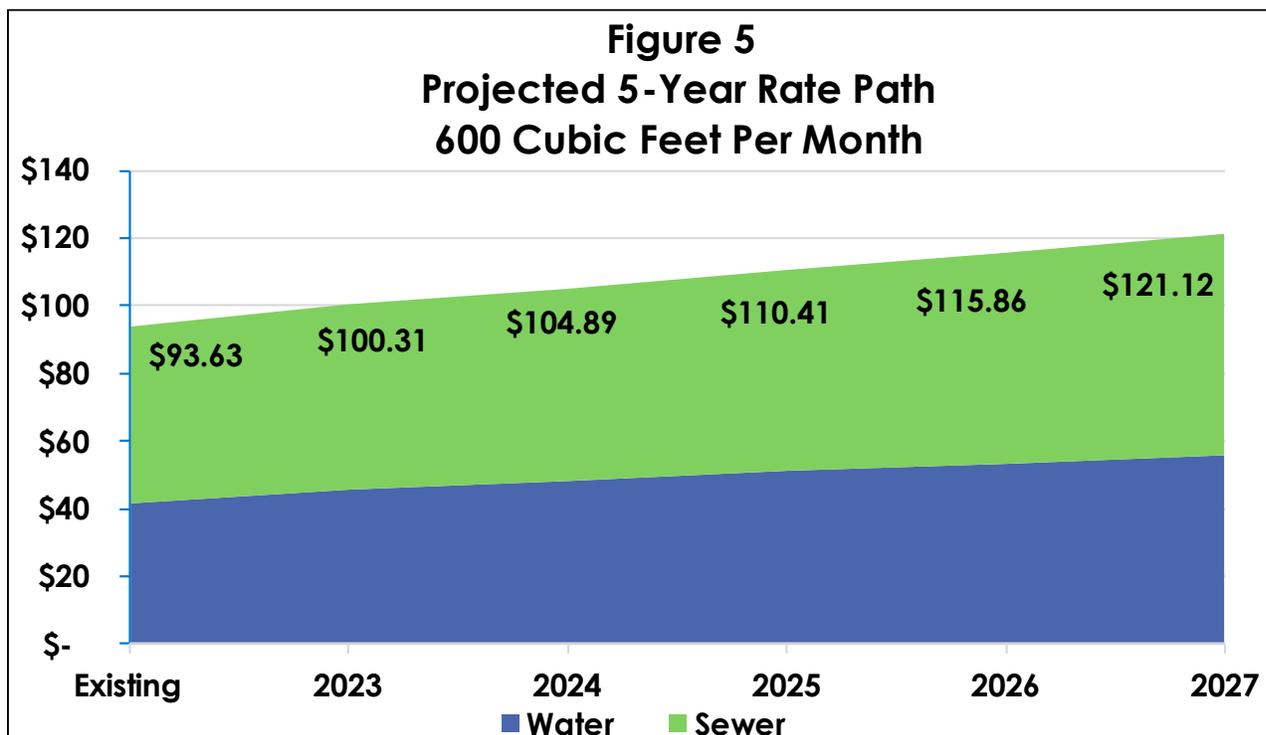
Description	Existing Rates	Projected For Calendar Year Beginning January 1:				
		2023	2024	2025	2026	2027
Monthly Base Charge by Meter Size:						
General Service						
5/8 Inch	\$ 19.80	\$ 20.45	\$ 21.68	\$ 22.98	\$ 24.13	\$ 25.10
3/4 Inch	\$ 29.11	\$ 28.39	\$ 30.10	\$ 31.90	\$ 33.50	\$ 34.85
1.0 Inch	\$ 47.52	\$ 44.28	\$ 46.93	\$ 49.75	\$ 52.24	\$ 54.34
1.5 Inch	\$ 93.06	\$ 83.98	\$ 89.02	\$ 94.36	\$ 99.08	\$ 103.06
2.0 Inch	\$ 147.91	\$ 131.63	\$ 139.53	\$ 147.89	\$ 155.29	\$ 161.54
3.0 Inch	\$ 291.85	\$ 242.81	\$ 257.37	\$ 272.80	\$ 286.46	\$ 297.97
4.0 Inch	\$ 459.76	\$ 401.63	\$ 425.72	\$ 451.25	\$ 473.83	\$ 492.88
6.0 Inch	\$ 915.75	\$ 798.69	\$ 846.60	\$ 897.36	\$ 942.27	\$ 980.15
8.0 Inch	\$ 1,464.41	\$ 1,275.17	\$ 1,351.65	\$ 1,432.70	\$ 1,504.40	\$ 1,564.87
Volumetric Rates Per 100 Cubic Feet:						
0 - 800 Cubic Feet	\$ 1.89	\$ 2.47	\$ 2.62	\$ 2.78	\$ 2.92	\$ 3.04
Over 800 Cubic Feet	\$ 4.73	\$ 3.32	\$ 3.51	\$ 3.73	\$ 3.91	\$ 4.07
HBMWD Pass Through ^[1]	\$ 1.76	\$ 1.76	\$ 1.81	\$ 1.89	\$ 1.97	\$ 2.04
Notes:						
[1] All customers pay an additional pass-through charge per 100 cubic feet of flow used by Humboldt Bay Municipal Water District.						



Table 30 – Proposed Monthly Sewer Rates

Description	Existing Rates	Projected For Calendar Year Beginning January 1:				
		2023	2024	2025	2026	2027
Monthly Base Charge ^[1]:						
All Customers	\$ 34.59	\$ 35.69	\$ 37.12	\$ 38.98	\$ 40.93	\$ 42.98
Volumetric Rates Per 100 Cubic Feet ^[2]:						
2 sewer Units/Commercial	\$ 3.03	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Apartment/Multi Unit (Each)	\$ 2.89	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Bakery	\$ 13.81	\$ 4.25	\$ 4.42	\$ 4.64	\$ 4.87	\$ 5.11
Barber/Beauty Shop	\$ 2.89	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Car Wash	\$ 0.66	\$ 2.91	\$ 3.03	\$ 3.17	\$ 3.33	\$ 3.50
Church & Residence	\$ 3.41	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Churches	\$ 3.03	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Coast Guard Station/Airport	\$ 3.03	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Dialysis Clinic	\$ 3.61	\$ 3.08	\$ 3.20	\$ 3.36	\$ 3.52	\$ 3.70
Fire Station/School	\$ 1.97	\$ 2.97	\$ 3.08	\$ 3.24	\$ 3.40	\$ 3.57
Gas Stations (No Market)	\$ 2.86	\$ 3.19	\$ 3.31	\$ 3.47	\$ 3.65	\$ 3.83
Laundromats	\$ 2.28	\$ 3.00	\$ 3.11	\$ 3.27	\$ 3.43	\$ 3.60
Market	\$ 11.56	\$ 4.26	\$ 4.43	\$ 4.64	\$ 4.88	\$ 5.12
Metered Septage Vault	\$ 3.24	\$ 3.55	\$ 3.69	\$ 3.87	\$ 4.06	\$ 4.26
Moble Homes (Each)	\$ 2.89	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Motels/Hotels	\$ 7.37	\$ 3.79	\$ 3.94	\$ 4.13	\$ 4.34	\$ 4.56
Office Building/Post Office	\$ 2.89	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Restaurant/Tavern	\$ 13.81	\$ 4.25	\$ 4.42	\$ 4.64	\$ 4.87	\$ 5.11
Retail/Banks/Theater/Other	\$ 3.03	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Round Table/Market	\$ 9.65	\$ 4.03	\$ 4.18	\$ 4.39	\$ 4.60	\$ 4.84
Sewer Only Accounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer Units - Commercial	\$ 2.86	\$ 3.19	\$ 3.31	\$ 3.47	\$ 3.65	\$ 3.83
Single Family Residential	\$ 2.89	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Two Sewer Units/Business	\$ 3.03	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Two Sewer Units/Daycare	\$ 2.92	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Brewery	\$ 23.12	\$ 11.20	\$ 11.63	\$ 12.20	\$ 12.81	\$ 13.45
Notes:						
[1] All sewer customers pay the same base charge.						
[2] Each customer class pays a different volumetric rate based on the strength of their respective sewer discharge.						

The projected user rates provided herein for the periods beyond the Test Year are intended for strategic planning purposes and to provide the District with the estimated future rates that may be needed to satisfy the projected cash flow requirements. The rates are developed in accordance with the assumed customer, flow, expenditure and revenue estimates projected in this rate study. It is important to note that, since it is necessary to utilize a number of assumptions to develop the projected operating results, to the extent that actual customers, flows and/or system expenditures differ from those assumed herein, additional rate adjustments may be required. For informative purposes, a calculation of the typical monthly bill for a representative District residential customer based on the projected rates, as well as the accompanying change in the monthly bill for each year of the Projection Period is included herein. An illustration of the projected typical bill rate path is provided in **Figure 5**.



5.3 Debt Service Coverage

The combined operating statement also includes a calculation of the annual debt service coverage. Debt service coverage is generally viewed as an indicator of the financial strength of the utility. The debt service coverage ratio is broadly calculated by dividing the net revenues by the annual debt service requirement. For the purposes of the debt service coverage calculation developed herein, the net revenues consist of the total operating revenues (user rate revenues plus other revenues) less the O&M expenses. In accordance with the requirements of the outstanding loan requirements, the District must maintain coverage of at least 120% (1.20 times) of the debt service requirements. Assuming this will be the required coverage amount for any anticipated new debt, the pro-forma operating statements indicate that the combined water and sewer system is expected to exceed the minimum level of debt service coverage in each fiscal year of the Projection Period. It is important to note that the coverage results are provided for informative purposes only and not intended as a legally supportable calculation for representation to bondholders. The debt service coverage for the water and sewer enterprise systems respectively over the projection period is provided in **Table 31**.

Table 31 – Water and Sewer Enterprise System Projected Debt Service Coverage

Fiscal Year	Water Enterprise		Sewer Enterprise	
	Projected	Minimum	Projected	Minimum
2023	2.93	1.20	2.19	1.20
2024	2.99	1.20	2.37	1.20
2025	3.28	1.20	2.51	1.20
2026	3.56	1.20	2.70	1.20
2027	3.84	1.20	2.91	1.20

5.4 Summary of Projected Operating Results

The cash-flow statements developing the projected operating results are summarized in **Tables 32, 33** and **34** for water, sewer and the combined systems, respectively. The projected results are graphically illustrated in **Figure 6** for water, sewer and the combined systems, respectively. The results demonstrate that the proposed rates and charges along with the other system revenues and estimated future rate adjustments are anticipated to be sufficient to satisfy the projected revenue requirements and capital needs of the combined utility system.



Table 32 – Water System Projected Operating Results

Description	Projected for Fiscal Year Ending June 30, (\$1,000s)					
	Existing 2023	Proposed 2023	2024	2025	2026	2027
Revenues:						
Water Sales	\$ 4,274	\$ 4,373	\$ 4,513	\$ 4,778	\$ 5,046	\$ 5,285
Other Revenues	342	342	359	377	395	415
Total Revenues	\$ 4,616	\$ 4,714	\$ 4,872	\$ 5,155	\$ 5,442	\$ 5,700
O&M Expenses	(3,380)	(3,380)	(3,512)	(3,657)	(3,810)	(3,961)
Net Income For Debt	\$ 1,235	\$ 1,334	\$ 1,360	\$ 1,498	\$ 1,631	\$ 1,739
Debt Service:						
Existing	\$ 456	\$ 456	\$ 456	\$ 457	\$ 458	\$ 453
Future	-	-	-	-	-	-
Total Debt Service	\$ 456	\$ 456	\$ 456	\$ 457	\$ 458	\$ 453
Balance After Debt	\$ 780	\$ 878	\$ 905	\$ 1,041	\$ 1,173	\$ 1,286
Other Expenditures & Transfers:						
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Expenditures & Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Results	\$ 780	\$ 878	\$ 905	\$ 1,041	\$ 1,173	\$ 1,286
Fund Balance Activity:						
Operating Fund						
Beginning Balance	\$ 6,125	\$ 6,125	\$ 5,130	\$ 3,357	\$ 2,087	\$ 2,099
Deposit/(Withdrawal) from Operations	780	878	905	1,041	1,173	1,286
Cash Funded Capital Projects	(1,874)	(1,874)	(2,678)	(2,310)	(1,162)	(833)
Total Operating Fund Balance	\$ 5,031	\$ 5,130	\$ 3,357	\$ 2,087	\$ 2,099	\$ 2,552
Ending Fund Balance	\$ 5,031	\$ 5,130	\$ 3,357	\$ 2,087	\$ 2,099	\$ 2,552
Debt Coverage	2.71	2.93	2.99	3.28	3.56	3.84



Table 33 – Sewer System Projected Operating Results

Description	Projected for Fiscal Year Ending June 30, (\$1,000s)					
	Existing 2023	Proposed 2023	2024	2025	2026	2027
Revenues:						
Wastewater Sales	\$ 4,186	\$ 4,271	\$ 4,383	\$ 4,603	\$ 4,864	\$ 5,139
Other Revenues	407	407	421	437	452	469
Total Revenues	\$ 4,593	\$ 4,678	\$ 4,805	\$ 5,040	\$ 5,316	\$ 5,608
O&M Expenses	(2,402)	(2,402)	(2,502)	(2,597)	(2,696)	(2,797)
Net Income For Debt	\$ 2,191	\$ 2,275	\$ 2,303	\$ 2,442	\$ 2,620	\$ 2,811
Debt Service:						
Existing	\$ 1,039	\$ 1,039	\$ 970	\$ 973	\$ 972	\$ 966
Future	-	-	-	-	-	-
Total Debt Service	\$ 1,039	\$ 1,039	\$ 970	\$ 973	\$ 972	\$ 966
Balance After Debt	\$ 1,151	\$ 1,236	\$ 1,333	\$ 1,469	\$ 1,648	\$ 1,845
Other Expenditures & Transfers:						
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Expenditures & Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Results	\$ 1,151	\$ 1,236	\$ 1,333	\$ 1,469	\$ 1,648	\$ 1,845
Fund Balance Activity:						
Operating Fund						
Beginning Balance	\$ 6,257	\$ 6,257	\$ 5,497	\$ 3,304	\$ 1,551	\$ 1,809
Deposit/(Withdrawal) from Operations	1,151	1,236	1,333	1,469	1,648	1,845
Cash Funded Capital Projects	(1,996)	(1,996)	(3,526)	(3,223)	(1,390)	(1,438)
Total Operating Fund Balance	5,412	5,497	3,304	1,551	1,809	2,216
Ending Fund Balance	\$ 5,412	\$ 5,497	\$ 3,304	\$ 1,551	\$ 1,809	\$ 2,216
Debt Coverage	2.11	2.19	2.37	2.51	2.70	2.91

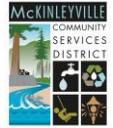
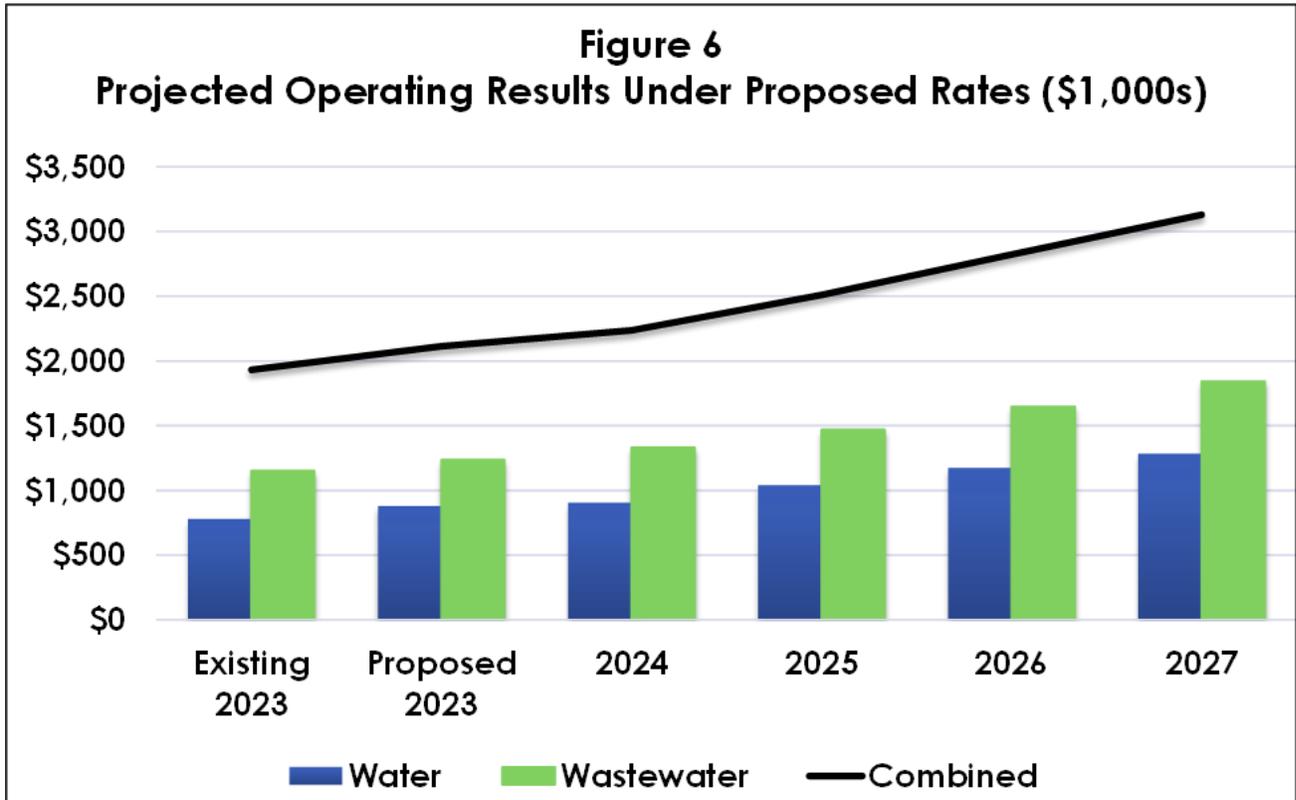
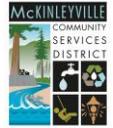


Table 34 – Combined System Projected Operating Results

Description	Projected for Fiscal Year Ending June 30, (\$1,000s)					
	Existing 2023	Proposed 2023	2024	2025	2026	2027
Revenues:						
Water Sales	\$ 4,274	\$ 4,373	\$ 4,513	\$ 4,778	\$ 5,046	\$ 5,285
Wastewater Sales	4,186	4,271	4,383	4,603	4,864	5,139
Combined	\$ 8,460	\$ 8,644	\$ 8,897	\$ 9,382	\$ 9,910	\$ 10,424
Other Revenues	748	748	780	813	848	884
Total Revenues	\$ 9,208	\$ 9,392	\$ 9,677	\$ 10,195	\$ 10,758	\$ 11,308
O&M Expenses	(5,783)	(5,783)	(6,013)	(6,255)	(6,506)	(6,758)
Net Income For Debt	\$ 3,426	\$ 3,609	\$ 3,663	\$ 3,940	\$ 4,251	\$ 4,550
Debt Service:						
Existing	\$ 1,495	\$ 1,495	\$ 1,426	\$ 1,430	\$ 1,430	\$ 1,419
Future	-	-	-	-	-	-
Total Debt Service	\$ 1,495	\$ 1,495	\$ 1,426	\$ 1,430	\$ 1,430	\$ 1,419
Balance After Debt	\$ 1,931	\$ 2,115	\$ 2,237	\$ 2,510	\$ 2,821	\$ 3,131
Other Expenditures & Transfers:						
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Expenditures & Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Results	\$ 1,931	\$ 2,115	\$ 2,237	\$ 2,510	\$ 2,821	\$ 3,131
Fund Balance Activity:						
Operating Fund						
Beginning Balance	\$ 12,382	\$ 12,382	\$ 10,627	\$ 6,661	\$ 3,638	\$ 3,908
Deposit/(Withdrawal) from Operations	1,931	2,115	2,237	2,510	2,821	3,131
Cash Funded Capital Projects	(3,870)	(3,870)	(6,203)	(5,533)	(2,551)	(2,271)
Total Operating Fund Balance	10,443	10,627	6,661	3,638	3,908	4,768
Ending Fund Balance	\$ 10,443	\$ 10,627	\$ 6,661	\$ 3,638	\$ 3,908	\$ 4,768
Debt Coverage	2.29	2.41	2.57	2.76	2.97	3.21





Section 6 – Drought Surcharge

6.1 General

In accordance with the American Water Works Association (AWWA) Manual M1, a rate surcharge is a separate charge added to the existing rate structure to collect either:

- A targeted amount of revenue; or
- To assess an appropriate charge for usage characteristics outside of those covered in the standard charge for service.

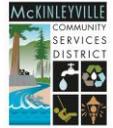
Surcharges are often separate from the standard rate structure and are labeled for a specific purpose for which the funds will be used, or they are connected directly to the event that caused the need for the surcharge. Drought rates are a specific form of a surcharge rate.

6.2 Purpose of a Drought Surcharge

Drought surcharges are a specific form of a surcharge used during a drought that are intended to ensure that revenue collected during a period when water sales are reduced as a result of drought and mandated water use restrictions will still meet the financial requirements of the utility. The reduction in water demand is usually achieved by multiple actions such as:

- Appealing to customers to voluntarily reduce water demands;
- Placing mandatory restrictions on discretionary water usage often related to outdoor usage (irrigation, filling pools, pressure washing, car washing, etc.); and

When water demand is reduced, there may be a negative impact on the utility's revenues. Because less water is sold, there is a corresponding reduction in variable water rate revenue. This can result in the water utility not being able to generate sufficient revenue to cover the water system's revenue requirements (and costs). To address this situation, a drought surcharge can be enacted to help prevent a revenue shortfall and ensure that the water system's revenue requirements are met. If a revenue shortfall occurs, this can result in the water utility having to draw down on available cash reserves, which are designated for other purposes, or cause the water utility to not generate enough revenues to meet current financial obligations.



6.2.1 The District's Water Shortage Contingency Plan

The District adopted a Water Shortage Contingency Plan (WSCP) that is designed to prepare for and respond to water shortages. This WSCP complies with California Water Code (CWC) Section 10632, which requires that every urban water supplier shall prepare and adopt a WSCP as part of its Urban Water Management Plan (UWMP).

The provisions of the WSCP shall take effect upon a declaration of a water shortage made by a resolution of the District Board of Directors (the Board). Recommendation for the implementation of the WSCP shall be brought to the Board of Directors whenever the District General Manager, upon engineering analysis of District water supplies, information received from the wholesale water provider, Humboldt Bay Municipal Water District (HBMWD), or due to regulatory requirements, notices, or orders, finds and determines that a water shortage emergency exists or is imminent within the MCSD water service area. The WSCP shall remain in effect for the duration of the water shortage or until rescinded by the Board.

The WSCP establishes water use restrictions and prohibitions to be implemented during times of declared water shortages or declared water shortage emergencies. It establishes six stages of response actions to be implemented in times of shortage, with increasing restrictions on water use in response to worsening drought conditions or decreasing available supplies. The MCSD Board of Directors, upon recommendation by the General Manager, shall determine and declare by resolution the stage of response action necessary.

6.3 Proposed Drought Surcharge Rates

The analysis and proposed drought surcharge water rates herein assume that a Stage 3 water shortage response action will be implemented. Under the Stage 3 water shortage response action (or Stages 4 through 6, as approved by Board Resolution), a mandatory 10% reduction in water demand will go into effect. More detail relating to the water drought surcharge cost of service approach can be found in **Appendix D**. The proposed Stage 3 drought surcharge rates and a comparison of the standard water rates to the Stage 3 drought surcharge rates can be found in **Tables 35** and **36**, respectively.

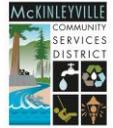


Table 35 – Proposed Drought Surcharge Rates

Description	Existing Rates	Projected For Calendar Year Beginning January 1:				
		2023	2024	2025	2026	2027
Monthly Base Charge by Meter Size						
General Service						
5/8 Inch	N/A	\$ 20.45	\$ 21.68	\$ 22.98	\$ 24.13	\$ 25.10
3/4 Inch	N/A	\$ 28.39	\$ 30.10	\$ 31.90	\$ 33.50	\$ 34.85
1.0 Inch	N/A	\$ 44.28	\$ 46.93	\$ 49.75	\$ 52.24	\$ 54.34
1.5 Inch	N/A	\$ 83.98	\$ 89.02	\$ 94.36	\$ 99.08	\$ 103.06
2.0 Inch	N/A	\$ 131.63	\$ 139.53	\$ 147.89	\$ 155.29	\$ 161.54
3.0 Inch	N/A	\$ 242.81	\$ 257.37	\$ 272.80	\$ 286.46	\$ 297.97
4.0 Inch	N/A	\$ 401.63	\$ 425.72	\$ 451.25	\$ 473.83	\$ 492.88
6.0 Inch	N/A	\$ 798.69	\$ 846.60	\$ 897.36	\$ 942.27	\$ 980.15
8.0 Inch	N/A	\$ 1,275.17	\$ 1,351.65	\$ 1,432.70	\$ 1,504.40	\$ 1,564.87
Drought Surcharge Per 100 Cubic Feet						
Tier 1	N/A	\$ 0.47	\$ 0.50	\$ 0.53	\$ 0.56	\$ 0.58
Tier 2	N/A	\$ 0.57	\$ 0.60	\$ 0.64	\$ 0.67	\$ 0.70
Total Volumetric Rates Per 100 Cubic Feet (Standard Volumetric Rate plus Drought Surcharge)						
0 - 800 Cubic Feet	N/A	\$ 2.94	\$ 3.12	\$ 3.31	\$ 3.48	\$ 3.62
Over 800 Cubic Feet	N/A	\$ 3.89	\$ 4.11	\$ 4.37	\$ 4.58	\$ 4.77
HBMWD Pass Through ^[1]	\$ 1.76	\$ 1.76	\$ 1.81	\$ 1.89	\$ 1.97	\$ 2.04
Notes:						
[1] All customers pay an additional pass-through charge per 100 cubic feet of flow used by Humboldt Bay Municipal Water District.						

Table 36 – Comparison of Standard Water Rates and Drought Surcharge Rates

Description	2023 Basic Water Rates	2023 Drought Rates ^[1]	Difference (\$)
Monthly Base Charge by Meter Size:			
General Service			
5/8 Inch	\$ 20.45	\$ 20.45	\$ -
3/4 Inch	\$ 28.39	\$ 28.39	\$ -
1.0 Inch	\$ 44.28	\$ 44.28	\$ -
1.5 Inch	\$ 83.98	\$ 83.98	\$ -
2.0 Inch	\$ 131.63	\$ 131.63	\$ -
3.0 Inch	\$ 242.81	\$ 242.81	\$ -
4.0 Inch	\$ 401.63	\$ 401.63	\$ -
6.0 Inch	\$ 798.69	\$ 798.69	\$ -
8.0 Inch	\$ 1,275.17	\$ 1,275.17	\$ -
Volumetric Rates Per 100 Cubic Feet:			
Tier 1	\$ 2.47	\$ 2.94	\$ 0.47
Tier 2	\$ 3.32	\$ 3.89	\$ 0.57
HBMWD Pass Through ^[2]	\$ 1.76	\$ 1.76	\$ -
Notes:			
[1] Drought rates are based on the "Stage 3 - Mandatory Conservation" water demand reduction goal of 10% as stated in the McKinleyville Community Service District Water Shortage Contingency Plan.			
[2] All customers pay an additional pass-through charge per 100 cubic feet of flow used by Humboldt Bay Municipal Water District.			

As demonstrated above in **Table 36**, only the volumetric rates increase when the drought surcharge goes into effect. As stated previously in **Section 3** of the report, this is because of the functional unbundling of the revenue requirements (costs). When the drought surcharge rates go into effect due to a water supply shortage, there is less water demand (customer usage) to recover the same revenue requirements allocated to the volumetric rate component. Therefore, volumetric rates need to go up to recover the same amount of revenue requirements needed while the base charge remains unchanged. The difference in units and unit costs between the standard water and drought surcharge analysis is provided in **Table 37**. The breakout of the drought surcharge proposed volumetric rates compared to the standard water rates is provided in **Table 38**.

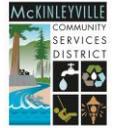


Table 37 – Standard Water Rate vs Drought Surcharge Unit Costs

Description	Base	Max Day	Max Hour	Meters & Services	Billing & Collection	Total
Basic Water Rates						
Total Revenue Requirement	\$ 2,055,042	\$ 123,995	\$ 229,124	\$ 1,557,880	\$ 406,598	\$4,372,639
Units of Service	543,770	706	1,271	98,088	88,956	
	CCF	CCF/Day	CCF/Day	ERUs/Year	Bills/Year	
Cost Per Unit	\$ 3.78	\$ 175.69	\$ 180.32	\$ 15.88	\$ 4.57	
	CCF	CCF/Day	CCF/Day	ERU	Bill	
Drought Surcharge Rates						
Total Revenue Requirement	\$ 2,055,042	\$ 123,995	\$ 229,124	\$ 1,557,880	\$ 406,598	\$4,372,639
Units of Service	489,392	635	1,144	98,088	88,956	
	CCF	CCF/Day	CCF/Day	ERUs/Year	Bills/Year	
Cost Per Unit	\$ 4.20	\$ 195.21	\$ 200.36	\$ 15.88	\$ 4.57	
	CCF	CCF/Day	CCF/Day	ERU	Bill	

Table 38 – Proposed Volumetric Rate Breakout

Meter Size	Base	Peaking	Proposed Rate (\$/CCF) [1]	Tier Differential
Basic Water Rates - All Customers				
Tier 1	\$ 3.78	\$ 0.45	\$ 4.23	1.00
Tier 2	\$ 3.78	\$ 1.30	\$ 5.08	1.20
Drought Surcharge Rates - All Customers				
Tier 1	\$ 4.20	\$ 0.50	\$ 4.70	1.00
Tier 2	\$ 4.20	\$ 1.45	\$ 5.65	1.20
Notes:				
[1] The proposed rate per CCF for each tier includes the \$1.76 HBMWD passthrough charge.				



Section 7 – Conclusions and Recommendations

7.1 General Disclaimer

In the development of the proposed user rates and charges, certain historical reviews and analyses have been performed, together with the application of assumptions based on prudent financial, operational and ratemaking relationships. The cost criteria and customer usage characteristics associated with general ratemaking procedures are representative of averages and are not intended as indicators of any individual customer.

In the preparation of the rate study, certain assumptions have been made with respect to conditions that may occur in the future. While it is believed that these assumptions are reasonable for the purpose of this update, they are dependent upon future events and actual conditions may differ from those assumed. In addition, the study has used and relied upon certain information that was provided by other parties not associated with Willdan. Such information includes, among other things, the District's audited financial statements, annual operating budgets, periodic reports, and other information and data provided by the District, its independent auditors, and other sources. While the sources are believed to be reliable, there has been no independent verification of the information and no assurances are offered with respect thereto. To the extent that future conditions differ from those assumed herein or provided by others, the actual results may vary from those projected.

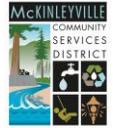
7.2 Conclusions

As previously addressed, the purpose of this study is to provide a review of the District's existing utility rates to determine if rate adjustments are necessary to meet the budgeted and/or projected financial needs in future years. This Report is the result of the collaborative efforts of representatives from both the District and Willdan. District staff was diligent and cooperative in their efforts to ensure the availability and quality of source data on financial and operating matters. Based on the reviews, analyses and assumptions discussed herein, it is concluded that:

1. The proposed user rates and charges are anticipated to generate sufficient revenues to meet the revenue requirements of the system based upon the projected expenditures, transfers, customers and billable flows estimated for the Test Year. The proposed rates are based on an assumed implementation date of January 1, 2023 (or other such date as determined by the District). To the extent that the implementation date is postponed, additional rate adjustments and/or appropriations from existing reserves may be necessary.
2. The estimated revenues and resulting rate adjustments for the remaining years of the Projection Period beyond the Test Year are developed based on the

customer growth assumptions generated from the historical analyses and discussions with District staff. If the customer growth projections are not realized, additional rate adjustments may be necessary.

3. Customer account growth for the water and sewer systems is projected based on historical customer account data as provided by the District as well as discussions with the District staff regarding developer activity and anticipated construction. The customer information indicates that the utility system has experienced limited new growth during recent years. As such, for the purpose of the analyses developed herein, it is assumed that minimal growth will be realized during the Projection Period. If it turns out that this assumption is too conservative and additional customers connect to the system, the resulting revenues could be higher than projected.
4. The projection of billable water and sewer flows are based on historical trends with regard to the average flow per user for each customer class. The average water and sewer flows per account are developed from historical customer data and are assumed to remain relatively constant for the Projection Period. The historical billing data provided by the District was utilized to identify the average flow statistics for system customers. For the analyses developed herein, it is assumed that the average usage statistics for the Projection Period will be consistent with recent historical average usage levels as realized in recent years, or as otherwise assumed based on discussions with staff. When applying the estimated average usage statistics, it is assumed that the water and sewer sales will increase with the estimated growth in customers. However, it is important to note that annual variations in rainfall and other climatological factors may influence the level of future water demands and the accompanying billable sewer flows for the District.
5. Future capital improvement projects are assumed to occur as reported by the District in its CIP. To the extent that the timing of such projects may change from that estimated herein, the cost of such projects and resulting impact on future rates and charges may vary from those indicated.
6. The proposed rates and rate structure are consistent with industry standards for rate-setting practices, comply with Proposition 218 and conform to the District's financial policies with respect to:
 - a. Equitably recovering costs;
 - b. Being based upon the proportionate cost of providing services; and
 - c. Generating sufficient revenue to recover system revenue requirements, fund capital needs and meet reserve requirements.



7.3 Recommendations

Based on the reviews, analyses and assumptions addressed herein, as well as the resulting conclusions provided above, it is respectfully recommended that the District:

1. Adopt the proposed water and sewer rates.
2. Adopt the proposed drought surcharge rates.
3. Enact the proposed rates to become effective as of January 1, 2023 (or other such date as determined by the District). Based on the timing of the project and the required public hearing notice procedures, it is expected that the effective date will occur at the recommended date.
4. Readdress the cost-of-service analysis portion of this study every three to five years to ensure costs are recovered consistent with cost-of-service principles and customer characteristics.

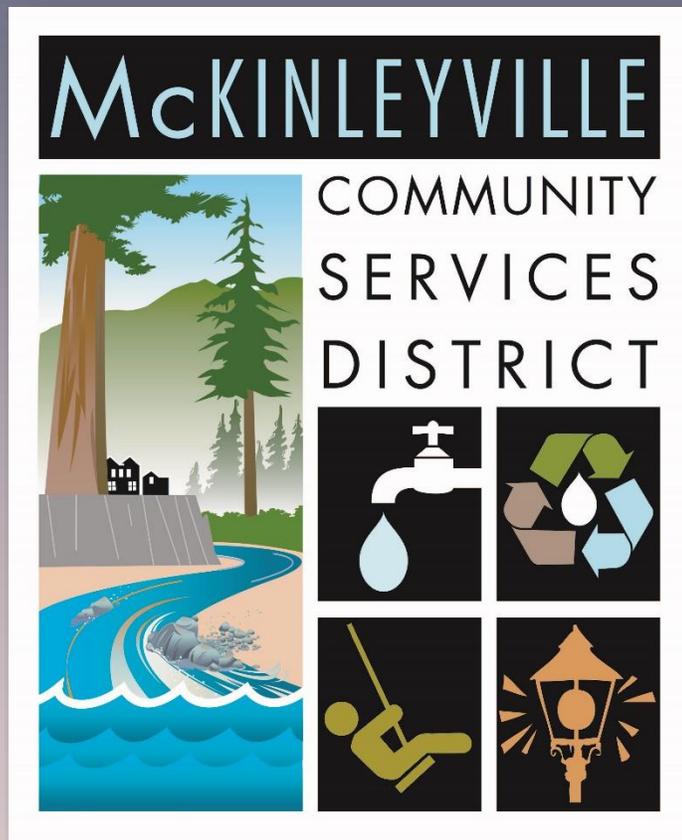
We appreciate the opportunity to be of service to the District in this engagement. In addition, we would like to thank District staff for the valuable assistance provided during the completion of the rate study.

Respectfully Yours,

WILLDAN FINANCIAL SERVICES

APPENDIX

COST OF SERVICE DETAIL FOR THE WATER & SEWER RATE STUDY



**WATER & SEWER RATE STUDY FOR THE
McKINLEYVILLE COMMUNITY SERVICES DISTRICT, CALIFORNIA**

Prepared by Willdan Financial Services



APPENDIX - A
MCKINLEYVILLE CSD, CA
Development of Rate Revenue Requirements

Line No:		A		B		C			
		Test Year for Rate							
		Revenue Requirement							
		FY 2023	% to Water	Water	% to Sewer	Sewer			
1	Total Operating Revenue Requirement	\$	9,391,826		\$	4,714,205	\$	4,677,621	
	Less:								
	<u>Other Operating Revenues</u>								
2	Water Base Chg	\$	-	100%	\$	-	0%	\$	-
3	Mtr. Water Sale	\$	-	100%	\$	-	0%	\$	-
4	New Svc. Fees	\$	25,000	100%	\$	25,000	0%	\$	-
5	Service Install	\$	-	100%	\$	-	0%	\$	-
6	Pl. Ck. Fee Dep	\$	1,000	100%	\$	1,000	0%	\$	-
7	Swr Const Prmt	\$	-	100%	\$	-	0%	\$	-
8	Permit Fees	\$	1,000	100%	\$	1,000	0%	\$	-
9	Conn. Fees Wtr. Cap. Impr.	\$	150,000	100%	\$	150,000	0%	\$	-
10	Proc. Fees	\$	15,000	100%	\$	15,000	0%	\$	-
11	Bad Check Fees	\$	500	100%	\$	500	0%	\$	-
12	Reconn. Fees	\$	3,000	100%	\$	3,000	0%	\$	-
13	Dcv Inspection	\$	22,000	100%	\$	22,000	0%	\$	-
14	Refunds/Rebates	\$	-	100%	\$	-	0%	\$	-
15	Rec. Bad Debts	\$	900	100%	\$	900	0%	\$	-
16	Cell Tower Rev.	\$	17,000	100%	\$	17,000	0%	\$	-
17	Other Op. Rev.	\$	15,000	100%	\$	15,000	0%	\$	-
18	Lease Revenue	\$	3,600	100%	\$	3,600	0%	\$	-
19	Paving Fees	\$	3,000	100%	\$	3,000	0%	\$	-
20	Svc Upgrade	\$	-	100%	\$	-	0%	\$	-
21	After Hrs Chgs	\$	500	100%	\$	500	0%	\$	-
22	St. Light Chgs	\$	450	100%	\$	450	0%	\$	-
23	Sale Of Scrap	\$	350	100%	\$	350	0%	\$	-
24	Ins. Reimburse.	\$	-	100%	\$	-	0%	\$	-
25	Int. Revenue	\$	50,000	100%	\$	50,000	0%	\$	-
26	Int. Revenue Admin./General	\$	-	100%	\$	-	0%	\$	-
27	Late Charges	\$	12,500	100%	\$	12,500	0%	\$	-
28	Contrib. Const.	\$	-	100%	\$	-	0%	\$	-
29	Other Income	\$	1,000	100%	\$	1,000	0%	\$	-
30	State/Other Grants	\$	-	100%	\$	-	0%	\$	-
31	Loss(Gain) Disp	\$	4,000	100%	\$	4,000	0%	\$	-
32	Unrealized Gain/Loss - Water	\$	-	100%	\$	-	0%	\$	-
33	Swr Svc Chgs.	\$	-	0%	\$	-	100%	\$	-
34	Storm Water Fee	\$	-	0%	\$	-	100%	\$	-
35	Storm Wtr Fee Open Space Main	\$	350	0%	\$	-	100%	\$	350
36	New Svc. Fees	\$	30,000	0%	\$	-	100%	\$	30,000
37	Pl. Ck. Fee Dep	\$	1,000	0%	\$	-	100%	\$	1,000
38	Swr Const Prmt	\$	2,500	0%	\$	-	100%	\$	2,500
39	Permit Fees	\$	-	0%	\$	-	100%	\$	-
40	Conn. Fees Capital Imp	\$	200,000	0%	\$	-	100%	\$	200,000
41	Bad Check Fees	\$	300	0%	\$	-	100%	\$	300
42	Reconn. Fees	\$	-	0%	\$	-	100%	\$	-
43	Refunds/Rebates	\$	-	0%	\$	-	100%	\$	-
44	Rec. Bad Debts	\$	900	0%	\$	-	100%	\$	900
45	Cell Tower Rev.	\$	17,000	0%	\$	-	100%	\$	17,000
46	Other Op. Rev.	\$	6,500	0%	\$	-	100%	\$	6,500
47	Lease Revenue	\$	64,392	0%	\$	-	100%	\$	64,392
48	Paving Fees	\$	1,000	0%	\$	-	100%	\$	1,000
49	After Hrs Chgs	\$	-	0%	\$	-	100%	\$	-
50	Sale Of Scrap	\$	-	0%	\$	-	100%	\$	-
51	Insurance Reimb	\$	-	0%	\$	-	100%	\$	-
52	Int. Revenue	\$	50,000	0%	\$	-	100%	\$	50,000
53	Int. Revenue Admin./General	\$	-	0%	\$	-	100%	\$	-
54	Late Charges	\$	13,000	0%	\$	-	100%	\$	13,000
55	Contrib. Const.	\$	-	0%	\$	-	100%	\$	-
56	Other Income	\$	2,000	0%	\$	-	100%	\$	2,000
57	State/Fema Grants	\$	-	0%	\$	-	100%	\$	-
58	Loss (Gain) Disp	\$	4,000	0%	\$	-	100%	\$	4,000
59	Unrealized Gain/Loss	\$	-	0%	\$	-	100%	\$	-
60	Increase/(Decrease) in Revenues	\$	29,549		\$	15,766		\$	13,783
61	Total Other Operating Revenues	\$	748,291		\$	341,566		\$	406,725
62	Total Rate Revenue Requirement	\$	8,643,535	51%	\$	4,372,639	49%	\$	4,270,896

APPENDIX - B

MCKINLEYVILLE CSD, CA

Water Max Day/Hour Allocation Factors - Test Year FY 2023

		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]
Line No:	Description	Flow	Peak Month (CCF)	Average Month (CCF)	Max Day/Avg Day Factor	Max Day Total Capacity (CCF/Day)	Max Day Extra Capacity (CCF/Day)	Max Hour Capacity Factor	Max Hour Total Capacity (CCF/Day)	Max Hour Extra Capacity (CCF/Day)
Operating Statistics:		MGD	Factor							
1	Avg Day Flow (MGD)	1.40	1.00							
2	Max Day Flow (MGD)	1.88	1.34							
3	Max Hour Flow (MGD)	2.97	2.12							
Cost Allocation Factors:		Base	Max Day	Max Hour						
4	Base/Max Day	74.47%	25.53%	0.00%						
5	Base/Max Day/Max Hour	47.17%	16.17%	36.66%						
Peaking Factors:					[B] / [C]	[D] * [B3 / B2]				
All Customers										
6	Tier 1		43,265	35,552	1.22			1.92		
7	Tier 2		27,648	11,900	2.32			3.67		
						Maximum Day	Maximum Hour			
						[D] x [B]	[E] - [B]	[G] x [B]		[H] - [E]
Estimated Max Day/Hour Flows:		Total Annual Flow (CCF)	Average Daily Flow (CCF)		Peaking Factor	Total Capacity	Extra Capacity	Peaking Factor	Total Capacity	Extra Capacity
All Customers										
8	Tier 1	417,571	1,144		1.22	1,392	248	1.92	2,198	806
9	Tier 2	126,199	346		2.32	803	458	3.67	1,268	465
10	Total	543,770	1,490			2,196	706		3,466	1,271

APPENDIX - B

MCKINLEYVILLE CSD, CA

Water Units of Service by Cost Component - Test Year FY 2023

		[A]	[B]	[C]	[D]	[E]
Line No:	Description	ERUs	Accounts/Units	Base (CCF)	Max Day (CCF/Day)	Max Hour (CCF/Day)
1	All Customers	8,174	7,413	543,770	706	1,271
2	Tier 1			417,571	248	806
3	Tier 2			126,199	458	465
4	Total	8,174	7,413	543,770	706	1,271

APPENDIX - B
MCKINLEYVILLE CSD, CA
Allocation of Water Costs - Test Year FY 2023

Line No:	Description	Water Costs	Extra Capacity			Meters & Services	Billing & Collection	Total
			Base	Max Day	Max Hour			
Allocation Factors:								
1	Treatment		74.47%	25.53%	0.00%	0.00%	0.00%	100.00%
2	Transmission & Distribution		47.17%	16.17%	36.66%	0.00%	0.00%	100.00%
3	Pumping		74.47%	25.53%	0.00%	0.00%	0.00%	100.00%
4	Customer Service		0.00%	0.00%	0.00%	52.44%	47.56%	100.00%
5	Admin		0.00%	0.00%	0.00%	52.44%	47.56%	100.00%
6	Source of Supply		100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
7	Transfers		75.00%	0.00%	0.00%	25.00%	0.00%	100.00%
8	Existing Bond DS		0.00%	0.00%	0.00%	100.00%	0.00%	100.00%
9	New Bond DS		0.00%	0.00%	0.00%	100.00%	0.00%	100.00%
10	CIP		47.00%	0.00%	0.00%	53.00%	0.00%	100.00%
11	Capital Outlay		0.00%	0.00%	0.00%	100.00%	0.00%	100.00%
Allocation of Costs:								
12	Treatment	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Transmission & Distribution	816,179	384,990	131,997	299,192	-	-	816,179
14	Pumping	117,171	87,255	29,916	-	-	-	117,171
15	Customer Service	58,300	-	-	-	30,573	27,727	58,300
16	Admin	1,058,082	-	-	-	554,870	503,212	1,058,082
17	Source of Supply	1,330,462	1,330,462	-	-	-	-	1,330,462
18	Transfers	-	-	-	-	-	-	-
19	Existing Bond DS	455,627	-	-	-	455,627	-	455,627
20	New Bond DS	-	-	-	-	-	-	-
21	CIP	1,874,000	880,780	-	-	993,220	-	1,874,000
22	Capital Outlay	-	-	-	-	-	-	-
23	Non-Rate Rev & Fund Bal	(1,337,182)	(628,445)	(37,918)	(70,068)	(476,410)	(124,341)	(1,337,182)
24	Total	\$ 4,372,639	\$ 2,055,042	\$ 123,995	\$ 229,124	\$ 1,557,880	\$ 406,598	\$ 4,372,639
Units of Service			543,770.00	705.77	1,270.62	98,088.00	88,956.00	
			CCF	CCF/Day	CCF/Day	ERUs/Year	Bills/Year	
Cost Per Unit			\$ 3.7792	\$ 175.6870	\$ 180.3249	\$ 15.8825	\$ 4.5708	
			CCF	CCF/Day	CCF/Day	ERU	Bill	

APPENDIX - B

MCKINLEYVILLE CSD, CA

Water Cost of Service by Cost Component and Customer Class - Test Year FY 2023

		[A]	[B]	[C]	[D]	[E]	[F]
Line No:	Description	ERUs	Accounts	Base (CCF)	Max Day (CCF/Day)	Max Hour (CCF/Day)	Total
1	All Customers	\$ 1,557,880	\$ 406,598	\$ 2,055,042	\$ 123,995	\$ 229,124	\$ 4,372,639
2	Tier 1			\$ 1,578,105	\$ 43,608	\$ 145,292	
3	Tier 2			\$ 476,937	\$ 80,387	\$ 83,832	
4	Total	\$ 1,557,880	\$ 406,598	\$ 2,055,042	\$ 123,995	\$ 229,124	\$ 4,372,639

APPENDIX - B

MCKINLEYVILLE CSD, CA

Water Rate Calculation - Test Year FY 2023

	[A]	[B]	[C]	[D]	[E]	[F]	
Line No:	Description	Capacity Ratio	Meter Charge	Customer Charge	Proposed Charge	Existing Charge	Difference
General Service							
1	5/8 Inch	1.00	\$ 15.88	\$ 4.57	\$ 20.45	\$ 19.80	\$ 0.65
2	3/4 Inch	1.50	\$ 23.82	\$ 4.57	\$ 28.39	\$ 29.11	\$ (0.72)
3	1.0 Inch	2.50	\$ 39.71	\$ 4.57	\$ 44.28	\$ 47.52	\$ (3.24)
4	1.5 Inch	5.00	\$ 79.41	\$ 4.57	\$ 83.98	\$ 93.06	\$ (9.08)
5	2.0 Inch	8.00	\$ 127.06	\$ 4.57	\$ 131.63	\$ 147.91	\$ (16.28)
6	3.0 Inch	15.00	\$ 238.24	\$ 4.57	\$ 242.81	\$ 291.85	\$ (49.04)
7	4.0 Inch	25.00	\$ 397.06	\$ 4.57	\$ 401.63	\$ 459.76	\$ (58.13)
8	6.0 Inch	50.00	\$ 794.12	\$ 4.57	\$ 798.69	\$ 915.75	\$ (117.06)
9	8.0 Inch	80.00	\$ 1,270.60	\$ 4.57	\$ 1,275.17	\$ 1,464.41	\$ (189.24)
10	10.0 Inch	115.00	\$ 1,826.48	\$ 4.57	\$ 1,831.06	\$ 1,464.41	\$ 366.65

Line No:	Customer Class	Base	Peaking	Proposed Rate (\$/CCF)	Existing Rate (\$/CCF)	Difference	Tier Differential
All Customers							
1	Tier 1	\$ 3.78	\$ 0.45	\$ 4.23	\$ 3.65	\$ 0.58	1.00
2	Tier 2	\$ 3.78	\$ 1.30	\$ 5.08	\$ 6.49	\$ (1.41)	1.20

Line No:	Customer Class	Annual Use (CCF)	Peaking Costs	Peaking Unit Cost
All Customers				
1	Tier 1	417,571	\$ 188,900	\$ 0.45
2	Tier 2	126,199	\$ 164,219	\$ 1.30
3	Total	543,770	\$ 353,119	

APPENDIX - C
MCKINLEYVILLE CSD, CA
Allocation of Sewer Costs FY - 2023

Allocation to Volume and Customer Service - Sewer FY 2023

		Sewer Costs	Volume	Capacity	Strength - SS	Strength - BOD	Pretreatment & Inspection	Readiness to Serve		Total
								Billing & Collection	Customer Service	
Allocation Factors:										
1	Treatment		10.00%	10.00%	40.00%	40.00%	0.00%	0.00%	0.00%	100.00%
2	Collection		50.00%	50.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
3	Admin		0.00%	0.00%	0.00%	0.00%	0.00%	50.00%	50.00%	100.00%
4	Pumping		50.00%	50.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
5	Customer Service		0.00%	0.00%	0.00%	0.00%	0.00%	50.00%	50.00%	100.00%
6	Transfers		75.00%	0.00%	0.00%	0.00%	0.00%	0.00%	25.00%	100.00%
7	CIP		25.00%	25.00%	0.00%	0.00%	0.00%	25.00%	25.00%	100.00%
8	Capital Outlay		50.00%	50.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
9	Existing DS		16.00%	16.00%	0.00%	0.00%	0.00%	34.00%	34.00%	100.00%
10	New Bond DS		50.00%	50.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%

Allocation of Costs:										
11	Treatment	\$ 304,000	\$ 30,400	\$ 30,400	\$ 121,600	\$ 121,600	\$ -	\$ -	\$ -	\$ 304,000
12	Collection	87,500	43,750	43,750	-	-	-	-	-	87,500
13	Administration	1,893,026	-	-	-	-	-	946,513	946,513	1,893,026
14	Pumping	78,500	39,250	39,250	-	-	-	-	-	78,500
15	Customer Service	39,300	-	-	-	-	-	19,650	19,650	39,300
16	Transfers	-	-	-	-	-	-	-	-	-
17	CIP	1,996,000	499,000	499,000	-	-	-	499,000	499,000	1,996,000
18	Capital Outlay	-	-	-	-	-	-	-	-	-
19	Existing Debt	1,039,140	166,262	166,262	-	-	-	353,308	353,308	1,039,140
20	New Debt	-	-	-	-	-	-	-	-	-
21	Non-Rate Rev & Fund Bal	(1,166,570)	(167,057)	(167,057)	(26,088)	(26,088)	-	(390,140)	(390,140)	(1,166,570)
22	Total	\$ 4,270,896	\$ 611,606	\$ 611,606	\$ 95,512	\$ 95,512	\$ -	\$ 1,428,331	\$ 1,428,331	\$ 4,270,896
23	Fixed Charge Component		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,428,331	\$ 1,428,331	\$ 2,856,661
24	Flow Charge Component		611,606	611,606	95,512	95,512	-	-	-	1,414,235
25	Total		\$ 611,606	\$ 611,606	\$ 95,512	\$ 95,512	\$ -	\$ 1,428,331	\$ 1,428,331	\$ 4,270,896

Allocation to Customer Class - Sewer - Annual Basis

Customer Class	Total Annual Bills	Total Monthly Units	Total Flow (CCF)	Strength - SS	Strength - BOD
26	Single Family Residential	52,920	4,410	301,638	376,343
27	Apartment/Multi Unit (Each)	20,760	1,730	79,715	99,458
28	2 sewer Units/Commercial	72	6	251	313
29	Bakery	12	1	122	457
30	Barber/Beauty Shop	84	7	488	609
31	Car Wash	36	3	1,728	1,617
32	Church & Residence	24	2	288	359
33	Churches	204	17	1,469	1,833
34	Coast Guard Station/Airport	48	4	7,707	9,616
35	Dialysis Clinic	12	1	2,035	1,269
36	Fire Station/School	60	5	1,482	925
37	Gas Stations (No Market)	108	9	409	714
38	Laundromats	72	6	4,000	2,745
39	Market	72	6	3,358	16,759
40	Metered Septage Vault	12	1	5,036	17,593
41	Mobile Homes (Each)	348	29	2,033	2,537
42	Motels/Hotels	24	2	2,317	8,673
43	Office Building/Post Office	1,416	118	3,406	4,250
44	Restaurant/Tavern	240	20	5,900	22,084
45	Retail/Banks/Theater/Other	576	48	6,900	8,609
46	Round Table/Market	24	2	291	1,234
47	Sewer Only Accounts	480	40	-	-
48	Sewer Units - Commercial	2,496	208	11,990	20,943
49	Two Sewer Units/Business	60	5	835	1,042
50	Two Sewer Units/Daycare	-	-	-	-
51	Brewery	12	1	1,152	21,560
52	Total	80,172	6,681	444,550	621,539

APPENDIX - C
MCKINLEYVILLE CSD, CA
Allocation of Sewer Costs FY - 2023

Total Cost All Customers	\$ 611,606	\$ 611,606	\$ 95,512	\$ 95,512		\$ 1,428,331	\$ 1,428,331
Total CCF/pounds	444,550	444,550	621,539	641,909	Equiv Meters/Bills	6,681	6,681
Cost CCF/pounds	\$1.38	\$1.38	\$0.15	\$0.15	Cost/Bill	213.79	213.79
						17.82	17.82

	Total Annual Flow (CCF)	Volume Cost	Capacity Cost	Strength - SS Cost	Strength - BOD Cost	Pretreatment & Inspection	Billing & Collection	Customer Service	Total Costs Allocated to Customer Class
53 Single Family Residential	301,638	\$ 414,989	\$ 414,989	\$ 57,832	\$ 55,997	\$ -	\$ 942,814	\$ 942,814	\$ 2,829,436
54 Apartment/Multi Unit (Each)	79,715	109,671	109,671	15,284	14,799	-	369,857	369,857	989,137
55 2 sewer Units/Commercial	251	345	345	48	47	-	1,283	1,283	3,351
56 Bakery	122	168	168	70	113	-	214	214	947
57 Barber/Beauty Shop	488	671	671	94	91	-	1,497	1,497	4,520
58 Car Wash	1,728	2,377	2,377	248	32	-	641	641	6,318
59 Church & Residence	288	396	396	55	53	-	428	428	1,756
60 Churches	1,469	2,021	2,021	282	273	-	3,634	3,634	11,865
61 Coast Guard Station/Airport	7,707	10,603	10,603	1,478	1,431	-	855	855	25,825
62 Dialysis Clinic	2,035	2,800	2,800	195	472	-	214	214	6,694
63 Fire Station/School	1,482	2,039	2,039	142	179	-	1,069	1,069	6,537
64 Gas Stations (No Market)	409	563	563	110	68	-	1,924	1,924	5,152
65 Laundromats	4,000	5,503	5,503	422	557	-	1,283	1,283	14,551
66 Market	3,358	4,620	4,620	2,575	2,494	-	1,283	1,283	16,874
67 Metered Septage Vault	5,036	6,928	6,928	2,704	1,309	-	214	214	18,297
68 Mobile Homes (Each)	2,033	2,797	2,797	390	377	-	6,200	6,200	18,761
69 Motels/Hotels	2,317	3,188	3,188	1,333	1,075	-	428	428	9,639
70 Office Building/Post Office	3,406	4,686	4,686	653	632	-	25,227	25,227	61,112
71 Restaurant/Tavern	5,900	8,117	8,117	3,394	5,476	-	4,276	4,276	33,656
72 Retail/Banks/Theater/Other	6,900	9,493	9,493	1,323	1,281	-	10,262	10,262	42,114
73 Round Table/Market	291	400	400	190	181	-	428	428	2,027
74 Sewer Only Accounts	-	-	-	-	-	-	8,552	8,552	17,103
75 Sewer Units - Commercial	11,990	16,496	16,496	3,218	2,003	-	44,468	44,468	127,150
76 Two Sewer Units/Business	835	1,149	1,149	160	155	-	1,069	1,069	4,751
77 Two Sewer Units/Daycare	-	-	-	-	-	-	-	-	0
78 Brewery	1,152	1,585	1,585	3,313	6,416	-	214	214	13,326
79 Total	444,550	\$ 611,606	\$ 611,606	\$ 95,512	\$ 95,512	\$ -	\$ 1,428,331	\$ 1,428,331	\$ 4,270,896

APPENDIX - D

MCKINLEYVILLE CSD, CA

Water Max Day/Hour Allocation Factors - Test Year FY 2023

		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]
Line No:	Description	Flow	Peak Month (CCF)	Average Month (CCF)	Max Day/Avg Day Factor	Max Day Total Capacity (CCF/Day)	Max Day Extra Capacity (CCF/Day)	Max Hour Capacity Factor	Max Hour Total Capacity (CCF/Day)	Max Hour Extra Capacity (CCF/Day)
Operating Statistics:		MGD	Factor							
1	Avg Day Flow (MGD)	1.40	1.00							
2	Max Day Flow (MGD)	1.88	1.34							
3	Max Hour Flow (MGD)	2.97	2.12							
Cost Allocation Factors:		Base	Max Day	Max Hour						
4	Base/Max Day	74.47%	25.53%	0.00%						
5	Base/Max Day/Max Hour	47.17%	16.17%	36.66%						
Peaking Factors:					[B] / [C]	[D] * [B3 / B2]				
All Customers										
6	Tier 1		43,265	35,552	1.22			1.92		
7	Tier 2		27,648	11,900	2.32			3.67		
						Maximum Day	Maximum Hour			
						[D] x [B]	[E] - [B]	[G] x [B]		[H] - [E]
Estimated Max Day/Hour Flows:		Total Annual Flow (CCF)	Average Daily Flow (CCF)	Peaking Factor		Total Capacity	Extra Capacity	Peaking Factor	Total Capacity	Extra Capacity
All Customers										
8	Tier 1	375,811	1,030	1.22	1,253	223	1.92	1,978	725	
9	Tier 2	113,581	311	2.32	723	412	3.67	1,141	418	
10	Total	489,392	1,341		1,976	635		3,120	1,144	

APPENDIX - D

MCKINLEYVILLE CSD, CA

Water Units of Service by Cost Component - Test Year FY 2023

		[A]	[B]	[C]	[D]	[E]
Line No:	Description	ERUs	Accounts/Units	Base (CCF)	Max Day (CCF/Day)	Max Hour (CCF/Day)
1	All Customers	8,174	7,413	489,392	635	1,144
2	Tier 1			375,811	223	725
3	Tier 2			113,581	412	418
4	Total	8,174	7,413	489,392	635	1,144

APPENDIX - D
MCKINLEYVILLE CSD, CA
Allocation of Water Costs - Test Year FY 2023

Line No:	Description	Water Costs	Extra Capacity			Meters & Services	Billing & Collection	Total
			Base	Max Day	Max Hour			
Allocation Factors:								
1	Treatment		74.47%	25.53%	0.00%	0.00%	0.00%	100.00%
2	Transmission & Distribution		47.17%	16.17%	36.66%	0.00%	0.00%	100.00%
3	Pumping		74.47%	25.53%	0.00%	0.00%	0.00%	100.00%
4	Customer Service		0.00%	0.00%	0.00%	52.44%	47.56%	100.00%
5	Admin		0.00%	0.00%	0.00%	52.44%	47.56%	100.00%
6	Source of Supply		100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
7	Transfers		75.00%	0.00%	0.00%	25.00%	0.00%	100.00%
8	Existing Bond DS		0.00%	0.00%	0.00%	100.00%	0.00%	100.00%
9	New Bond DS		0.00%	0.00%	0.00%	100.00%	0.00%	100.00%
10	CIP		47.00%	0.00%	0.00%	53.00%	0.00%	100.00%
11	Capital Outlay		0.00%	0.00%	0.00%	100.00%	0.00%	100.00%
Allocation of Costs:								
12	Treatment	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Transmission & Distribution	816,179	384,990	131,997	299,192	-	-	816,179
14	Pumping	117,171	87,255	29,916	-	-	-	117,171
15	Customer Service	58,300	-	-	-	30,573	27,727	58,300
16	Admin	1,058,082	-	-	-	554,870	503,212	1,058,082
17	Source of Supply	1,330,462	1,330,462	-	-	-	-	1,330,462
18	Transfers	-	-	-	-	-	-	-
19	Existing Bond DS	455,627	-	-	-	455,627	-	455,627
20	New Bond DS	-	-	-	-	-	-	-
21	CIP	1,874,000	880,780	-	-	993,220	-	1,874,000
22	Capital Outlay	-	-	-	-	-	-	-
23	Non-Rate Rev & Fund Bal	(1,337,182)	(628,445)	(37,918)	(70,068)	(476,410)	(124,341)	(1,337,182)
24	Total	\$ 4,372,639	\$ 2,055,042	\$ 123,995	\$ 229,124	\$ 1,557,880	\$ 406,598	\$ 4,372,639
Units of Service			489,392.00	635.20	1,143.56	98,088.00	88,956.00	
			CCF	CCF/Day	CCF/Day	ERUs/Year	Bills/Year	
Cost Per Unit			\$ 4.1992	\$ 195.2062	\$ 200.3607	\$ 15.8825	\$ 4.5708	
			CCF	CCF/Day	CCF/Day	ERU	Bill	

APPENDIX - D

MCKINLEYVILLE CSD, CA

Water Cost of Service by Cost Component and Customer Class - Test Year FY 2023

		[A]	[B]	[C]	[D]	[E]	[F]
Line No:	Description	ERUs	Accounts	Base (CCF)	Max Day (CCF/Day)	Max Hour (CCF/Day)	Total
1	All Customers	\$ 1,557,880	\$ 406,598	\$ 2,055,042	\$ 123,995	\$ 229,124	\$ 4,372,639
2	Tier 1			\$ 1,578,096	\$ 43,607	\$ 145,291	
3	Tier 2			\$ 476,946	\$ 80,388	\$ 83,833	
4	Total	\$ 1,557,880	\$ 406,598	\$ 2,055,042	\$ 123,995	\$ 229,124	\$ 4,372,639

APPENDIX - D

MCKINLEYVILLE CSD, CA

Water Rate Calculation - Test Year FY 2023

	[A]	[B]	[C]	[D]	[E]	[F]	
Line No:	Description	Capacity Ratio	Meter Charge	Customer Charge	Proposed Charge	Existing Charge	Difference
General Service							
1	5/8 Inch	1.00	\$ 15.88	\$ 4.57	\$ 20.45	\$ 19.80	\$ 0.65
2	3/4 Inch	1.50	\$ 23.82	\$ 4.57	\$ 28.39	\$ 29.11	\$ (0.72)
3	1.0 Inch	2.50	\$ 39.71	\$ 4.57	\$ 44.28	\$ 47.52	\$ (3.24)
4	1.5 Inch	5.00	\$ 79.41	\$ 4.57	\$ 83.98	\$ 93.06	\$ (9.08)
5	2.0 Inch	8.00	\$ 127.06	\$ 4.57	\$ 131.63	\$ 147.91	\$ (16.28)
6	3.0 Inch	15.00	\$ 238.24	\$ 4.57	\$ 242.81	\$ 291.85	\$ (49.04)
7	4.0 Inch	25.00	\$ 397.06	\$ 4.57	\$ 401.63	\$ 459.76	\$ (58.13)
8	6.0 Inch	50.00	\$ 794.12	\$ 4.57	\$ 798.69	\$ 915.75	\$ (117.06)
9	8.0 Inch	80.00	\$ 1,270.60	\$ 4.57	\$ 1,275.17	\$ 1,464.41	\$ (189.24)
10	10.0 Inch	115.00	\$ 1,826.48	\$ 4.57	\$ 1,831.06	\$ 1,464.41	\$ 366.65

Line No:	Customer Class	Base	Peaking	Proposed Rate (\$/CCF)	Existing Rate (\$/CCF)	Difference	Tier Differential
All Customers							
1	Tier 1	\$ 4.20	\$ 0.50	\$ 4.70	\$ 3.65	\$ 1.05	1.00
2	Tier 2	\$ 4.20	\$ 1.45	\$ 5.65	\$ 6.49	\$ (0.84)	1.20

Line No:	Customer Class	Annual Use (CCF)	Peaking Costs	Peaking Unit Cost
All Customers				
1	Tier 1	375,811	\$ 188,898	\$ 0.50
2	Tier 2	113,581	\$ 164,221	\$ 1.45
3	Total	489,392	\$ 353,119	



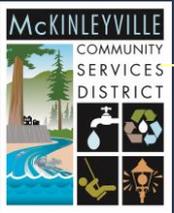
27368 Via Industria, Suite 200
Temecula, CA 92590
800.755.6864 | Fax: 888.326.6864
www.willdan.com

2022 Water & Sewer Rate Study

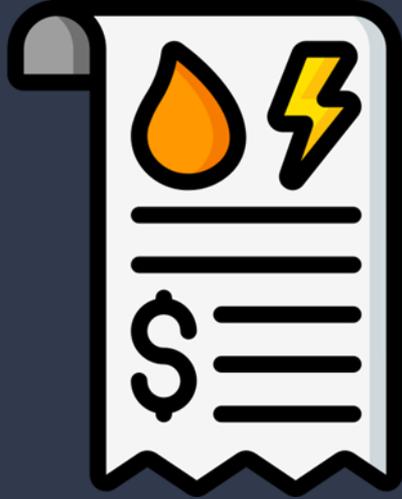
Board Meeting – Wednesday, September 7, 2022

Willdan Financial Services

- Chris Fisher, Vice President

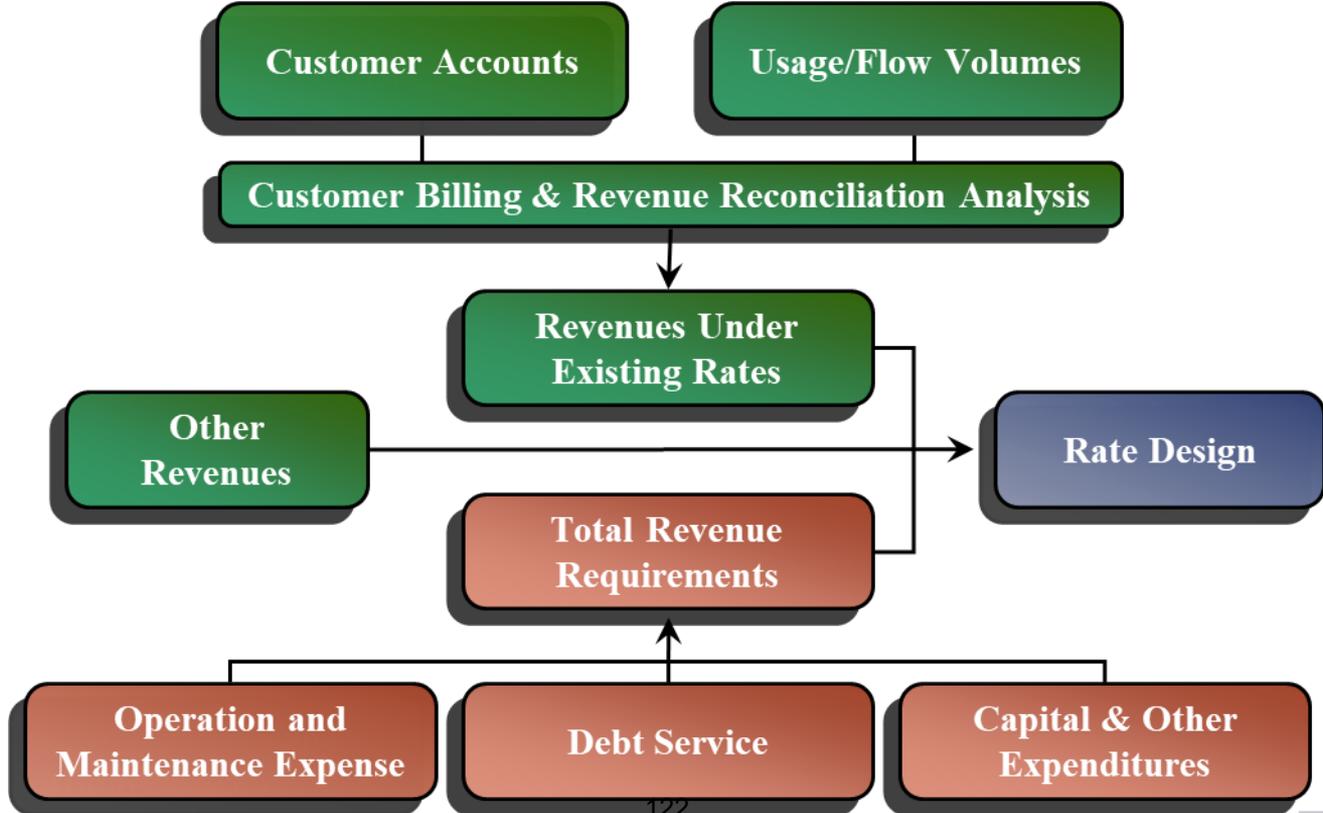


Rate Study Objectives



- The primary goals and objectives of the rate study include:
 - Full cost recovery of utility expenditures
 - Cost-based rate structure
 - Equity among customer classes
 - Administrative efficiency
 - 5-year financial plan
 - Proposition 218 compliance

General Rate Study Methodology

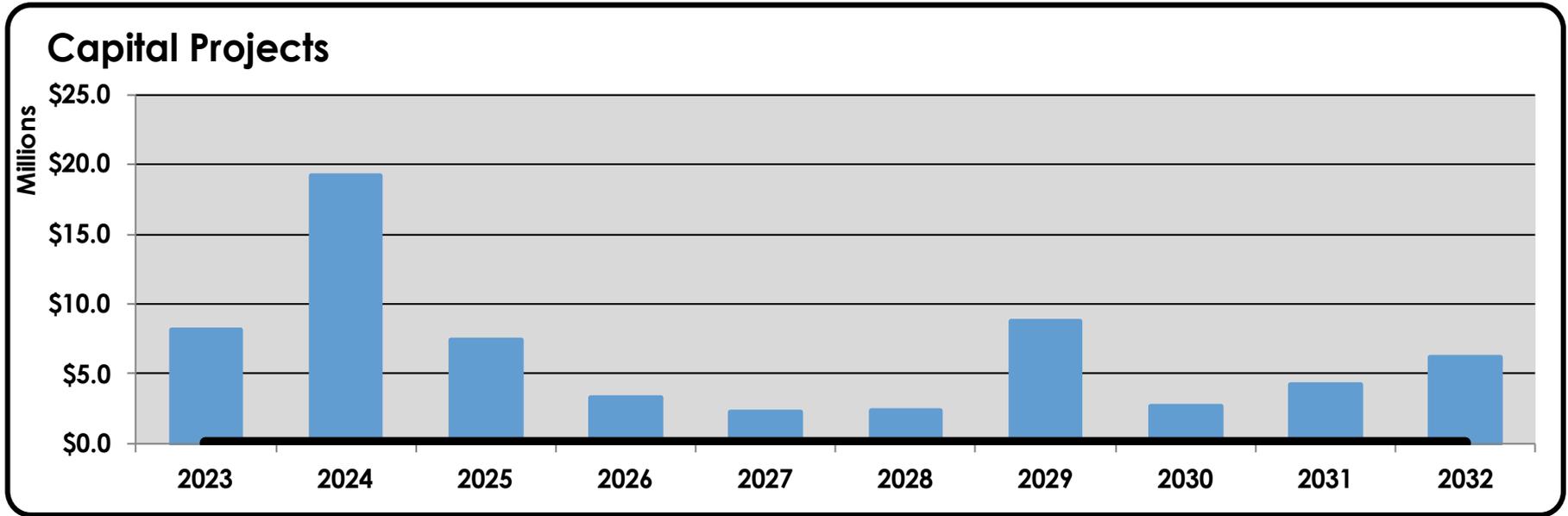


Factors Driving The Financial Plan



- Rising operating costs (equipment, supplies, treatment, etc.)
- Rising personnel costs (labor, benefits, pensions, etc.)
- Major planned capital expenditures:
 - 4.5 MG water storage tank
 - Highway 101 sewer main crossing replacements
 - Central Ave water and sewer main rehabilitation

Capital Improvement Program (CIP)



- \$40.328 MM over next 5 years (2023-2027); 54.39% water and 45.61% sewer
- \$24.26 MM over subsequent 5 years (2028-2032); 22.23% water and 77.77% sewer



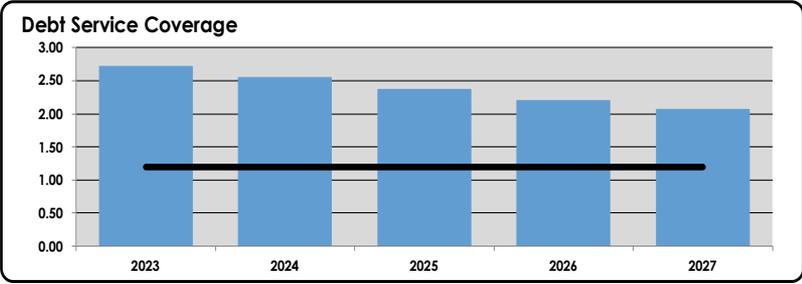
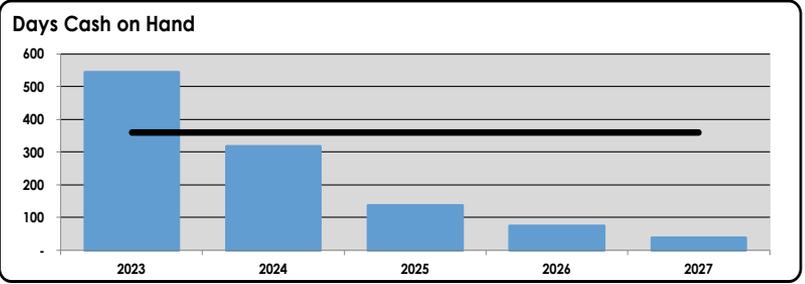
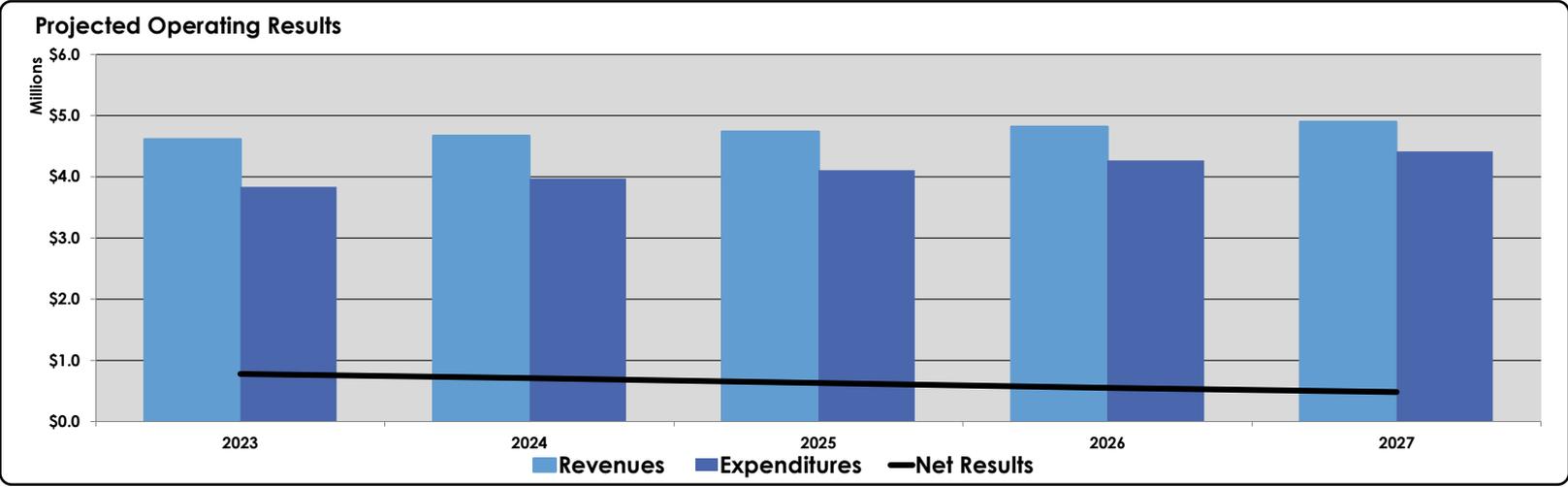
Current State



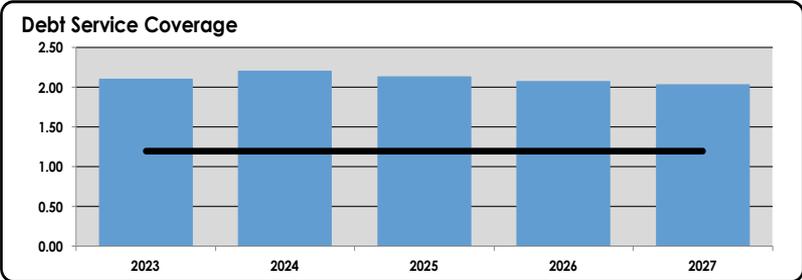
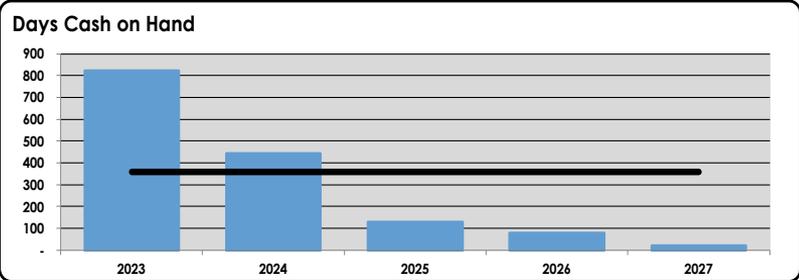
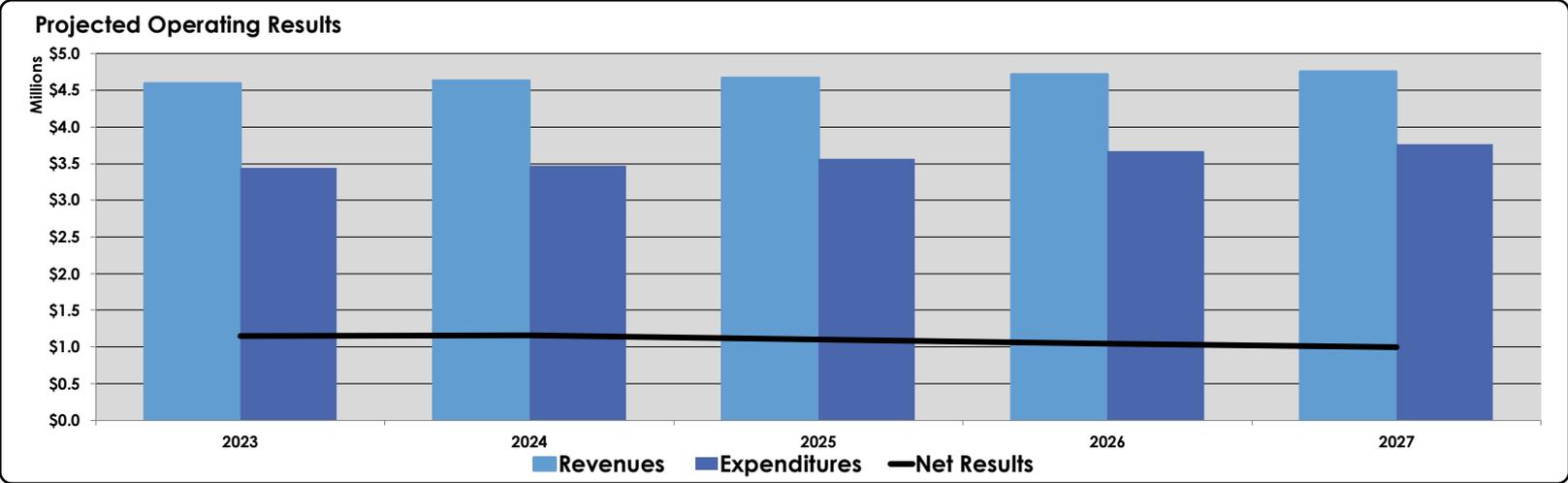
Key Objectives

- Understand financial projections under existing rates (Status Quo)
- Understand financial shortfalls that drive need for revenue adjustments

Status Quo Projections: Water



Status Quo Projections: Sewer



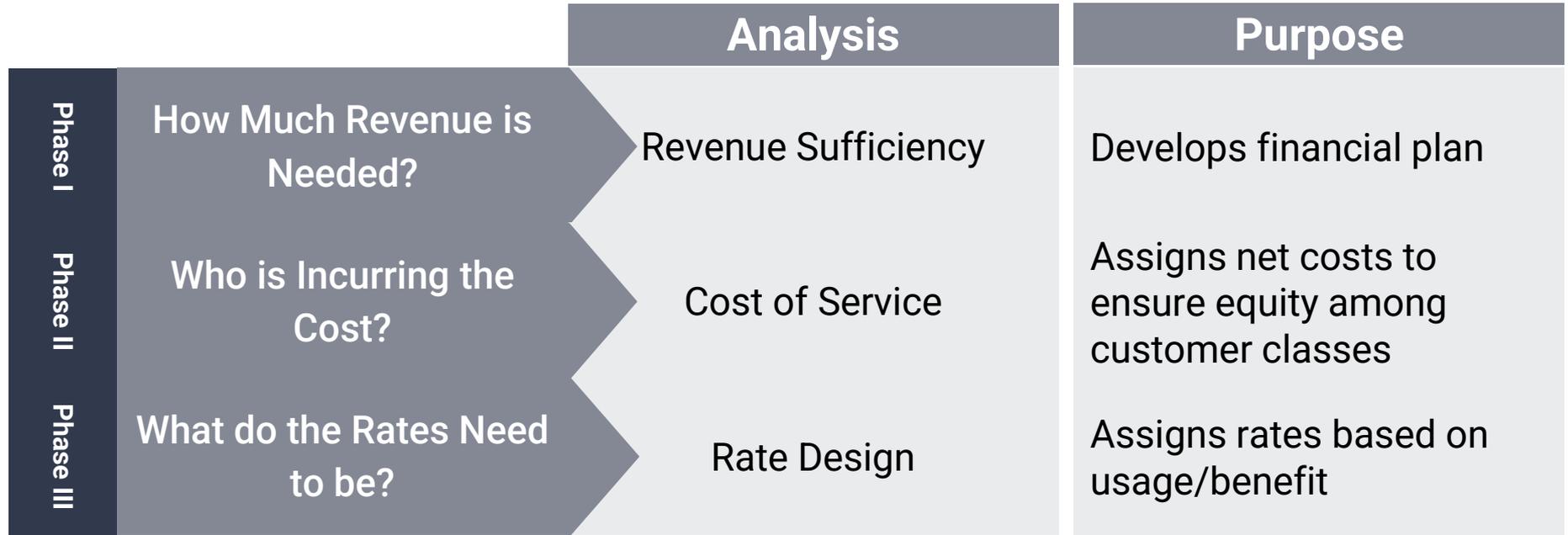
Cost of Service (COS)



Key Objectives

- Understand total revenues needed to be recovered from user rates
- Walk through the COS methodology
- How costs are allocated between cost type
- How costs are allocated to each respective customer class

Rate Structure Methodology



Outcome: Ensures proposed rates cover cost of service equitably from customers

Phase I: Revenue Requirements

Understanding the difference between Revenues and Rates - they are **not** the same

Revenues

- The amount of money required for a utility to fund its operations
 - Total amount of money generated by the rates to cover expenses

Rates

- The calculated amount that is charged to a customer
 - Base charge (fixed rate/fee)
 - Usage (volume of consumption)

Revenue Adjustments

Description	Projected For Fiscal Year Ending June 30:				
	2023	2024	2025	2026	2027
Water	6.00%	6.00%	6.00%	5.00%	4.00%
Sewer	4.00%	4.00%	5.00%	5.00%	5.00%

Phase I: Revenue Requirements

Description	Water	Wastewater	Total
Total O&M	\$ 3,380,194	\$ 2,402,326	\$ 5,782,520
Debt Service	455,627	1,039,140	1,494,767
Other Expenditures & Transfers	878,384	1,236,155	2,114,539
Gross Revenue Requirement	\$ 4,714,205	\$ 4,677,621	\$ 9,391,826
Less Other Revenues	(341,566)	(406,725)	(748,291)
Net Revenue Requirement	\$ 4,372,639	\$ 4,270,896	\$ 8,643,535

Phase II: Cost of Service Analysis

- Used industry standard approach
- Recognize different customers place different demands upon each system
- Costs allocated based on the following:
 - Fixed and variable costs
 - Number of customers within each customer class
 - Total flows within each customer class
 - Peak demand by customer class

Phase II: Cost of Service Analysis

Water Cost of Service

- Functional Unbundling of Costs:

- Supply
- Transmission
- Distribution
- Customer
- Administration

- Classification of Costs:

- Base Costs
- Max Day/Extra Capacity Costs
- Max Hour/Extra Capacity Costs
- Customer Costs (Accounts/ERUs)

Phase II: Cost of Service Analysis

Sewer Cost of Service

- Functional Unbundling of Costs:

- Collection
- Treatment
- Pumping
- Customer

- Classification of Costs:

- Volume Costs
- Capacity Costs
- Strength Costs (BOD/SS)
- Customer Costs

Proposed Test Year Utility Rates & Bill Comparisons



Phase III: Proposed Water Rates

Description	Rate
Monthly Base Charge by Meter Size:	
General Service	
5/8 Inch	\$ 20.45
3/4 Inch	\$ 28.39
1.0 Inch	\$ 44.28
1.5 Inch	\$ 83.98
2.0 Inch	\$ 131.63
3.0 Inch	\$ 242.81
4.0 Inch	\$ 401.63
6.0 Inch	\$ 798.69
8.0 Inch	\$ 1,275.17
Volumetric Rates Per 100 Cubic Feet:	
0 - 800 Cubic Feet	\$ 2.47
Over 800 Cubic Feet	\$ 3.32
HBMW Pass Through ^[1]	\$ 1.76
Notes:	
[1] All customers pay an additional pass-through charge per 100 cubic feet of flow used by Humboldt Bay Municipal Water District.	

Phase III: Proposed Drought Rates

Description	2023 Basic Water Rates	2023 Drought Rates ^[1]	Difference (\$)
Monthly Base Charge by Meter Size:			
General Service			
5/8 Inch	\$ 20.45	\$ 20.45	\$ -
3/4 Inch	\$ 28.39	\$ 28.39	\$ -
1.0 Inch	\$ 44.28	\$ 44.28	\$ -
1.5 Inch	\$ 83.98	\$ 83.98	\$ -
2.0 Inch	\$ 131.63	\$ 131.63	\$ -
3.0 Inch	\$ 242.81	\$ 242.81	\$ -
4.0 Inch	\$ 401.63	\$ 401.63	\$ -
6.0 Inch	\$ 798.69	\$ 798.69	\$ -
8.0 Inch	\$ 1,275.17	\$ 1,275.17	\$ -
Volumetric Rates Per 100 Cubic Feet:			
Tier 1	\$ 2.47	\$ 2.94	\$ 0.47
Tier 2	\$ 3.32	\$ 3.89	\$ 0.57
HBMWD Pass Through ^[2]	\$ 1.76	\$ 1.76	\$ -

Notes:

[1] Drought rates are based on the "Stage 3 - Mandatory Conservation" water demand reduction goal of 10% as stated in the McKinleyville Community Service District Water Shortage Contingency Plan.

[2] All customers pay an additional pass-through charge per 100 cubic feet of flow used by Humboldt Bay Municipal Water District.



Phase III: Proposed Sewer Rates

Description	Rate
Monthly Base Charge ^[1]:	
All Customers	\$ 35.69
Volumetric Rates Per 100 Cubic Feet ^[2]:	
2 sewer Units/Commercial	\$ 3.13
Apartment/Multi Unit (Each)	\$ 3.13
Bakery	\$ 4.25
Barber/Beauty Shop	\$ 3.13
Car Wash	\$ 2.91
Church & Residence	\$ 3.13
Churches	\$ 3.13
Coast Guard Station/Airport	\$ 3.13
Dialysis Clinic	\$ 3.08
Fire Station/School	\$ 2.97
Gas Stations (No Market)	\$ 3.19
Laundromats	\$ 3.00
Market	\$ 4.26
Metered Septage Vault	\$ 3.55
Mobile Homes (Each)	\$ 3.13
Motels/Hotels	\$ 3.79
Office Building/Post Office	\$ 3.13
Restaurant/Tavern	\$ 4.25
Retail/Banks/Theater/Other	\$ 3.13
Round Table/Market	\$ 4.03
Sewer Only Accounts	\$ -
Sewer Units - Commercial	\$ 3.19
Single Family Residential	\$ 3.13
Two Sewer Units/Business	\$ 3.13
Two Sewer Units/Daycare	\$ 3.13
Brewery	\$ 11.20

Notes:

- [1] All sewer customers pay the same base charge.
- [2] Each customer class pays a different volumetric rate based on the strength of their respective sewer discharge.

139

Bill Comparison - Water

Description	Monthly Flow	Monthly Charges		\$ Amount Difference
		Existing	Proposed	
Residential				
5/8 Inch	0	\$ 19.80	\$ 20.45	\$ 0.65
5/8 Inch	100	\$ 23.45	\$ 24.68	\$ 1.23
5/8 Inch	200	\$ 27.10	\$ 28.92	\$ 1.82
5/8 Inch	300	\$ 30.75	\$ 33.15	\$ 2.40
5/8 Inch	400	\$ 34.40	\$ 37.38	\$ 2.98
5/8 Inch	500	\$ 38.05	\$ 41.61	\$ 3.56
5/8 Inch	600	\$ 41.70	\$ 45.84	\$ 4.14
5/8 Inch	700	\$ 45.35	\$ 50.07	\$ 4.72
5/8 Inch	800	\$ 49.00	\$ 54.31	\$ 5.31
5/8 Inch	1,000	\$ 61.98	\$ 64.47	\$ 2.49
5/8 Inch	1,200	\$ 74.96	\$ 74.63	\$ (0.33)
5/8 Inch	1,400	\$ 87.94	\$ 84.79	\$ (3.15)
5/8 Inch	1,600	\$ 100.92	\$ 94.95	\$ (5.97)
5/8 Inch	1,800	\$ 113.90	\$ 105.11	\$ (8.79)
5/8 Inch	2,000	\$ 126.88	\$ 115.27	\$ (11.61)

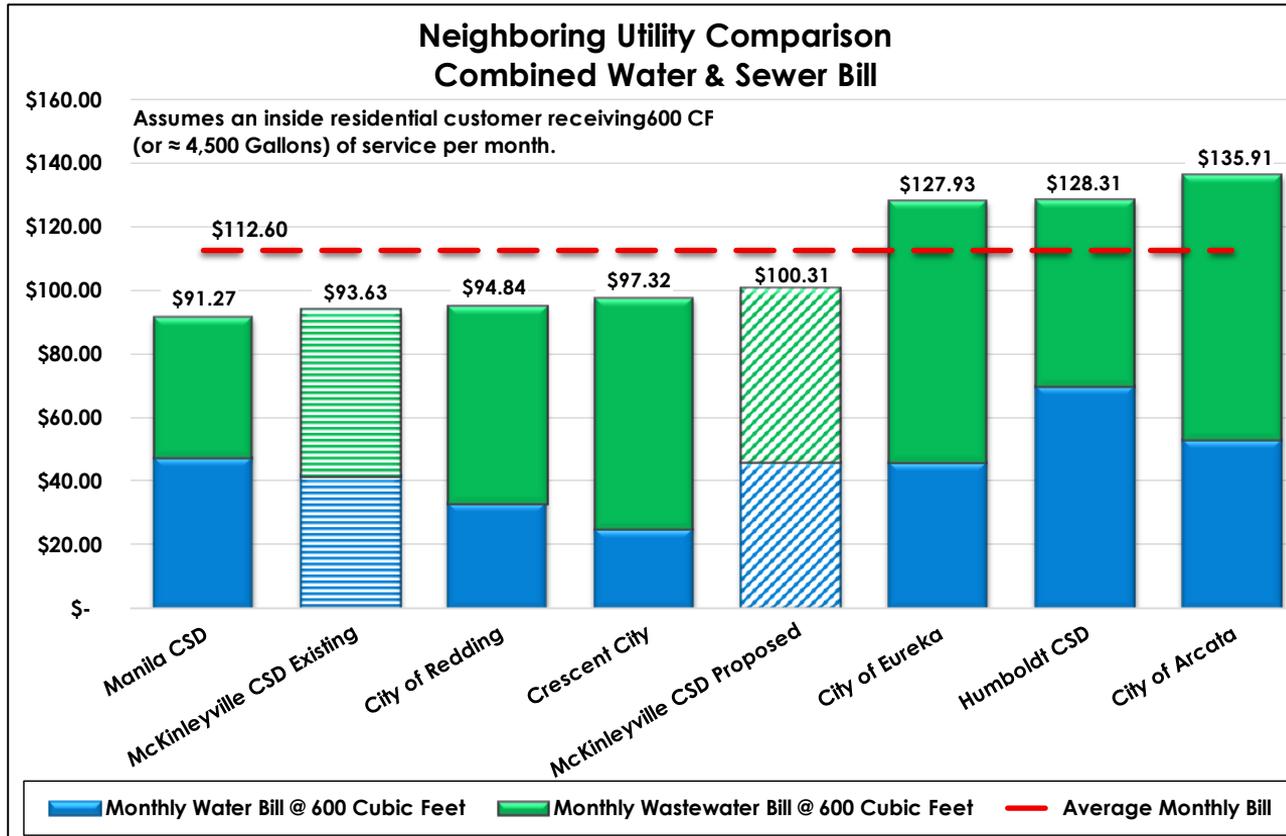
Bill Comparison - Sewer

Description	Monthly Flow	Monthly Charges		\$ Amount Difference
		Existing	Proposed	
Residential				
5/8 Inch	0	\$ 34.59	\$ 35.69	\$ 1.10
5/8 Inch	100	\$ 37.48	\$ 38.82	\$ 1.34
5/8 Inch	200	\$ 40.37	\$ 41.95	\$ 1.58
5/8 Inch	300	\$ 43.26	\$ 45.08	\$ 1.82
5/8 Inch	400	\$ 46.15	\$ 48.21	\$ 2.06
5/8 Inch	500	\$ 49.04	\$ 51.34	\$ 2.30
5/8 Inch	600	\$ 51.93	\$ 54.47	\$ 2.54
5/8 Inch	700	\$ 54.82	\$ 57.59	\$ 2.77
5/8 Inch	800	\$ 57.71	\$ 60.72	\$ 3.01
5/8 Inch	1,000	\$ 63.49	\$ 66.98	\$ 3.49
5/8 Inch	1,200	\$ 69.27	\$ 73.24	\$ 3.97
5/8 Inch	1,400	\$ 75.05	\$ 79.50	\$ 4.45
5/8 Inch	1,600	\$ 80.83	\$ 85.76	\$ 4.93
5/8 Inch	1,800	\$ 86.61	\$ 92.01	\$ 5.40
5/8 Inch	2,000	\$ 92.39	\$ 98.27	\$ 5.88

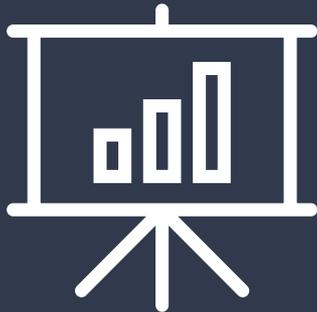
Bill Comparison - Combined

Description	Monthly Flow	Monthly Charges		\$ Amount Difference
		Existing	Proposed	
Residential				
5/8 Inch	0	\$ 54.39	\$ 56.14	\$ 1.75
5/8 Inch	100	\$ 60.93	\$ 63.50	\$ 2.57
5/8 Inch	200	\$ 67.47	\$ 70.87	\$ 3.40
5/8 Inch	300	\$ 74.01	\$ 78.23	\$ 4.22
5/8 Inch	400	\$ 80.55	\$ 85.59	\$ 5.04
5/8 Inch	500	\$ 87.09	\$ 92.95	\$ 5.86
5/8 Inch	600	\$ 93.63	\$ 100.31	\$ 6.68
5/8 Inch	700	\$ 100.17	\$ 107.66	\$ 7.49
5/8 Inch	800	\$ 106.71	\$ 115.03	\$ 8.32
5/8 Inch	1,000	\$ 125.47	\$ 131.45	\$ 5.98
5/8 Inch	1,200	\$ 144.23	\$ 147.87	\$ 3.64
5/8 Inch	1,400	\$ 162.99	\$ 164.29	\$ 1.30
5/8 Inch	1,600	\$ 181.75	\$ 180.71	\$ (1.04)
5/8 Inch	1,800	\$ 200.51	\$ 197.12	\$ (3.39)
5/8 Inch	2,000	\$ 219.27	\$ 213.54	\$ (5.73)

Neighboring Utility Comparison



5-Year Financial Plan



Key Objectives

- 5-year water & sewer rate path
- Typical monthly bill over the 5-year financial plan
- Projected financial metrics & operating results over the 5-year financial plan

5-Year Rate Path: Water

Description	Existing Rates	Projected For Calendar Year Beginning January 1:				
		2023	2024	2025	2026	2027
Monthly Base Charge by Meter Size:						
General Service						
5/8 Inch	\$ 19.80	\$ 20.45	\$ 21.68	\$ 22.98	\$ 24.13	\$ 25.10
3/4 Inch	\$ 29.11	\$ 28.39	\$ 30.10	\$ 31.90	\$ 33.50	\$ 34.85
1.0 Inch	\$ 47.52	\$ 44.28	\$ 46.93	\$ 49.75	\$ 52.24	\$ 54.34
1.5 Inch	\$ 93.06	\$ 83.98	\$ 89.02	\$ 94.36	\$ 99.08	\$ 103.06
2.0 Inch	\$ 147.91	\$ 131.63	\$ 139.53	\$ 147.89	\$ 155.29	\$ 161.54
3.0 Inch	\$ 291.85	\$ 242.81	\$ 257.37	\$ 272.80	\$ 286.46	\$ 297.97
4.0 Inch	\$ 459.76	\$ 401.63	\$ 425.72	\$ 451.25	\$ 473.83	\$ 492.88
6.0 Inch	\$ 915.75	\$ 798.69	\$ 846.60	\$ 897.36	\$ 942.27	\$ 980.15
8.0 Inch	\$ 1,464.41	\$ 1,275.17	\$ 1,351.65	\$ 1,432.70	\$ 1,504.40	\$ 1,564.87
Volumetric Rates Per 100 Cubic Feet:						
0 - 800 Cubic Feet	\$ 1.89	\$ 2.47	\$ 2.62	\$ 2.78	\$ 2.92	\$ 3.04
Over 800 Cubic Feet	\$ 4.73	\$ 3.32	\$ 3.51	\$ 3.73	\$ 3.91	\$ 4.07
HBMWD Pass Through ^[1]	\$ 1.76	\$ 1.76	\$ 1.81	\$ 1.89	\$ 1.97	\$ 2.04
Notes:						
[1] All customers pay an additional pass-through charge per 100 cubic feet of flow used by Humboldt Bay Municipal Water District.						

5-Year Rate Path: Drought Surcharge

Description	Existing Rates	Projected For Calendar Year Beginning January 1:				
		2023	2024	2025	2026	2027
Monthly Base Charge by Meter Size						
General Service						
5/8 Inch	N/A	\$ 20.45	\$ 21.68	\$ 22.98	\$ 24.13	\$ 25.10
3/4 Inch	N/A	\$ 28.39	\$ 30.10	\$ 31.90	\$ 33.50	\$ 34.85
1.0 Inch	N/A	\$ 44.28	\$ 46.93	\$ 49.75	\$ 52.24	\$ 54.34
1.5 Inch	N/A	\$ 83.98	\$ 89.02	\$ 94.36	\$ 99.08	\$ 103.06
2.0 Inch	N/A	\$ 131.63	\$ 139.53	\$ 147.89	\$ 155.29	\$ 161.54
3.0 Inch	N/A	\$ 242.81	\$ 257.37	\$ 272.80	\$ 286.46	\$ 297.97
4.0 Inch	N/A	\$ 401.63	\$ 425.72	\$ 451.25	\$ 473.83	\$ 492.88
6.0 Inch	N/A	\$ 798.69	\$ 846.60	\$ 897.36	\$ 942.27	\$ 980.15
8.0 Inch	N/A	\$ 1,275.17	\$ 1,351.65	\$ 1,432.70	\$ 1,504.40	\$ 1,564.87
Drought Surcharge Per 100 Cubic Feet						
Tier 1	N/A	\$ 0.47	\$ 0.50	\$ 0.53	\$ 0.56	\$ 0.58
Tier 2	N/A	\$ 0.57	\$ 0.60	\$ 0.64	\$ 0.67	\$ 0.70
Total Volumetric Rates Per 100 Cubic Feet (Standard Volumetric Rate plus Drought Surcharge)						
0 - 800 Cubic Feet	N/A	\$ 2.94	\$ 3.12	\$ 3.31	\$ 3.48	\$ 3.62
Over 800 Cubic Feet	N/A	\$ 3.89	\$ 4.11	\$ 4.37	\$ 4.58	\$ 4.77
HBMWD Pass Through ^[1]	\$ 1.76	\$ 1.76	\$ 1.81	\$ 1.89	\$ 1.97	\$ 2.04
Notes:		146				
[1] All customers pay an additional pass-through charge per 100 cubic feet of flow used by Humboldt Bay Municipal Water District.						



Description	Existing Rates	Projected For Calendar Year Beginning January 1:				
		2023	2024	2025	2026	2027
Monthly Base Charge ^[1]:						
All Customers	\$ 34.59	\$ 35.69	\$ 37.12	\$ 38.98	\$ 40.93	\$ 42.98
Volumetric Rates Per 100 Cubic Feet ^[2]:						
2 sewer Units/Commercial	\$ 3.03	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Apartment/Multi Unit (Each)	\$ 2.89	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Bakery	\$ 13.81	\$ 4.25	\$ 4.42	\$ 4.64	\$ 4.87	\$ 5.11
Barber/Beauty Shop	\$ 2.89	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Car Wash	\$ 0.66	\$ 2.91	\$ 3.03	\$ 3.17	\$ 3.33	\$ 3.50
Church & Residence	\$ 3.41	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Churches	\$ 3.03	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Coast Guard Station/Airport	\$ 3.03	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Dialysis Clinic	\$ 3.61	\$ 3.08	\$ 3.20	\$ 3.36	\$ 3.52	\$ 3.70
Fire Station/School	\$ 1.97	\$ 2.97	\$ 3.08	\$ 3.24	\$ 3.40	\$ 3.57
Gas Stations (No Market)	\$ 2.86	\$ 3.19	\$ 3.31	\$ 3.47	\$ 3.65	\$ 3.83
Laundromats	\$ 2.28	\$ 3.00	\$ 3.11	\$ 3.27	\$ 3.43	\$ 3.60
Market	\$ 11.56	\$ 4.26	\$ 4.43	\$ 4.64	\$ 4.88	\$ 5.12
Metered Septage Vault	\$ 3.24	\$ 3.55	\$ 3.69	\$ 3.87	\$ 4.06	\$ 4.26
Moblie Homes (Each)	\$ 2.89	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Motels/Hotels	\$ 7.37	\$ 3.79	\$ 3.94	\$ 4.13	\$ 4.34	\$ 4.56
Office Building/Post Office	\$ 2.89	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Restaurant/Tavern	\$ 13.81	\$ 4.25	\$ 4.42	\$ 4.64	\$ 4.87	\$ 5.11
Retail/Banks/Theater/Other	\$ 3.03	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Round Table/Market	\$ 9.65	\$ 4.03	\$ 4.18	\$ 4.39	\$ 4.60	\$ 4.84
Sewer Only Accounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer Units - Commercial	\$ 2.86	\$ 3.19	\$ 3.31	\$ 3.47	\$ 3.65	\$ 3.83
Single Family Residential	\$ 2.89	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Two Sewer Units/Business	\$ 3.03	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Two Sewer Units/Daycare	\$ 2.92	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Brewery	\$ 23.12	\$ 11.20	\$ 11.63	\$ 12.20	\$ 12.81	\$ 13.45

Notes:

[1] All sewer customers pay the same base charge.

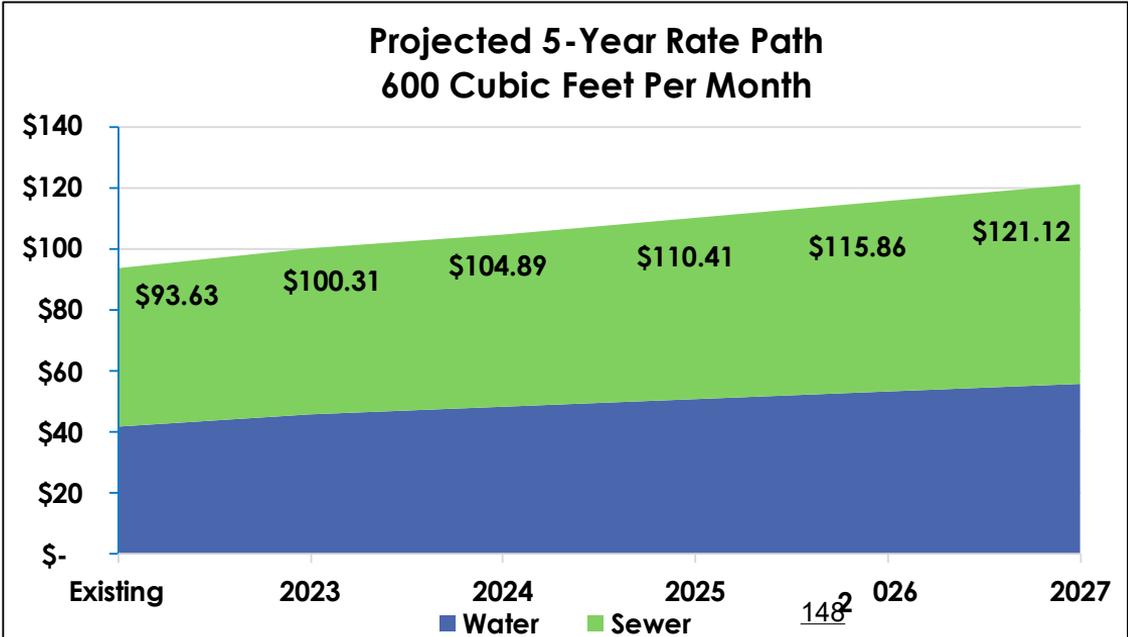
[2] Each customer class pays a different volumetric rate based on the strength of their respective sewer discharge.

5-Year Rate Path: Sewer



Description	Existing Rates	Projected For Calendar Year Beginning January 1:				
		2023	2024	2025	2026	2027
Water	\$ 41.70	\$ 45.84	\$ 48.27	\$ 50.97	\$ 53.45	\$ 55.58
Sewer	\$ 51.93	\$ 54.46	\$ 56.62	\$ 59.44	\$ 62.41	\$ 65.54
Combined	\$ 93.63	\$ 100.31	\$ 104.89	\$ 110.41	\$ 115.86	\$ 121.12
Change from Prior		\$ 6.68	\$ 4.58	\$ 5.52	\$ 5.45	\$ 5.26

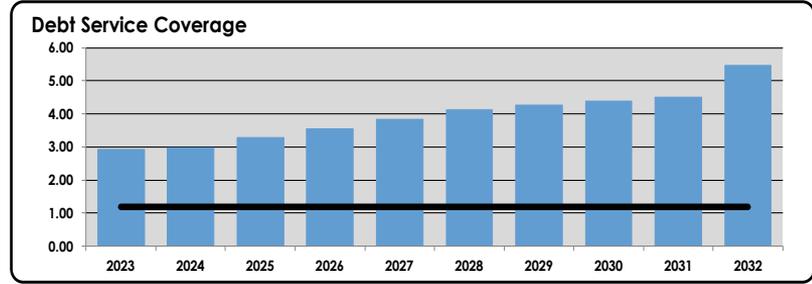
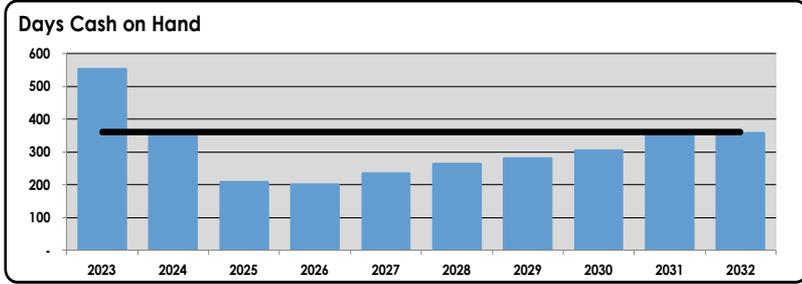
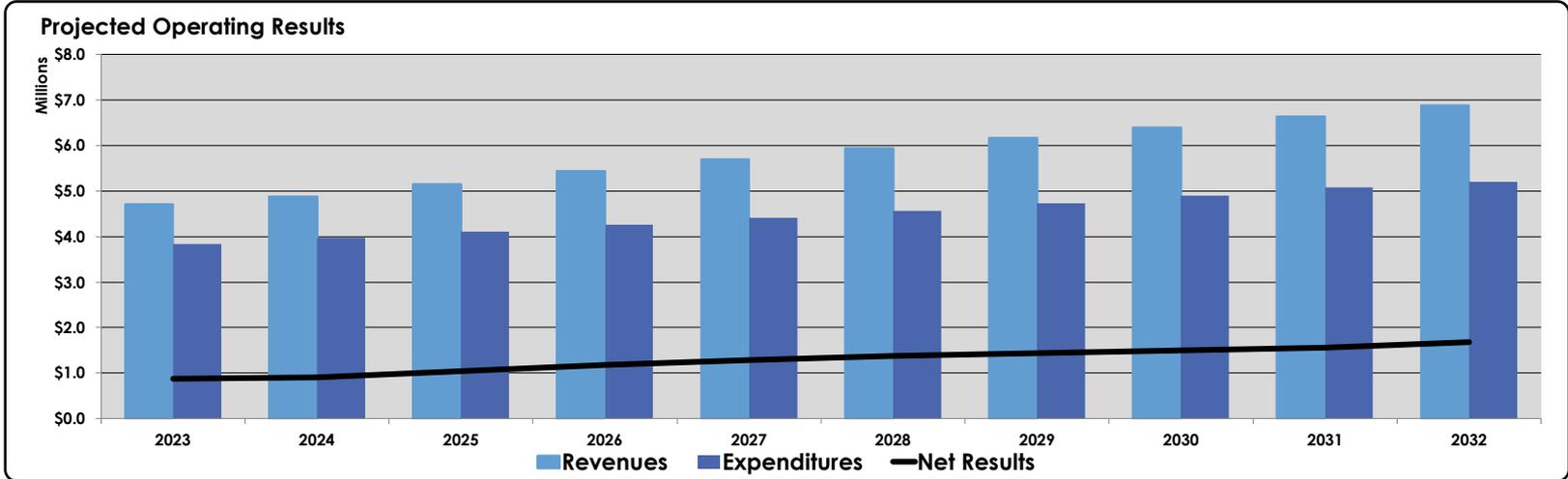
Projected Water & Sewer Bill @ 600 Cubic Feet Per Month



Revenue Adjustments

Description	Projected For Fiscal Year Ending June 30:				
	2023	2024	2025	2026	2027
Water	6.00%	6.00%	6.00%	5.00%	4.00%
Sewer	4.00%	4.00%	5.00%	5.00%	5.00%

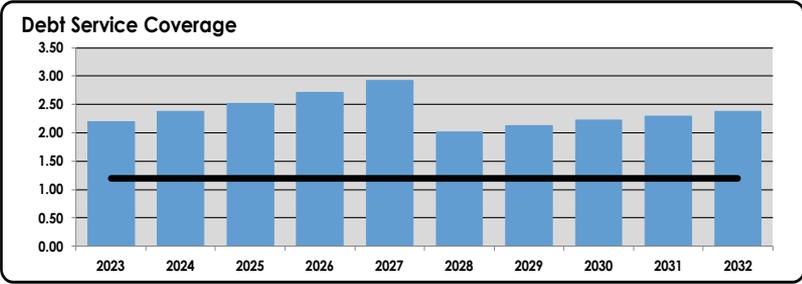
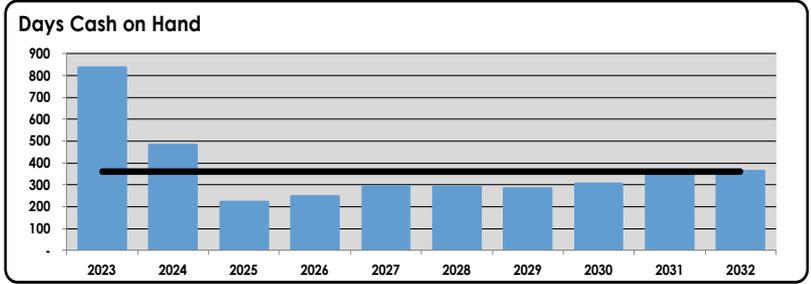
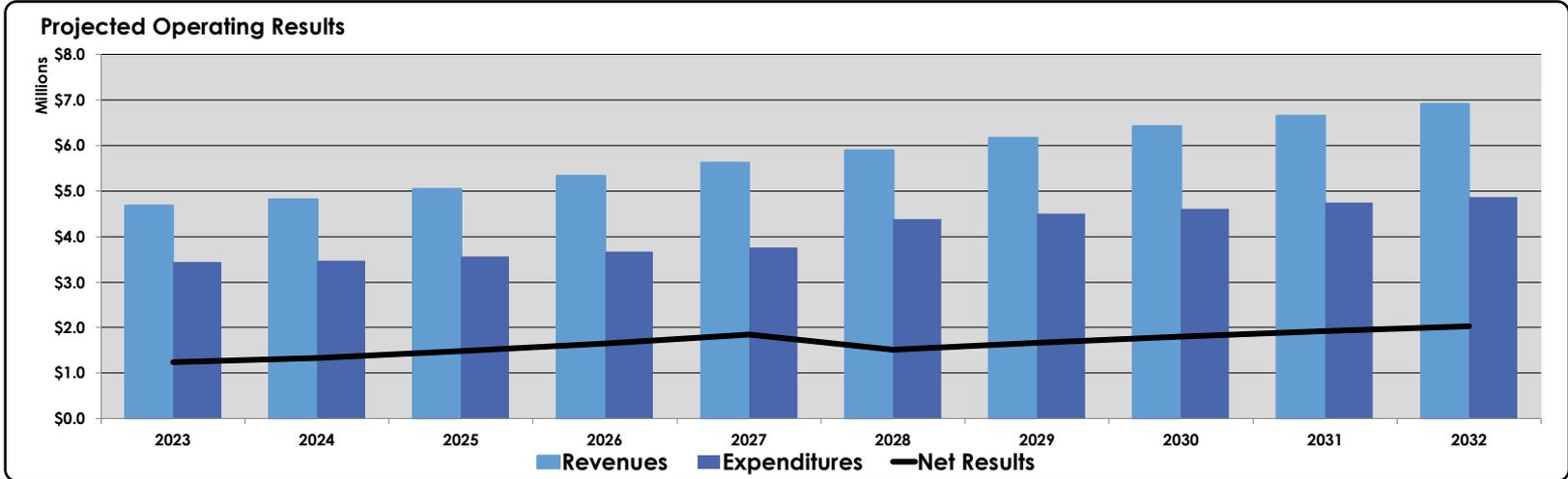
Adjusted Financial Metrics: Water



Description	Projected for Fiscal Year Ending June 30, (\$1,000s)					
	Existing 2023	Proposed 2023	2024	2025	2026	2027
Revenues:						
Water Sales	\$ 4,274	\$ 4,373	\$ 4,513	\$ 4,778	\$ 5,046	\$ 5,285
Other Revenues	342	342	359	377	395	415
Total Revenues	\$ 4,616	\$ 4,714	\$ 4,872	\$ 5,155	\$ 5,442	\$ 5,700
O&M Expenses	(3,380)	(3,380)	(3,512)	(3,657)	(3,810)	(3,961)
Net Income For Debt	\$ 1,235	\$ 1,334	\$ 1,360	\$ 1,498	\$ 1,631	\$ 1,739
Debt Service:						
Existing	\$ 456	\$ 456	\$ 456	\$ 457	\$ 458	\$ 453
Future	-	-	-	-	-	-
Total Debt Service	\$ 456	\$ 456	\$ 456	\$ 457	\$ 458	\$ 453
Balance After Debt	\$ 780	\$ 878	\$ 905	\$ 1,041	\$ 1,173	\$ 1,286
Other Expenditures & Transfers:						
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Expenditures & Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Results	\$ 780	\$ 878	\$ 905	\$ 1,041	\$ 1,173	\$ 1,286
Fund Balance Activity:						
Operating Fund						
Beginning Balance	\$ 6,125	\$ 6,125	\$ 5,130	\$ 3,357	\$ 2,087	\$ 2,099
Deposit/(Withdrawal) from Operations	780	878	905	1,041	1,173	1,286
Cash Funded Capital Projects	(1,874)	(1,874)	(2,678)	(2,310)	(1,162)	(833)
Total Operating Fund Balance	\$ 5,031	\$ 5,130	\$ 3,357	\$ 2,087	\$ 2,099	\$ 2,552
Ending Fund Balance	\$ 5,031	\$ 5,130	\$ 3,357	\$ 2,087	\$ 2,099	\$ 2,552
Debt Coverage	2.71	2.93	2.99	3.28	3.56	3.84

Projected Operating Results: Water

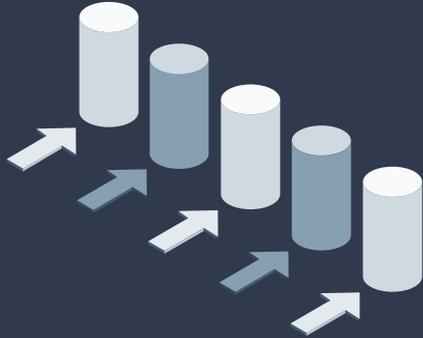
Adjusted Financial Metrics: Sewer



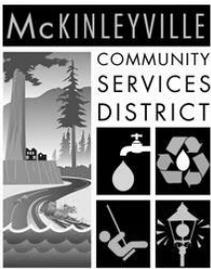
Description	Projected for Fiscal Year Ending June 30, (\$1,000s)					
	Existing 2023	Proposed 2023	2024	2025	2026	2027
Revenues:						
Wastewater Sales	\$ 4,186	\$ 4,271	\$ 4,383	\$ 4,603	\$ 4,864	\$ 5,139
Other Revenues	407	407	421	437	452	469
Total Revenues	\$ 4,593	\$ 4,678	\$ 4,805	\$ 5,040	\$ 5,316	\$ 5,608
O&M Expenses	(2,402)	(2,402)	(2,502)	(2,597)	(2,696)	(2,797)
Net Income For Debt	\$ 2,191	\$ 2,275	\$ 2,303	\$ 2,442	\$ 2,620	\$ 2,811
Debt Service:						
Existing	\$ 1,039	\$ 1,039	\$ 970	\$ 973	\$ 972	\$ 966
Future	-	-	-	-	-	-
Total Debt Service	\$ 1,039	\$ 1,039	\$ 970	\$ 973	\$ 972	\$ 966
Balance After Debt	\$ 1,151	\$ 1,236	\$ 1,333	\$ 1,469	\$ 1,648	\$ 1,845
Other Expenditures & Transfers:						
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Expenditures & Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Results	\$ 1,151	\$ 1,236	\$ 1,333	\$ 1,469	\$ 1,648	\$ 1,845
Fund Balance Activity:						
Operating Fund						
Beginning Balance	\$ 6,257	\$ 6,257	\$ 5,497	\$ 3,304	\$ 1,551	\$ 1,809
Deposit/(Withdrawal) from Operations	1,151	1,236	1,333	1,469	1,648	1,845
Cash Funded Capital Projects	(1,996)	(1,996)	(3,526)	(3,223)	(1,390)	(1,438)
Total Operating Fund Balance	5,412	5,497	3,304	1,551	1,809	2,216
Ending Fund Balance	\$ 5,412	\$ 5,497	\$ 3,304	\$ 1,551	\$ 1,809	\$ 2,216
Debt Coverage	2.11	2.19	2.37	2.51	2.70	2.91

Projected Operating Results: Sewer

Next Steps



- Set a public hearing date (November 2nd)
- Mail out Proposition 218 Notices
- Conduct the public hearing
- Tabulate written protests
- Adopt and implement the utility rates



NOTICE TO PROPERTY OWNERS OF PUBLIC HEARING REGARDING PROPOSED WATER AND SEWER RATES

Hearing Date & Time: November 2, 2022 7:00 PM

Hearing Location: Azalea Hall

1620 Pickett Road, McKinleyville, CA 95519

Why are you receiving this notice?

The McKinleyville Community Services District (MCSD) is mailing this notice to you because you are a water and/or sewer customer or are the owner of record of a property that receives water and/or sewer service. This notice is being provided pursuant to California Constitution Article XIID (also known as "Proposition 218"). Under the terms of Proposition 218, MCSD is required to notify property owners of proposed changes to property-related fees such as water and sewer service. This notice describes proposed changes to the water and sewer rates and gives information about a public hearing to be held on November 2, 2022 at Azalea Hall, 1620 Pickett Road, McKinleyville, CA, 95519.

What do water and sewer rates fund?

MCSD provides water and sewer service to approximately 5,800 residential and commercial customers. Monthly water and sewer rates charged to system users (customers) are the primary source of revenue to operate and maintain the water and sewer systems and are used solely for this purpose. Water and sewer rate revenue provides funding for costs related to system operations, maintenance, capital projects, debt service, administration, as well as costs related to prudent long-term operational or financial management of the utilities, such as maintaining adequate fund reserves and planning for contingencies. Water rate revenue also provides funding for costs related to wholesale water purchased from Humboldt Bay Municipal Water District (HBMWD).

The proposed rates are based on a comprehensive utility rate study and financial plan completed by an independent consultant. The rate structures for each utility were designed so that revenues derived from the proposed rates do not exceed the amount of revenue required for MCSD to provide the services, nor will the revenue from the water and sewer rates and charges be used for any purposes other than those for which they are imposed. The amount of the proposed rates imposed on any parcel or person as an incident of property ownership will not exceed their proportional cost of the service(s) attributable to such parcel; and no rate will be imposed for a service unless that service is actually used by, or immediately available to, the property owner or customer in question.

Why are rate increases needed?

A financial rate study was conducted which determined that MCSD's current water and sewer rates were not sufficient to pay for increased costs of operations and maintenance, routine repair and replacement of aging infrastructure, and future capital expenditures. Like most costs, those associated with maintenance and operations of the water and sewer utility increase over time. In addition, the water and sewer utilities combined have more than \$40 million in capital projects planned for the next five years to ensure the facilities are in place to ensure uninterrupted service to MCSD customers. Of these capital projects, slightly more than half are attributable to the water utility. Major planned capital expenditures include a 4.5 MG water storage tank, Highway 101 sewer main crossing replacements, and the Central Ave water and sewer main rehabilitation.

How the rates are determined and how they work

To develop water and sewer rates that will generate sufficient revenue to meet fiscal and policy objectives of the MCSD, a determination of the annual revenue required from water and sewer rates was completed. These revenue requirements were then compared to the total sources of funds under existing rates during each year of the forecast period to determine the adequacy of projected revenues to meet those requirements. Where a shortage of revenue was found, a series of revenue increases were calculated, which if implemented, will provide revenue sufficient to meet those needs. As previously mentioned, required revenue includes projected expenses for operations, maintenance, repair and replacement of aging system components, equipment, debt service, and capital projects. The revenue requirement for each utility also includes maintenance of designated reserves. Healthy reserve funds are critical to the ability of MCSD to serve its customers, respond to unforeseen and unpredictable costs, and provide funding for planned pipeline

replacement programs. The reserves, like all elements of the water and sewer charges, may only be used to fund costs associated with those systems.

Water - Proposed water rates are comprised of a monthly Base (fixed) Charge and a Volume Charge. The Base Charge is based on the size of the meter and recovers fixed costs of providing water service, with certain fixed costs allocated equally to all accounts and others allocated based on the size of a customer’s water meter. The Volume Charge is based on the amount of water flow billed to an account, with two tiers of progressively higher rates tied to levels of consumption. Customers pay one rate for each 100 cubic feet (CF) of water consumed during a month, up to 800 CF, then pay a higher rate for any consumption above 800 CF in that month. The Volume Charge recovers the variable costs associated with the delivery of water service. The rate structure was designed so that each system user will be charged an amount that is proportional to the cost of serving that user.

In addition to the Base and Volume Charges, MCSD will pass through to customers the wholesale cost of water obtained by MCSD from the Humboldt Bay Municipal Water District (HBMWD). This pass through is necessary to ensure cost recovery of commodity water charges imposed by HBMWD which are beyond the control of MCSD. The HBMWD Pass Through will be included as a separate line item on customer water bills and will reflect only the direct cost of the water purchased from HBMWD for resale to MCSD customers. The amount of the HBMWD Pass Through charge for each customer will be based upon the amount of water used.

Sewer - For the proposed sewer rates, projected expenses are allocated between a monthly Base (fixed) Charge and a Volume Charge. The monthly Base Charge is the same for all sewer customers, with costs allocated based on number of accounts. The Volume Charge differs by customer type and recovers the variable costs of providing sewer service and costs associated with the strength of sewer discharge by each customer type. The rate structure was designed so that each system user will be charged an amount that is proportional to the cost of serving that user.

New water rates

MCSD is proposing to implement new water rates as a series of annual adjustments starting on January 1, 2023 and each January 1 until 2027. The following table summarizes the proposed water rates. The Fixed and Volume charges will go into effect and remain in effect until superseded by Board action.

**Proposed Monthly Water Rates
Calendar Years Beginning January 1, 2023 – January 1, 2027**

Description	Existing Rates	Projected For Calendar Year Beginning January 1:				
		2023	2024	2025	2026	2027
Monthly Base Charge by Meter Size:						
General Service						
5/8 Inch	\$ 19.80	\$ 20.45	\$ 21.68	\$ 22.98	\$ 24.13	\$ 25.10
3/4 Inch	\$ 29.11	\$ 28.39	\$ 30.10	\$ 31.90	\$ 33.50	\$ 34.85
1.0 Inch	\$ 47.52	\$ 44.28	\$ 46.93	\$ 49.75	\$ 52.24	\$ 54.34
1.5 Inch	\$ 93.06	\$ 83.98	\$ 89.02	\$ 94.36	\$ 99.08	\$ 103.06
2.0 Inch	\$ 147.91	\$ 131.63	\$ 139.53	\$ 147.89	\$ 155.29	\$ 161.54
3.0 Inch	\$ 291.85	\$ 242.81	\$ 257.37	\$ 272.80	\$ 286.46	\$ 297.97
4.0 Inch	\$ 459.76	\$ 401.63	\$ 425.72	\$ 451.25	\$ 473.83	\$ 492.88
6.0 Inch	\$ 915.75	\$ 798.69	\$ 846.60	\$ 897.36	\$ 942.27	\$ 980.15
8.0 Inch	\$1,464.41	\$1,275.17	\$1,351.65	\$1,432.70	\$1,504.40	\$1,564.87
Volumetric Rates Per 100 Cubic Feet:						
0 - 800 Cubic Feet	\$ 1.89	\$ 2.47	\$ 2.62	\$ 2.78	\$ 2.92	\$ 3.04
Over 800 Cubic Feet	\$ 4.73	\$ 3.32	\$ 3.51	\$ 3.73	\$ 3.91	\$ 4.07
HBMWD Pass Through ^[1]	\$ 1.76	\$ 1.76	\$ 1.81	\$ 1.89	\$ 1.97	\$ 2.04

Notes:

[1] All customers pay an additional pass-through charge per 100 cubic feet of flow used by Humboldt Bay Municipal Water District.

Drought Surcharge for Water

MCSD has adopted a Water Shortage Contingency Plan (WSCP) that complies with California Water Code Section 10632, which is designed to prepare for and respond to water shortages. All California urban water suppliers are required to prepare and adopt a WSCP as part of their Urban Water Management Plan.

The provisions of the WSCP shall take effect upon a declaration of a water shortage made by a resolution of the MCSD Board of Directors. Recommendation for the implementation of the WSCP shall be brought to the Board of Directors whenever the MCSD General Manager, upon engineering analysis of MCSD water supplies, information received from the wholesale water provider (HBMWD), or due to regulatory requirements, notices, or orders, finds and determines that a water shortage emergency exists or is imminent within the MCSD water service area. The WSCP shall remain in effect for the duration of the water shortage or until rescinded by the Board.

The analysis and proposed drought surcharge water rates here assume that a Stage 3 water shortage response action will be implemented. Under the stage 3 water shortage response action, a mandatory 10% reduction in water demand will go into effect along with these Drought Surcharge rates. These Drought Surcharge rates are intended to ensure adequate revenue is recovered through the rates under reduced demand. The surcharges are calculated based upon the same cost-of-service approach utilized for the basic water rates, assuming a ten percent (10%) reduction in water use and reflect the proportional cost of providing water service to customers. As with basic water rates, revenues generated through the Drought Surcharge will only be used to fund costs associated with the provision of water service.

Proposed Monthly Drought Rates

Calendar Years Beginning January 1, 2023 – January 1, 2027

Description	Existing Rates	Projected For Calendar Year Beginning January 1:				
		2023	2024	2025	2026	2027
Monthly Base Charge by Meter Size						
General Service						
5/8 Inch	N/A	\$ 20.45	\$ 21.68	\$ 22.98	\$ 24.13	\$ 25.10
3/4 Inch	N/A	\$ 28.39	\$ 30.10	\$ 31.90	\$ 33.50	\$ 34.85
1.0 Inch	N/A	\$ 44.28	\$ 46.93	\$ 49.75	\$ 52.24	\$ 54.34
1.5 Inch	N/A	\$ 83.98	\$ 89.02	\$ 94.36	\$ 99.08	\$ 103.06
2.0 Inch	N/A	\$ 131.63	\$ 139.53	\$ 147.89	\$ 155.29	\$ 161.54
3.0 Inch	N/A	\$ 242.81	\$ 257.37	\$ 272.80	\$ 286.46	\$ 297.97
4.0 Inch	N/A	\$ 401.63	\$ 425.72	\$ 451.25	\$ 473.83	\$ 492.88
6.0 Inch	N/A	\$ 798.69	\$ 846.60	\$ 897.36	\$ 942.27	\$ 980.15
8.0 Inch	N/A	\$ 1,275.17	\$ 1,351.65	\$ 1,432.70	\$ 1,504.40	\$ 1,564.87
Drought Surcharge Per 100 Cubic Feet						
Tier 1	N/A	\$ 0.47	\$ 0.50	\$ 0.53	\$ 0.56	\$ 0.58
Tier 2	N/A	\$ 0.57	\$ 0.60	\$ 0.64	\$ 0.67	\$ 0.70
Total Volumetric Rates Per 100 Cubic Feet (Standard Volumetric Rate plus Drought Surcharge)						
0 - 800 Cubic Feet	N/A	\$ 2.94	\$ 3.12	\$ 3.31	\$ 3.48	\$ 3.62
Over 800 Cubic Feet	N/A	\$ 3.89	\$ 4.11	\$ 4.37	\$ 4.58	\$ 4.77
HBMWD Pass Through ^[2]	\$ 1.76	\$ 1.76	\$ 1.81	\$ 1.89	\$ 1.97	\$ 2.04
Notes:						
[1] All customers pay an additional pass-through charge per 100 cubic feet of flow used by Humboldt Bay Municipal Water District.						

New sewer rates

In order to provide necessary funding for the sewer system, MCSD is proposing to implement new sewer rates as a series of annual adjustments starting on January 1, 2023, and each January 1 until year ending 2027. The following table summarizes the proposed sewer rates. The Fixed and Volume charges will go into effect and remain in effect until superseded by Board action.

Proposed Monthly Sewer Rates

Calendar Years Beginning January 1, 2023 – January 1, 2027

Description	Existing Rates	Projected For Calendar Year Beginning January 1:				
		2023	2024	2025	2026	2027
Monthly Base Charge ^[1]:						
All Customers	\$ 34.59	\$ 35.69	\$ 37.12	\$ 38.98	\$ 40.93	\$ 42.98
Volumetric Rates Per 100 Cubic Feet ^[2]:						
2 sewer Units/Commercial	\$ 3.03	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Apartment/Multi Unit (Each)	\$ 2.89	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Bakery	\$ 13.81	\$ 4.25	\$ 4.42	\$ 4.64	\$ 4.87	\$ 5.11
Barber/Beauty Shop	\$ 2.89	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Car Wash	\$ 0.66	\$ 2.91	\$ 0.75	\$ 0.78	\$ 0.82	\$ 0.86
Church & Residence	\$ 3.41	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Churches	\$ 3.03	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Coast Guard Station/Airport	\$ 3.03	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Dialysis Clinic	\$ 3.61	\$ 3.08	\$ 3.20	\$ 3.36	\$ 3.52	\$ 3.70
Fire Station/School	\$ 1.97	\$ 2.97	\$ 2.21	\$ 2.32	\$ 2.43	\$ 2.56
Gas Stations (No Market)	\$ 2.86	\$ 3.19	\$ 3.22	\$ 3.38	\$ 3.54	\$ 3.72
Laundromats	\$ 2.28	\$ 3.00	\$ 2.57	\$ 2.69	\$ 2.83	\$ 2.97
Market	\$ 11.56	\$ 4.26	\$ 4.43	\$ 4.64	\$ 4.88	\$ 5.12
Metered Septage Vault	\$ 3.24	\$ 3.55	\$ 3.64	\$ 3.82	\$ 4.01	\$ 4.21
Mobile Homes (Each)	\$ 2.89	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Motels/Hotels	\$ 7.37	\$ 3.79	\$ 3.94	\$ 4.13	\$ 4.34	\$ 4.56
Office Building/Post Office	\$ 2.89	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Restaurant/Tavern	\$ 13.81	\$ 4.25	\$ 4.42	\$ 4.64	\$ 4.87	\$ 5.11
Retail/Banks/Theater/Other	\$ 3.03	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Round Table/Market	\$ 9.65	\$ 4.03	\$ 4.18	\$ 4.39	\$ 4.60	\$ 4.84
Sewer Only Accounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer Units - Commercial	\$ 2.86	\$ 3.19	\$ 3.22	\$ 3.38	\$ 3.54	\$ 3.72
Single Family Residential	\$ 2.89	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Two Sewer Units/Business	\$ 3.03	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Two Sewer Units/Daycare	\$ 2.92	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Brewery	\$ 23.12	\$ 11.20	\$ 11.63	\$ 12.20	\$ 12.81	\$ 13.45

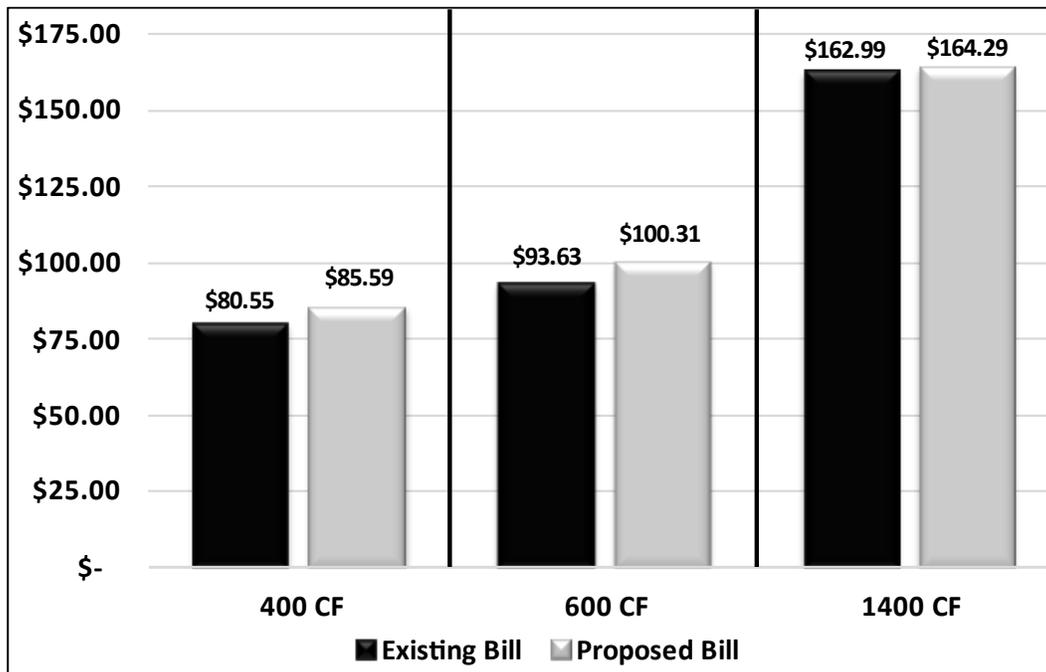
Notes:

[1] All sewer customers pay the same base charge.

[2] Each customer class pays a different volumetric rate based on the strength of their respective sewer discharge.

Impact on your bill

Per the proposed rates, effective January 1, 2023, for a typical single-family home that uses 600 CF (cubic feet) of water per month, the combined water and sewer bill would increase from \$93.63 per month currently to \$100.31 per month. The accompanying graph provides a summary of existing and proposed water rates under three usage scenarios, along with the difference.



How do you file a protest or participate in the public hearing?

MCSD will consider the new water and sewer rate structures and proposed revenue increase at a public hearing on Tuesday, November 2, 2022, at 7:00 p.m. at Azalea Hall, 1620 Pickett Road, in McKinleyville, CA 95519. You are invited to present oral or written testimony at the public hearing. **Any owner or customer of record of a parcel subject to the proposed rates may submit a written protest against the proposed rate revisions. If written protests are filed for a majority of the affected parcels, the proposed rate revisions will not be adopted.** There is a 120-day statute of limitations for challenging any new, increased, or extended fee or charge, commencing from the later of the effective date or of the date of the final passage, adoption, or approval of the resolution.

In order for a written protest to be counted it must include the following: a statement indicating that the identified property owner or customer of record is in opposition to the proposed water or sewer rate changes; the street address or Assessor's Parcel Number (APN) for the parcel(s) with respect to which the protest is made; and the name and signature of the owner or customer.

Protests may be mailed to P.O. Box 2037, McKinleyville, CA 95519, hand delivered to the MCSD offices at 1656 Sutter Road, McKinleyville, California 95519, or hand delivered to the Board Secretary at the Public Hearing at Azalea Hall on November 2, 2022. To be valid, a signed written protest must be received by the Board Secretary before the conclusion of the Public Hearing. Any protest submitted via e-mail or other electronic means will not be accepted. Please identify on the front of the envelope for any written protest, whether mailed or submitted in person to the Board Secretary, that the enclosed protest is for the Public Hearing on the Proposed Rate Changes – Water and Sewer Service Fees.

The Board of Directors will hear and consider all written and oral protests to the proposed rate changes at the Public Hearing. Oral comments at the Public Hearing will not qualify as formal protests unless accompanied by a written protest. Upon the conclusion of the Public Hearing, there will be no more written protests accepted and no more testimony taken, and the Board of Directors will consider adoption of the proposed rates for water and sewer service described in this notice. If written protests as outlined above, are not presented by a majority of property owners or customers of record, the Board of Directors will be authorized to adopt the proposed rates. While both property owners and customers of record may submit written protests, only one protest will be counted for each parcel. If adopted, the rates for water and sewer service will be in effect beginning January 1, 2023.

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Staff analysis consists of the following potential alternative:

- Take Action

Fiscal Analysis:

Not applicable. This project is grant funded by various grants obtained by CalTrout.

Environmental Requirements:

Not applicable. All necessary permits, including CEQA have been obtained for the project.

Exhibits/Attachments:

None

McKinleyville Community Services District

BOARD OF DIRECTORS

September 7, 2022

TYPE OF ITEM: **ACTION**

ITEM: E.3 **Consider Approval of Change Order 1 to Repair Rafters for the Cochran Tank 1A as Part of the Tank Painting Project**

PRESENTED BY: **James Henry, Operations Director**

TYPE OF ACTION: **Roll Call Vote**

Recommendation:

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

- Approve of Change Order 1 to Unified Field Services Corporation for the installation of a new support halo and 30 rafters at Tank 1A for the sum of \$204,548.58,
- Authorize the General Manager to sign the Change Order 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. The 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.

Unified Field Services Corporation was low bidder at \$469,903.00 for this project, and the Board approved their contract for that amount at the July 6, 2022 Board Meeting. During the performance of the work, the top dome was taken off the tank, and the existing rafters, where they meet the center support, were found to be seriously corroded (See Photos 1 & 2 below). The corrosion on the central end of the rafters extends back approximately 6-feet in the worst cases.

District Staff asked for prices for alternatives to perform the repair of the rafters prior to the painting. Two alternatives were presented, one which installed a 16-foot diameter halo to pick up the corroded ends of the rafters and install 4-new support columns for the halo. The other alternative, presented here, was to install a new 8-foot diameter halo, supported by the existing central column, and install 30 new rafters. This option was \$10k cheaper than the other option. It was also observed that some of the existing

rafters were beginning to twist, and this solution would also address that issue.

The proposed option will provide 30 new rafters and should allow for 50-years of additional life out of the tank roof; will allow for better access to the roof plate for sandblasting and painting, again extending the life of the roof; and hopefully will be the last major repair needed for this tank.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

The budgeted cost for the tank painting project was \$500K. The overall cost for the project, including the paint contractor and inspector came in at \$508,337. This additional \$204,000 will come out of the Mainline Replacement Reserves, which currently has approximately \$4M in it.

Environmental Requirements:

All environmental requirements will be addressed by the contractor.

Exhibits/Attachments

- Attachment 1 – Unified Field Services Construction Contract Change Order 1

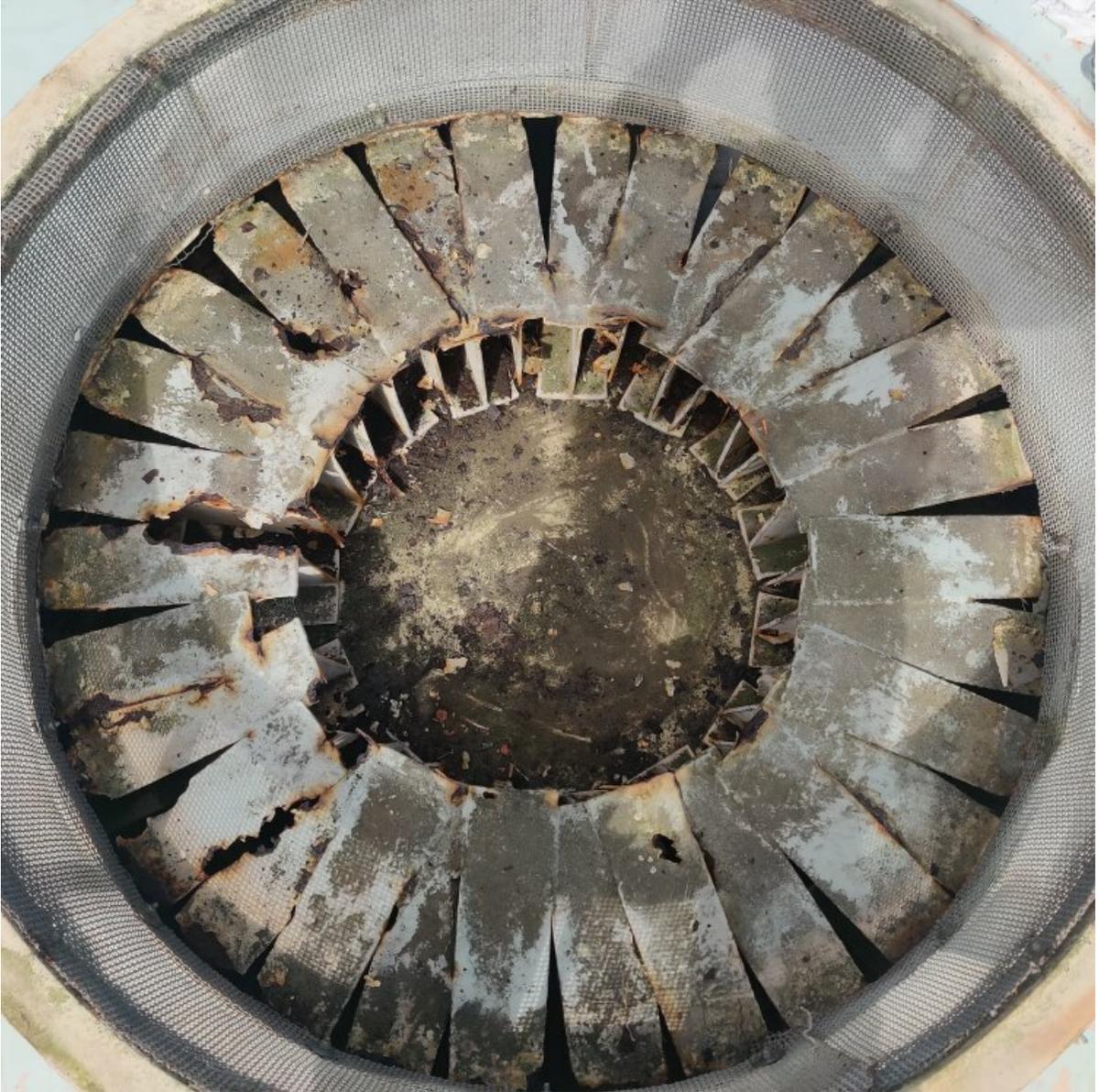


Photo 1 - View through central dome



Photo 2-Close up of the end of rafters



Photo 3-End of Rafters

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McKinleyville Community Services District

BOARD OF DIRECTORS

September 7, 2022

TYPE OF ITEM: **ACTION**

ITEM: E.4 **Discuss and Consider Approval of a Contract with Melton Design Group, Inc. for the Design of the BMX Track and Park Authorizing the General Manager to Sign the Contract**

PRESENTED BY: **Lesley Frisbee, Parks & Recreation Director**

TYPE OF ACTION: **Roll Call Vote**

Recommendation:

Staff recommends that the Board review the information, discuss, take public comment, and consider the approval of the contract with Melton Design Group, Inc. for the Design of the BMX Track & Park project in the amount of \$375,986 and a 10% contingency in the amount of \$37,600, and authorize the General Manager to sign the contract.

Discussion:

In the spring of 2022 MCSD was awarded a \$2,331,375 grant to design and construct a BMX track and park at the undeveloped 3-acre parcel located at School Rd. and Washington Ave. An RFP for the design of the project was released on June 30, 2022 with proposals due on July 29, 2022. Three proposals were received from Melton Design Group, Inc., Standing Wave Engineering and Mark Thomas. General Manager Kaspari, Parks & Recreation Director Frisbee, Operations Director Henry and Recreation Coordinator, Jens Andersen reviewed all three proposals. The proposal rankings is detailed in the table below.

WRITTEN PROPOSAL	Melton Design Group Score	Standing Wave Score	Mark Thomas Score
Introductory Letter – Reflects project understanding and summarizes critical issues, challenges, milestone tasks, and appropriate resourcing.	4.25	4.5	3.5

Project Team – Team organization, qualifications and experience of the firm, project manager, team, and sub-CONSULTANTS on similar projects. Experience with Community Services District, state and federal projects and procedures.	18.5	14.5	17.25
Availability - Key personnel are available and committed to the project	3.5	4.5	3.5
Workplan – Assignment, understanding, and organization of tasks, understanding of interrelationship of critical tasks, hour commitment to each task, deliverables.	18.25	16.5	17
Quality Control - CONSULTANT's internal controls, communications with Community Services District are adequate and timely, and provide assurance for complete submittals.	16.25	4.125	4
Schedule – Adequacy and reasonableness of schedule and deadlines.	4.75	4	4.5
TOTAL	65.5	48.125	49.75
FEE ESTIMATE	\$ 375,986.00	\$ 392,790.00	\$ 582,920.00

As shown in the table, the Melton Design Group, Inc (MDG). proposal ranked the highest. Staff reviewed the scope of work and fees, met with the MDG team and reviewed the scope and timeline and feel confident in their ability to meet the requirements of the project scope as outlined in the grant contract.

Alternatives:

Staff analysis consists of the following potential alternative:

- Take no Action

Fiscal Analysis:

Total cost for this agreement is not to exceed \$375,986 which is within the pre-construction cost estimate submitted with the grant scope. All pre-construction costs will be reimbursed by the California Statewide Park Development Program funds.

Environmental Requirements:

N/A

Exhibits/Attachments:

- Attachment 1 – Professional Services Contract with MDG

**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: Melton Design Group, Inc. DATE: September 8, 2022
820 Broadway St. Agreement No. 2022-11
Chico, CA 95928

The undersigned Consultant offers to furnish the following services (the “Services”):

As described in the proposal submitted by Consultant dated August 25, 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 B**, which is attached hereto and incorporated herein by reference. The scope of work for this project includes the following: see **Exhibit A**

Contract Price: \$365,035 Not To Exceed: \$375,986
Payment Intervals: Monthly
Completion Date: July 2024

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:

Melton Design Group, Inc.

(Business Name)

By Patrick Kaspari

By _____

Title General Manager

Title _____

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.

- l. **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.



DRAFT

EXHIBIT A

McKinleyville BMX Track and Park
MDG Project No: 2537
August 25, 2022

**LANDSCAPE DESIGN SCOPE OF WORK and COST AGREEMENT
MELTON DESIGN GROUP, INC. and MCKINLEYVILLE COMMUNITY SERVICES DIST**

This AGREEMENT, effective as of the 25th day of August 2022 shall be

BETWEEN the

Client: McKinleyville Community Services Department
Leslie Frisbee
1656 Sutter Road / PO Box 2037
McKinleyville, CA 95519
707-839-9003 / Lesley@mckinleyvillecsd.com

AND the

Consultant: Gregory V. Melton, President / CEO
Melton Design Group, Inc. (MDG)
820 Broadway Street
Chico, CA 95928
530-899-1616 / Greg@meltong.com

PROJECT: MCS D BMX Track and Park Development

PROJECT UNDERSTANDING

The scope of work under this agreement includes design through construction admin for the following:

- BMX Track – Soil and Asphalt Surface
- Spectator Area
- Fencing
- Inclusive Playground with Lighting
- Outdoor Basketball Court
- Two New Pickleball Courts
- Restroom, Concession and Registration Building
- Perimeter Trail and Landscape Buffering
- Site Lighting for Security
- Picnic Tables
- Sidewalk and Sidewalk Access
- Fencing
- Planting and Irrigation
- Signage
- Parking Lot
- Coordination / Integration of Public Art Feature w/ District and Tribe



The following is an outline of the proposed Scope of Work:

SECTION 1 – SCOPE OF WORK

TASK 1 – PROJECT LAUNCH, MANAGEMENT and COORDINATION

- 1.1 Kick-off Meeting - Coordinate w/ District, County, LACO, ASD and all consultants.
- 1.2 Develop Program of Elements and prioritize Client's Desires, Meet USA BMX Requirements.
- 1.3 Ongoing Project Management Throughout the Process.
- 1.4 Update Project Schedule.

DELIVERABLES:

- Project Schedule and Update
- Program Update

TASK 2 – SITE ANALYSIS and REVIEW OF EXISTING INFORMATION

- 2.1 Review Existing Information: District Goals, Grant Requirements, previous Public Outreach and Geotech.
- 2.2 Analyze Site and Surrounding Area to Confirm Existing Conditions, Photographs (including Drone Photos).
- 2.3 Complete Field Survey, Identify Points for ADA Access and Topographic Survey.
- 2.4 Create Base Map for Master Plan and all Construction Drawings, 3D Civil Drawings.
- 2.5 Utility Coordination and Research (invert SS, SD and 4" trees).

DELIVERABLES:

- AutoCAD Base Map w/ Utilities
- Aerial Image
- Topographic Survey (1')
- Geotech and Retracement

TASK 3 – SCHEMATIC MASTER PLAN, PUBLIC ENGAGEMENT, PROGRAM DEVELOPMENT and PRELIMINARY COST ESTIMATE and SCHEDULE

- 3.1 Develop a Draft Schematic Master Plan (MP) based on Grant Description, Coordination w/ LACO, ASD and prior Public Outreach (Color Plan, Sections, 3D Rendering).
- 3.2 Develop a Preliminary Cost Estimate, Coordinate w/ ASD for BMX Track.
- 3.3 Review Draft MP, 3D Rendering, Sections and Preliminary Cost Estimate w/ District Staff and BMX Committee.
- 3.4 Revise Draft MP based on Review Meeting.
- 3.5 Present Revised MP at Public Outreach Events for Park and BMX Tracks

3.6 Meet w/ District Staff to discuss Public Outreach Results and MP Approval at Board Meeting.

DELIVERABLES:

- Rendered Master Plan, Alternate and Revisions
- Cost Estimates
- Public Meetings (4)
- BMX Site Plan w/ Sections, Alternate
- Review Meetings (Virtual)
- 3D Rendering of Site / Revisions
- Final Master Plan

TASK 4 – DESIGN DEVELOPMENT (35% CDs)

- 4.1 Prepare a Design Development (DD) Package for Review by the District.
- 4.2 Cutsheets for Major Proposed Elements and Equipment (size, color, finish).
- 4.3 Outline of Technical Specifications and Cost Estimate (Park and BMX).
- 4.4 Meeting w/ District Staff and BMX Track Committee to Review DD Package and Approve.

DELIVERABLES:

- Review Meetings with Client (3 in-person / virtual)
- Digital Base of Plan
- Material Cutsheet and Finishes
- 35% CD Package
- Cost Estimate

TASK 5 – CONSTRUCTION DOCUMENTS (75%, 100%)

This task will include identifying proposed additive alternate Bid Items and, if required, proposed phasing plan.

- 5.1 DEMOLITION PLAN – Show location all elements that need removal and disposal off site.
- 5.2 CONSTRUCTION PLAN – Show location and layout of all proposed hardscape, grading, drainage and utilities.
 - a. Identify all paving locations, types, finish and detail reference.
 - b. Locate all existing conditions to remain including utilities.
 - c. Identify all material types and installation details.
- 5.3 GRADING and DRAINAGE PLAN – Identify all grading and drainage onsite with stormwater runoff techniques and BMPs as leading techniques. *(may be included in Construction Plan)*
 - a. Identify areas requiring imported soil for better drainage and plant health.
 - b. Show new drainage patterns with slopes and compaction.
- 5.4 UTILITY PLAN

- 5.5 LOW VOLTAGE ELECTRICAL, LIGHTING PLAN – Lighting location and fixture type. Coordinate all electrical fixtures, play and security lighting in landscape, with Electrical Engineer available, as needed.
- 5.6 STRUCTURAL PLAN – Necessary structural calculations for footings for play, walls and entry monumentation.
- 5.7 IRRIGATION PLAN – Irrigation plan with complete water use information including all water use calculations for all planting areas.
 - a. Identify all irrigation water use zones (trees, shrubs and ground covers) along with mainline, new and existing valves, point of connection and meters.
 - b. Show new valves, flow valves and controller layout.

WATER USE CALCULATIONS, SCHEDULING and GUIDELINES

 - c. Provide water use calculations identifying maximum applied water allowance and quantity of water use.
 - d. Develop water use schedule with seasonal adjustments along with estimated water use calculations.
 - e. AB 1881 certificate of completion at end of project.
- 5.8 PLANTING PLAN – Identify all proposed plant species, water use, size and type.
 - a. Drought tolerant, low-maintenance adaptive plants and California natives where possible.
- 5.9 DETAIL SHEETS – Construction details of all proposed elements.
- 5.10 TECHNICAL SPECIFICATIONS – Book form to describe required materials, workmanship, grading, planting and irrigation techniques, including requirements for contractor-supplied as-built drawings.
- 5.11 FRONT END SPECIFICATIONS – Information for Bidders / Advertisement for Bids, Bidder's Checklist, Bid Form, Bid Schedule, Bid Bond form, Payment / Performance Bond forms, Notice of Award / Notice to Proceed forms.
- 5.12 COST ESTIMATE – Calculations and detailed cost estimate to verify budget and bid documents.
- 5.13 SUBMITTAL – Sets of development plans for the Client; revise construction documents, as required for approval. Submittal of construction drawings to Client will occur at 75% and 100%.

DELIVERABLES:

- Review and Comment Meetings with Staff (5 in-person / virtual)
- Site Verification Meeting
- Complete PS&E Package
- Final Bid Estimate
- Final Construction Plans 75% and 100%
- Final Approval

TASK 6 – BID ADMINISTRATION SUPPORT

- 6.1 Provide Bid Support by Answering Bid Questions and Issuing Addenda
- 6.2 Review Bids Received for Responsiveness and Prepare Bid Tabulation and Recommendation for Award

DELIVERABLES:

- Bid Package
- RFIs
- Award Recommendation

TASK 7 – CONSTRUCTION ADMINISTRATION SUPPORT

- 7.1 SUBMITTALS
 - a. Receive, log, review and comment on contractor submittals, cutsheets, samples and shop drawings.
 - b. Receive, log and answer contractor RFIs.
 - c. Receive, log and review change order submissions and generate change orders, as needed.
 - d. Review and provide recommendations for contractor applications for payment.
- 7.2 SCHEDULED SITE VISITS – Participate in seven to nine (7-9) meetings / project site visits with the project contractor and Client staff to review the progress of construction and inspect at determined milestones. Additional meetings to be billed hourly.
 - a. Lead Pre-Construction Meeting and Weekly Construction Progress Meetings.
 - b. Coordinate Inspections and Materials Testing (Report Nonconformance and Deficiencies to the Contractor and the District).
 - c. Assist with the substantial completion walk-through and punchlist.
 - d. Attend second and final walk-through to determine completion.
 - e. Review Contractor As-Builts, Prepare Record Drawings.



COST SUMMARY PER TASK	FEES
TASK 1: PROJECT LAUNCH, MANAGEMENT and COORDINATION	\$ 28,795
TASK 2: SITE ANALYSIS, REVIEW OF EXISTING INFORMATION	\$ 36,115
TASK 3: SCHEMATIC MASTER PLAN, PUBLIC ENGAGEMENT, PROGRAM DEVELOPMENT and PRELIMINARY COST ESTIMATE	\$ 38,242
TASK 4: DESIGN DEVELOPMENT PLAN (35%)	\$ 42,329
TASK 5: CONSTRUCTION DOCUMENTS (75%, 100%)	\$ 122,004
TASK 6: BID ADMINISTRATION SUPPORT	\$ 10,610
TASK 7: CONSTRUCTION ADMINISTRATION SUPPORT	\$ 86,940
REIMBURSABLES	\$ 10,951
TOTAL	\$ 375,986

If the project scope changes in a way that could cause the additional work beyond this contract, Landscape Architect will dictate an addendum to contract and notify Client prior to exceeding the estimate. Additional Services compensation shall be on an hourly rates / expense basis in accordance with MDG’s Schedule of Rates.

SECTION 2 – BASIS OF COMPENSATION

Compensation due Consultant for services described in Section 1 shall be a not to exceed fee of **\$375,986**. Charges for Services described in Section 1 shall be billed monthly in proportion to the work completed. Client agrees to pay Consultant within thirty (30) days after the date of billing. Payments due Consultant and unpaid under this Agreement shall bear interest on the unpaid balance at a rate of 1.5% per month which is an annual percentage rate of 18%. If payment is not received within forty-five (45) days, Consultant may, at his discretion, stop work until payment is received.

SECTION 3 – ADDITIONAL SERVICES

1. MAINTENANCE AND OPERATIONS – Develop maintenance and operation manual that has guidelines and approach to annual maintenance for project. It will cover water use, adjustments to clocks, plant maintenance, weed spray schedule and hardscape and drainage control.
2. SUSTAINABLE BENEFIT ANALYSIS – Provide analysis of beneficial elements that are now in place for the project and what will be there after the project. Air Quality, Carbon Sequestered, Value of Improvements in relation to storm water, air quality, land value, water quality.
3. POSSIBLE ENCROACHMENT PERMIT – City may require permit to work in the ROW.
4. DESIGN CHANGES – Changes in the design program that will add Scope to the project.

Additional Services may also include but are not limited to:

1. Additional meeting, site visits or inspections during construction.
2. Permitting fees and plan review.
3. Construction permits will be by construction contractor.
4. Work involving environmental impact reports or initial study.
5. Civil engineering or design for off-site improvements.
6. Structural engineering.
7. Construction material testing such as concrete density or soil compaction tests.
8. Work involving making or processing applications for additional permits.
9. Renderings, models, computer-generated animations or other forms of presentation materials that go beyond the stipulated plans, drawings and documents outlined in Section 1.
10. Any service or reimbursable expense not included in or in excess of Section 1 that are provided by Melton Design Group, Inc. at your request or concurrence.

SECTION 4 – MISCELLANEOUS PROVISIONS

1. This proposal will remain valid for the time of 6 months, after which if a contract has not been executed MELTON DESIGN GROUP, INC. reserves the right to revise billing rates and fee amounts.
2. If project is put on hold for 6 months a 5% startup fee will be assessed.
3. Charges for Services shall be billed in proportion to the work completed. Invoices are due and payable within 30 days of receipt. Agreement shall bear interest on the unpaid balance at a rate of 1.5% per month which is an annual percentage rate of 18%. If payment is not received within forty-five (45) days, Consultant may, at his discretion, stop work until payment is received.
4. This Agreement is construed and governed by the laws of the State of California. The venue for any proceeding brought by either Party with regard to any provision or obligation arising under this Agreement shall be in the County of Humboldt.
5. This Agreement and the associated MCSD Contract are the entire and integrated agreement between Client and MDG and supersedes all prior negotiations, statements or agreements, either written or oral. The parties may amend this Agreement only by a written instrument signed by both Client and MDG.
6. If any term or provision of this Agreement is held as a matter of law to be unenforceable or invalid for any reason, the remainder of this Agreement shall continue in full force and effect and be enforceable without such provisions, and the parties agree that any unenforceable or invalid term or provision shall be amended to the minimum extent required to make such term or provision enforceable and valid.
7. Neither Client nor MDG shall assign this Agreement without the written consent of the other.
8. Nothing in this Agreement shall create a contractual relationship for the benefit of any third party.
9. MDG agrees to provide its professional services with its best skill and judgement in accordance with this Agreement; Federal, State and local laws and regulations and the

- generally accepted Standard of Care for Landscape Architects which are in effect at the time of this Agreement in all ways to further the interest of the Client and project(s). MDG shall furnish the services in an efficient manner and shall use its best efforts to see that the project is completed in conformity with the terms of this Agreement and consistent with the interest of the Client.
10. MDG shall use reasonable efforts to verify the accuracy and suitability of any drawings, plans, sketches, instructions, information, requirements, procedures, requests for action and other data supplied to MDG for the project.
 11. MDG agrees that its officers and employees do not now have a conflict of interest with respect to any aspect of this Agreement and that MDG, its officers or employees, will not contract for or accept employment for the performance of any work or services with any individual business, corporation or government unit that would create a conflict of interest in the performance of services.
 12. MDG shall maintain in force throughout the term of this Agreement insurance adequate by industry standards for professional liability and comprehensive general liability to insure against any claim or claims for damage arising in connection with MDG's performance or service provided under this Agreement.
 13. Irrespective of any other term in this Agreement, MDG shall not control or be responsible for construction means, methods, techniques, schedules, sequences or procedures; or for construction safety or any other related programs; or for another party's errors or omissions or for another party's failure to complete their work or services in accordance with MDG's documents.
 14. Client and MDG waive consequential damages for any claims, disputes or other matters in question arising out of or relating to this Agreement. MDG's waiver of consequential damages, however, is contingent upon the Client requiring contractor and its subcontractors to waive all consequential damages against MDG for claims, disputes or other matters in question arising out of or relating to the Project.
 15. Neither the Client nor MDG shall have any liability for any negligent act or omission of the other, its employees, officers or agents. In no event shall either Party be liable to the other Party for indirect or consequential loss of or damage to profits, business, revenue, goodwill or anticipated savings suffered by the other Party during the term of this Agreement.
 16. To the extent damages are covered by property insurance during construction, Client and MDG waive all rights against each other and against the contractors, consultants, agents and employees of the other for such damages. Client or MDG, as appropriate, shall require of the contractors, consultants, agents and employees of any of them similar waivers in favor of the other parties described in this paragraph.
 17. Client acknowledges and agrees that proper project maintenance is required after the Project is complete. A lack of or improper maintenance in areas such as irrigation equipment may result in damage to property or persons. Client further acknowledges and agrees that, as between the parties to this Agreement, Client is solely responsible for the results of any lack of or improper maintenance.



18. MDG shall maintain records of costs, expenses and billings pertaining to services performed under this Agreement in accordance with generally accepted accounting standards. Such records shall be available to the Client or the Client's authorized representative at mutually convenient times for a period of at least three (3) years after expiration or termination of this Agreement. Client shall have the right to audit and to verify the details set forth in MDG's billings, certificates and statements, either before or after payment. The terms of this paragraph shall survive any termination of the Agreement.
19. If either Party to this Agreement institutes a proceeding in court to enforce any provision of this Agreement, or for damages by reason of any breach of this Agreement, then the Prevailing Party will be entitled to recover from the other Party all costs of the suit, including, without limitation, court costs and such amounts as the court may award as reasonable attorney's fees and expenses for services rendered to the Prevailing Party during the proceedings.
20. MDG shall treat any Client-supplied information or information pertaining to the Client's business as confidential and shall not disclose any such information to others except as necessary for the performance of this Agreement or as authorized by the Client in writing.
21. This Agreement may be amended by written agreement of the Parties.
22. This Agreement may be terminated by either party with or without cause, provided the other party is given not less than five calendar (5) days' written notice of intent to terminate (delivered by certified mail, return receipt requested). Client shall pay MDG the reasonable value of services rendered by MDG or MDG sub-consultants prior to termination.
23. Landscape Architects are regulated by the State of California. Any questions concerning a Landscape Architect may be referred to:
Landscape Architects Technical Committee
2420 Del Paso Road, Suite 105, Sacramento, CA 95834. (916) 575-7230

Let us know if you have any questions concerning this proposal. If the above meets your approval, please sign and return a copy.

Sincerely,

Greg Melton, President / CEO
Principal Landscape Architect RLA #4217
Melton Design Group, Inc.



I hereby authorize Melton Design Group, Inc. to proceed with the work as set forth in this contract.

Date: _____ By: _____

Print Name: _____

Title: _____

Company: _____

NAME AND ADDRESS WHERE BILLINGS ARE TO BE SENT:

Print Name and Title: _____

Company Project # or Reference Name: _____

Phone #: _____ Email: _____

Mailing Address: _____

State / Zip Code: _____

If more than one recipient for billings, please add Email below.

Email: _____

All checks are to be mailed to: **Melton Design Group, Inc.**
820 Broadway Street
Chico, CA 95928

Billing Questions: **Teresa Walsh, Controller**
(530) 899-1616, Teresa@meltondg.com



2022 SCHEDULE OF RATES

MDG PERSONNEL

Principal Landscape Architect	\$180.00 / hour
Project Manager	\$145.00 / hour
Irrigation Specialist	\$130.00 / hour
Graphic Designer	\$115.00 / hour
Designer/Technician	\$ 95.00 / hour
Administration	\$ 85.00 / hour

REIMBURSABLE EXPENSES

Black & White Copies 8.5 x 11	\$.30 each
Black & White Copies 11 x 17	\$.55 each
Color Copies 8.5 x 11	\$ 1.35 each
Color Copies 11 x 17	\$ 2.50 each
Binding Covers 8.5 x 11	\$ 3.00 each
Binding Covers 11 x 17	\$ 6.00 each
Black & White 24 x 36 Print	\$ 5.40 each
Black & White 30 x 42 Print	\$ 7.88 each
Color 24 x 36 Print	\$28.86 each
Color 30 x 42 Print	\$42.09 each
Premium Color Glossy Plan Print	\$62.50 each
Foam Core 24 x 36	\$13.25 each
Foam Core 30 x 42	\$15.75 each
Flash Drive	\$ 9.00 each
Overnight Mail	Cost Plus 15%
Courier	Cost Plus 15%
Photography	Cost Plus 15%
Soils Analysis	Cost Plus 15%
Travel / Automobile	\$.62 per mile

Note: Rates subject to change after one year of proposal



DRAFT

Melton Design Group, Inc.
August 25, 2022

McKinleyville CSD – MCK-BMX Project Schedule

TASK DESCRIPTION	DATE week of:
A. TASK 1 – Project Management and Coordination	
1. Develop schedule	August 22
2. Program clarity and team meeting	
B. TASK 2 – Site Analysis and Topography	
1. Site topography	September 12-19 – week of
2. Base map development	September 19
3. Easements / utilities	September / October
C. TASK 3 – Schematic Master Plan – Public Engagement – Cost Estimates	
1. Schematic Master Plan / Conceptual Elements Tribal and Public connection	September / October
2. Preparation of BMX layout and ideas	September / October
3. Public Meeting for PARK-1	November 7-14
4. Public Meeting for BMX-1	November 14-21
5. Staff and Team MDG plan review	October
6. Public Meeting for PARK-2	December 9-16
7. Public Meeting for BMX-2	December 9-16
8. Staff and Team MDG plan review	January 2023
9. FINAL MASTER PLAN – Board Mtg, Public	February 20-27, 2023, Approval
D. TASK 4 – Design Development – Cost Estimates	
1. PS&Es (35%)	February – May 2023
2. Staff and Team MDG plan review	April – May
3. Staff Approval DD	May – June
E. TASK 5 – Construction Drawings – Cost Estimates	
1. 75-100% PS&Es	July – November 2023
2. Staff and Team MDG plan review	November
3. Final Plan Approval	December 2023
F. TASK 6 – Bid Documents - RFI	
1. Bid Docs / Administration and RFI's	January – February 2024
2. Staff and Team MDG plan review	November
3. Bid Award	March / April
G. TASK 7 – Construction Administration	
1. Construction Process	April – September 2024
2. Final acceptance of project	October

CONSULTANT FEE - HOURLY BREAKDOWN PER MILESTONE TASK

COST PROPOSAL 		MCK BMX Track and Park Development Project Team Hours Per Task																										
		MDG Principal Landscape Architect		MDG Project Manager		MDG Landscape-Irrigation 3D Design Specialist		MDG Designer/Technicians		MDG Project Assistant		LACO Supervising Engineer		LACO Senior Engineer		LACO Engineer / CAD Technician		LACO Land Surveying		Chris Slater Electrical Engineer		Streamline Structural Engineer		Action Sports		Sub Totals		Totals
MDG Task	Description (RFP Task Number)	Hours	\$180	Hours	\$145	Hours	\$130	Hours	\$95	Hours	\$85	Hours	\$170	Hours	\$200	Hours	\$151	Hours	\$225	Hours	\$155	Hours	\$150	Hours	\$155	Hours	Fees	
1	PROJECT LAUNCH, MANAGEMENT and COORDINATION (Task 1)																									\$28,795		
1.1	Kick-off Meeting - Coordinate w/ District, County and ASD	4	\$720	4	\$580		\$0	2	\$190	4	\$340	2	\$340	2	\$400		\$0		\$0	1	\$155		\$0	7	\$1,085	26	\$3,810	
1.2	Develop Program of Elements and prioritize Client's Desires, Meet USA BMX Requirements	10	\$1,800	12	\$1,740	10	\$1,300	10	\$950	4	\$340	2	\$340		\$0		\$0		\$0		\$0		\$0	24	\$3,720	72	\$10,190	
1.3	Ongoing Project Management Throughout the Process	4	\$720	50	\$7,250		\$0		\$0	10	\$850		\$0		\$0		\$0	2	\$450	4	\$620	4	\$600	10	\$1,550	84	\$12,040	
1.4	Update Project Schedule	2	\$360	5	\$725		\$0		\$0	8	\$680	1	\$170	1	\$200		\$0		\$0		\$0		\$0	4	\$620	21	\$2,755	
2	SITE ANALYSIS, EXISTING INFORMATION REVIEW (Task 2)																									\$36,115		
2.1	Review Existing Information: District Goals, Grant Requirements, previous Public Outreach and Geotech	4	\$720	10	\$1,450	4	\$520	2	\$190	2	\$170		\$0		\$0		\$0	3	\$675		\$0		\$0	4	\$620	29	\$4,345	
2.2	Analyze Site and Surrounding Area to Confirm Existing Conditions, Photographs (including Drone Photos)	8	\$1,440	10	\$1,450		\$0		\$0		\$0		\$0		\$0		\$0	3	\$675	2	\$310	4	\$600	7	\$1,085	34	\$5,560	
2.3	Complete Field Survey, identify Points for ADA Access and Topographic Survey		\$0		\$0		\$0	4	\$380		\$0	3	\$510	3	\$600	40	\$6,040	40	\$9,000		\$0		\$0		\$0	90	\$16,530	
2.4	Create Base Map for Master Plan and all Construction Drawings, 3D Civil Drawings	1	\$180	2	\$290	4	\$520	8	\$760		\$0		\$0		\$0	40	\$6,040		\$0		\$0		\$0		\$0	55	\$7,790	
2.5	Utility Coordination and Research (invert SS, SD and 4" trees)	1	\$180	4	\$580	1	\$130	4	\$380		\$0		\$0		\$0		\$0		\$0	4	\$620		\$0		\$0	14	\$1,890	
3	SCHEMATIC MASTER PLAN (MP), PUBLIC ENGAGEMENT, PROGRAM DEVELOPMENT and PRELIMINARY COST ESTIMATE and SCHEDULE (Tasks 3-7)																									\$38,242		
3.1	Develop a Draft Schematic Master Plan (MP) based on Grant Description, Coordination w/ ASD and prior Public Outreach (Color Plan, Sections, 3D Rendering)	12	\$2,160	24	\$3,480	28	\$3,640	40	\$3,800	2	\$170	3	\$510		\$0	7	\$1,057		\$0	10	\$1,550	3	\$450	16	\$2,480	145	\$19,297	
3.2	Develop a Preliminary Cost Estimate, Coordinate w/ ASD for BMX Track	3	\$540	8	\$1,160	4	\$520	8	\$760	2	\$170		\$0	5	\$1,000		\$0		\$0	2	\$310		\$0	7	\$1,085	39	\$5,545	
3.3	Review Draft MP, 3D Rendering, Sections and Preliminary Cost Estimate w/ District Staff and BMX Committee	4	\$720	4	\$580		\$0	2	\$190	2	\$170		\$0		\$0		\$0		\$0		\$0		\$0	4	\$620	16	\$2,280	
3.4	Revise Draft MP based on Review Meeting	2	\$360		\$0	10	\$1,300	20	\$1,900		\$0		\$0		\$0		\$0		\$0		\$0	4	\$600	7	\$1,085	43	\$5,245	
3.5	Present Revised MP at Public Outreach Event for Park and BMX Track	4	\$720	8	\$1,160		\$0		\$0	2	\$170		\$0		\$0		\$0		\$0		\$0		\$0		\$0	14	\$2,050	
3.6	Meet w/ District Staff to discuss Public Outreach Results and MP Approval	2	\$360	3	\$435		\$0	4	\$380	2	\$170		\$0		\$0		\$0		\$0		\$0		\$0	16	\$2,480	27	\$3,825	
4	DESIGN DEVELOPMENT (DD) (35% CDs) (Tasks 8-9)																									\$42,329		
4.1	Prepare a Design Development (DD) Package for Review by the District	6	\$1,080	20	\$2,900	30	\$3,900	36	\$3,420	2	\$170	3	\$510	3	\$600	13	\$1,963		\$0	12	\$1,860	8	\$1,200	32	\$4,960	165	\$22,563	
4.2	Cutsheets for Major Proposed Elements and Equipment (size, color, finish)	4	\$720	8	\$1,160	4	\$520	8	\$760	4	\$340	3	\$510	5	\$1,000	4	\$604		\$0	8	\$1,240	2	\$300	7	\$1,085	57	\$8,239	
4.3	Outline of Technical Specifications and Cost Estimate (Park and BMX)	2	\$360	8	\$1,160	8	\$1,040	16	\$1,520	4	\$340	3	\$510	3	\$600	7	\$1,057		\$0	2	\$310	1	\$150		\$0	54	\$7,047	
4.4	Meeting w/ District Staff and BMX Track Committee to Review DD Package and Approve	4	\$720	4	\$580		\$0	2	\$190		\$0	3	\$510		\$0		\$0		\$0		\$0		\$0	16	\$2,480	29	\$4,480	
5	CONSTRUCTION DOCUMENTS (CDs) (75%, 100%) (Tasks 10-14)																									\$122,004		
5.1	Prepare 75% complete Construction Drawings for Review	6	\$1,080	28	\$4,060	30	\$3,900	80	\$7,600	4	\$340	4	\$680	20	\$4,000	53	\$8,003		\$0	10	\$1,550	12	\$1,800	36	\$5,580	283	\$38,593	
5.2	Prepare Preliminary Technical Specifications and Cost Estimate for Review	4	\$720	8	\$1,160	8	\$1,040	4	\$380	4	\$340	2	\$340	3	\$600	20	\$3,020		\$0	2	\$310	2	\$300	7	\$1,085	64	\$9,295	
5.3	Meeting w/ District Staff to Review 75% CD Package with Approval	4	\$720	12	\$1,740	2	\$260		\$0	4	\$340	4	\$680	3	\$600	20	\$3,020		\$0		\$0		\$0	4	\$620	53	\$7,980	
5.4	Prepare 100% complete Construction Drawings, Tech Specs and Cost Estimate	6	\$1,080	20	\$2,900	10	\$1,300	40	\$3,800	4	\$340	4	\$680	10	\$2,000	66	\$9,966		\$0	8	\$1,240	8	\$1,200	16	\$2,480	192	\$26,986	
5.5	Revise Construction Drawings and Cost Estimate from Comments	2	\$360	8	\$1,160	8	\$1,040	24	\$2,280		\$0	4	\$680	4	\$800	13	\$1,963		\$0	4	\$620	1	\$150	4	\$620	72	\$9,673	

McKinleyville Community Services District

BOARD OF DIRECTORS

September 7, 2022

TYPE OF ITEM: **ACTION**

ITEM: E.5 **Consider Approval of Water and Wastewater Capital Improvement Plan Modification**

PRESENTED BY: **Nicole Alvarado, Finance Director**

TYPE OF ACTION: **Roll Call Vote**

Recommendation:

Staff recommends that the Board review the information provided and approve the modification to the FY2022/23 CIP for the office remodel design.

Discussion:

During the FY2022/23 Capital Improvement (CIP) budgeting process, \$150,000 was budgeted for the design phase of the office remodel and \$600,000 was budgeted to purchase the property located south of the existing office. After a competitive bidding process, LDA was ranked the highest architectural firm and at its August 3, 2022 meeting the Board approved a professional services agreement in an amount not to exceed \$357,472.50. Since this amount exceeds the original FY2022/23 budget for this line-item, staff is requesting the \$210,000 be moved from the property purchase line item in the Capital Improvement Plan to the office remodel line item.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

There is no cash impact for this budget modification. The only change will be moving \$210,000 from the property purchase line item to the office building line item.

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – MCSD FY2022-2023 CIP Revised

**McKinleyville Community Services District
Enterprise Funds Capital Improvement Project Budget
For the Fiscal Years Ending June 30, 2023 - 2032**

(All numbers in \$000s)

	1	2	3	4	5	6	7	8	9	10
	June 30, 2023	June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027	June 30, 2028	June 30, 2029	June 30, 2030	June 30, 2031	June 30, 2032
1. Heavy Equipment										
Totals:	130	350	20	177	10	190	500	0	0	20
2. Utility Vehicles										
Totals:	40	45	90	45	45	73	73	75	47	79
3. Water System										
Totals:	5,217	10,215	3,527	2,017	1,026	1,042	1,062	1,290	1,020	1,580
4. Sewer System										
Totals:	4,085	8,073	2,262	1,257	1,368	1,292	7,347	1,492	3,322	4,745
5. Office, Corporation Yard & Shops										
Facility Upgrades and Sealcoat		10		10				10		10
Office Building	360	1,500	1,500							
Property Purchase	390									
Major Building Repairs (emergency repairs)	20					14				
Totals:	770	1,510	1,500	10	0	14	0	10	0	10
6. Computers, Software & Equipment										
Totals:	18	46	161	17	12	12	17	12	12	17
7. Reclamation (Fischer & Pialorsi Ranches)										
Totals:	150	25	5	5	5	15	5	5	5	5

McKinleyville Community Services District
 Enterprise Funds Capital Improvement Project Budget
 For the Fiscal Years Ending June 30, 2023 - 2032

(All numbers in \$000s)

	1	2	3	4	5	6	7	8	9	10
	June 30, 2023	June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027	June 30, 2028	June 30, 2029	June 30, 2030	June 30, 2031	June 30, 2032
8. Small Equipment & Other										
Totals:	20	20	20	35	42	20	15	20	20	15
Total Planned Expenditures	10,430	20,284	7,585	3,563	2,508	2,658	9,019	2,904	4,426	6,471
Departmental Allocations:										
Water Fund	5,706	11,201	4,423	2,159	1,081	1,197	1,115	1,349	1,060	1,651
Wastewater Fund	4,724	9,083	3,163	1,404	1,428	1,462	7,905	1,556	3,367	4,821
Total	10,430	20,284	7,585	3,563	2,508	2,658	9,019	2,904	4,426	6,471
Internal Funds/Reserves/Debt - District Share	7,439	10,127	7,585	3,563	2,508	2,658	9,019	2,904	4,426	6,471
Potential Grant Funding Expected	2,991	10,157								

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McKinleyville Community Services District

BOARD OF DIRECTORS

September 7, 2022

TYPE OF ITEM: **ACTION**

ITEM: E.6 **Consider Approval of Resolution 2022-25 Declaring its Official Intent to Reimburse Itself with the Proceeds of a Tax-Exempt Financing for Expenditures**

PRESENTED BY: **Nicole Alvarado, Finance Director**

TYPE OF ACTION: **Roll Call Vote**

Recommendation:

Staff recommends that the Board review the information provided, discuss, take public comment, and consider approval of Resolution 2022-25.

Discussion:

The District has been considering an office remodel for the last several years. At the August 3, 2022 Regular Board Meeting, the Board approved a contract with LDA Designers and Architects in the amount of \$357,472.50 to prepare the new office design and construction bid documents. The LDA scope of work also includes developing a cost estimate for the eventual construction to allow the District to budget for the construction in the 2023/24 and/or 2024/25 Fiscal Years. The remodel construction is anticipated to cost \$3 to \$3.5M. It is likely the intent of the District to finance the construction. At the August Board meeting, Director Orsini directed Staff to check with Brandis Tallman about whether we could capture the design costs and include with future financing costs. Finance Director Alvarado asked this question to Brandis Tallman. Nicky Tallman then directed the question to Albert Reyes, Legal Counsel with Kutak Rock, LLP. Mr. Reyes states that it was possible, however he would recommend that the Board adopt a reimbursement resolution. He then wrote the resolution included as Attachment 1.

Alternatives:

Staff analysis consists of the following potential alternative

- None

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Resolution 2022-25

RESOLUTION NO. 2022-25

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MCKINLEYVILLE COMMUNITY SERVICES DISTRICT DECLARING
ITS OFFICIAL INTENT TO REIMBURSE ITSELF WITH THE
PROCEEDS OF A TAX-EXEMPT FINANCING FOR CERTAIN
EXPENDITURES UNDERTAKEN OR TO BE UNDERTAKEN BY THE
DISTRICT; IDENTIFYING SUCH EXPENDITURES; AND PROVIDING
CERTAIN OTHER MATTERS IN CONNECTION THEREWITH**

WHEREAS, the McKinleyville Community Services District (the “District”), in the State of California (the “State”), is a community services district duly organized and existing pursuant to the constitution and laws of the State; and

WHEREAS, the Board of Directors of the District (the “Board”) is the governing body of the District; and

WHEREAS, the Board has determined that it is in the best interest of the District to make certain expenditures relating to the design and construction for the remodel of the District’s office facilities located at 1656 Sutter Road, McKinleyville, CA (the “Project”); and

WHEREAS, the Board currently intends and reasonably expects to participate in a tax-exempt financing that will include an amount which is currently estimated not to exceed \$357,472.50 for the costs of the Project to reimburse the District for all or a portion of such expenditures paid or to be paid from legally available funds subsequent to a period commencing 60 days prior to the date hereof and ending not later than 18 months after the later of the date such expenditures are paid or the placing in service of the Project (but in no event more than three years after the date of the original expenditure of such moneys);

WHEREAS, the Board hereby desires to declare its official intent, pursuant to 26 C.F.R. § 1.150-2, to reimburse the District for such expenditures with the proceeds of a tax-exempt financing.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER:

Section 1. Declaration of Official Intent. The District shall, presently intends, and reasonably expects to finance a portion of the Project with legally available funds.

Section 2. Dates of Expenditures. All of the expenditures covered by this Resolution were or will be paid on and after the date which is 60 days prior to the effective date of this Resolution.

Section 3. Tax-Exempt Financing. The District presently intends and reasonably expects to participate in a tax-exempt financing within 18 months of the date of the expenditure of moneys on the Project or the date upon which the Project is placed in service, whichever is

later (but in no event more than three years after the date of the original expenditure of such moneys), and to allocate from such financing an amount not to exceed amounts advanced for the Project from legally available funds to reimburse the District.

Section 4. Confirmation of Prior Acts. All prior acts and doings of the officials, agents and employees of the District which are in conformity with the purpose and intent of this Resolution, and in furtherance of the Project, shall be and the same hereby are in all respects ratified, approved and confirmed.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its passage.

ADOPTED, SIGNED AND APPROVED at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on September 7, 2022 by the following polled vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

David R. Couch, Board President

Attest:

April Sousa, MMC, Board Secretary

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McKinleyville Community Services District

BOARD OF DIRECTORS

September 7, 2022

TYPE OF ITEM: **ACTION**

ITEM: E.7 **Elections Update and Consider Approval of Appointment Recommendation Process**

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

TYPE OF ACTION: **Roll Call Vote**

Recommendation:

Staff recommends that the Board review the information provided, discuss, take public comment, consider approval of the appointment recommendation process, as detailed in the Staff Note, and set parameters for acceptance and review of letters of interest from applicants and appointment of the recommended candidate to the Humboldt County Elections Office for approval by the Humboldt County Board of Supervisors.

Discussion:

On August 17, 2022, the Humboldt County Elections Department notified the District of a lack of candidates for the upcoming Board of Directors race in which three Board seats are open. Incumbents, Directors Couch and Mayo, submitted appropriate candidate paperwork by the August 12 deadline. An extension for the public was granted to August 17, 2022 for the third seat, since the incumbent did not refile. No additional candidates filed for the third seat.

With a lack of candidates for the open seat, the process for filling this vacancy is different than the usual process for filling a Board vacancy. Per Humboldt County Elections process, after the election (November 8), the Election Office will ask if the MCSD Board has any recommendations for an appointment for the third seat. This recommendation will go to the Board of Supervisors (BOS), along with the other information on the two candidates who did file. The BOS will then vote to approve the appointments of all three candidates, and the Elections Office will send MCSD a notice of appointment in lieu of election for Directors David Couch and Dennis Mayo and a separate notice of appointment for whomever has been recommended for the third seat.

The MCSD Board can recommend anyone to this seat and can choose any process to ascertain a suitable candidate. There are no time restraints on this process except that the process resulting in a recommendation must be complete before the November 8th election date. One process that staff suggests is soliciting letters of interest from the community to be discussed at the October 5th (and/or November 2nd) Regular Board meeting and an appropriate candidate chosen from those interested. The Board needs to approve parameters for these letters of interest. Past guidelines used for applicants for filling vacancies include:

- McKinleyville residency history

- Work history or business background
- Education history
- Community service history
- Personal concept of what special districts are and specifically what MCSD does
- New perspectives that applicants would bring to the Board

The schedule below includes a process of accepting letters of interest and action to be taken at upcoming meetings. The Board may consider alternate dates, but the next step is to collectively decide on guidelines for applicants to follow with submission of their letter of interest. The term for this seat will begin the first Board meeting in January 2023 and will run through the end of calendar year 2026.

DATE	TASK
September 7, 2022	Board to set parameters for letters of interest from interested applicants to appear to notice to the public
September 12, 2022	Post a notice to the public in three or more conspicuous places in the District of the opening and outlining the process for submitting a letter of interest
September 27, 2022	Deadline for applicants to submit letters of interest to the Board Secretary at the District Office
October 5, 2022	District Board to discuss applicant's letters and Applicant chosen to recommend for appointment by the Board of Supervisors
November 9, 2022	Submit Board Recommended Applicant to Elections Office for Appointment

Alternatives:

Staff analysis consists of the following potential alternative

- Make an appointment recommendation without receiving letters from applicants

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- None

McKinleyville Community Services District

BOARD OF DIRECTORS

September 7, 2022

TYPE OF ITEM: **INFORMATION**

ITEM: F.3.A **Support Services – July - August 2022 Report**

PRESENTED BY: **Nicole Alvarado, Finance Director**

TYPE OF ACTION: **None**

FINANCIAL, AUDIT, & BUDGET INFORMATION

The District has \$1,369,907 to date in the Trust Account for the Biosolids Disposal project. Staff has requested forms from Humboldt County and will submit a draw down request for expenses incurred in FY21-22 this month.

Customer adjustments at July month-end total \$0, the annual budget for this sub-item is \$45,000. (GL# 501/551-62120)

Total Board Travel as of July 31, 2022 is \$3,775 which is 24% of the approved \$15,500 budget for this item. (GL# 001/005/501/551 62090/62155-888)

Audit/Budget Update:

The Audit & Finance Committee met on August 2nd to review the scope and deliverables for the FY21-22 audit. Fedak & Brown will conduct field work on September 15th & 16th at the District office. The Audit & Finance Committee met again on August 30th to review the utility rate study completed by Willdan Financial, that report and its recommendations has been included in this meeting's agenda.

The Balance Sheet

The Balance Sheet shows the assets and liabilities for each major Fund. Assets are listed first, in the order of liquidity. Subtotal lines are provided for the major categories of assets: cash and cash equivalents, accounts receivable, and prepaid expenses. Capital asset totals are listed last. Liabilities are shown in the next section. Current liabilities consist of Accounts Payable and Payroll Payables. Long-term debt and other non-current liabilities are listed for the Water and Wastewater Funds.

Of note is the fact that the governmental funds do not show either non-current assets or non-current liabilities. Generally Accepted Accounting Principles and the Government Accounting Standards Board both require a modified accrual basis of accounting for governmental funds. That means current financial resources are set against current financial requirements, and long-term assets or debt are listed separately. In this case,

a net total value for General Capital Assets is shown at the bottom of the Balance Sheet report. General Long-term Liabilities are also shown there, including a summary of the actuarially calculated Pension and Other Post-Employment Benefits (OPEB) liabilities.

OTHER UPDATES

Our wholesale water provider, Humboldt Bay Municipal Water District, received their Board's approval on their budget in July. Our pass-through charge was updated accordingly in August.

Human Resources hosted a CalPERS Workshop on August 10th. The purpose of the workshop was to educate new and mid-career employees on how their CalPERS benefits are calculated at retirement, a total 16 employees attended the workshop.

Attachment 1 – Audit & Finance Committee Notes August 2nd
Attachment 2 – Audit & Finance Committee Notes August 30th

Tuesday, August 2, 2022
3:00 p.m.
Audit and Finance Meeting
NOTES

Members Present: David Couch, Greg Orsini

Staff Present: Nicole Alvarado, Pat Kaspari, April Sousa

Guests Present: Chris Brown, Fedak and Brown

Meeting Called to Order at 3:10 p.m.

Public Comment

- None

Audit Kick Off

Chris Brown from Fedak and Brown, the District Auditors, started a discussion on the kickoff of the Audit for FY 2021-22.

- Discussion around any possible issues while conducting the audit.
- Noted areas that the audit will consider closely.
- The timeframe of the audit was discussed, the goal is to get it before the end of the year, if possible for the November Board meeting.
- Noted requirements to identify a financial area and go more in depth look to satisfy auditing requirements.
- Questions were asked about the GASB 75 and if the Auditor's would like to weigh in on this.
- Discussion took place about possible policy regarding the amount (percentage) to fund the liability.

Adjourn – 3:55 p.m.

Tuesday, August 30, 2022
11:00 a.m.
Audit and Finance Meeting
NOTES

Members Present: David Couch, Greg Orsini

Staff Present: Nicole Alvarado, Pat Kaspari, April Sousa

Guests Present: Chris Fisher, Michael Cronan – Willdan Financial

Meeting Called to Order at 11:00 a.m.

Public Comment

- None

Review McKinleyville CSD Rate Study Report

Chris Fisher, Vice President, and Michael Cronan, Senior Analyst, from Willdan Financial presented to the Finance Committee a PowerPoint outlining the McKinleyville CSD Rate Study.

- Drought rates were discussed
 - Board must adopt a resolution for stage 3 AND adopt a resolution to implement drought rates.
 - It was noted that there was only one drought rate, not a separate rate for Stages 3, 4, and 5.
 - Rate is based on cost of service only.
- Cash on hand numbers were discussed.
- It was noted that Willdan will send out the notices.
- Director Orsini asked about Tax Initiative 21-0042A1 and how the rates may be impacted.
- Directors and staff discussed minor adjustments to the slides before going to the Board on September 7.
- Discussion was made on the engineer's report and ensuring the language for the report and the presentation coincided with each other.
- Questions were discussed regarding the rates for the Brewery and Restaurant rates.
 - It was noted that this year, better data was received to have more accurate rate numbers.
- Long term debt and reserves impact was discussed.
 - Staff will get more information on how the rates will affect the reserves.
- It was noted that the percent increase is not as high as inflation.

Adjourn – 12:50 p.m.

McKinleyville Community Services District

BOARD OF DIRECTORS

September 7, 2022

TYPE OF ITEM: **INFORMATION**

ITEM: F.3.B **Operations Department – July / August 2022 Report**

PRESENTED BY: **James Henry, Operations Director**

TYPE OF ACTION: **None**

Water Department:

Water Statistics:

The district pumped 47.4 million gallons of water in July.
Seven 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 July. 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 2.0 million gallons and the average usage per day was 1.5 million gallons.

Water Distribution Maintenance:

Weekly Bacteria Samples were collected on Schedules 3, 4, 5, and 6 which represent different locations in the water distribution system. The schedules are made up of a sample taken in each pressure zone. Several troubled meters were repaired due to radio wires chewed on from gophers. Wires were armored with wrap to prevent future gopher issues. A new hydrant break-away check valve was installed on the Murray and Central intersection hydrant due to the hydrant being hit several times. The new check valve will restrict the 40' tall full geyser and only allow a minor stream as an indicator that the hydrant was hit. This will also prevent dirty water complaints from when the hydrant gets hit again. A water service was lowered on Forson due to sidewalk installation. A blow was repaired on Lucky Star due to trucks driving over the lid and causing the 2" elbow to break. Miscellaneous hydrant repairs are being made as fill-in work. The repairs were generated from the annual inspections. Several water service and leak repair patches were dug out and permanently paved. These are done in batches when there are enough patches to equal a full dump truck run to cut down on costs for the District and the customers.

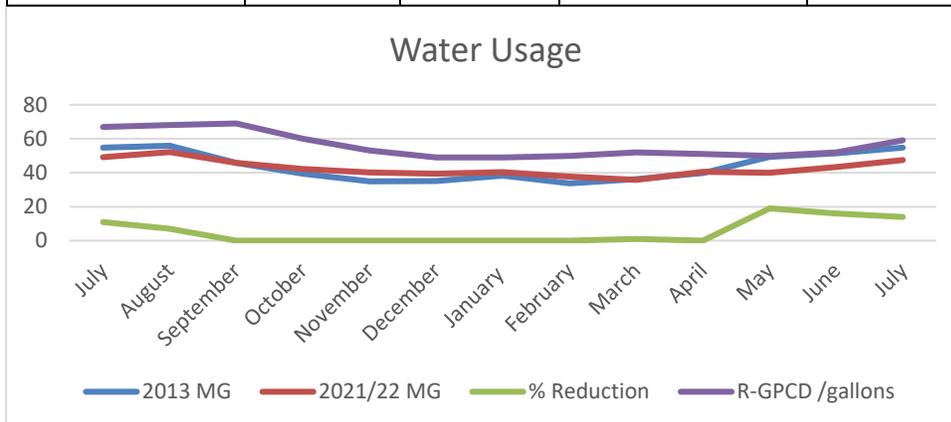
Water Station Maintenance:

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. Staff repaired the altitude valve line at the Cochran tank due to it being partially

plugged and causing a false tank level. The North bank generator block heater was found faulty during the daily inspections and was repaired. A leak repair was conducted in the Murray Road Pressure Reducing Station. This was found when a customer from the West side of the highway called in with high pressure which points to a malfunctioning station.

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
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
June	51.337	43.312	16	52
July	54.757	47.464	14	59



R-GPCD = Residential Gallons Per Capita Day

New Construction Inspections:

Midtown Court Tract: Plans were reviewed, and plan check fees have been paid. This project has not started yet. Washington Estates: Contractor has installed Sewer mains and manholes per MCSD Specifications. Water mains and services are being installed currently. Inspections have been taking place multiple times per day.

Sewer Department:**WasteWater Statistics:**

24.5 million gallons of wastewater were collected and pumped to the WWMF. 21.3 million gallons of wastewater were treated and discharged to land disposal or reclamation in July.

Sewer Station Maintenance:

Monthly inspections and daily routines were conducted on all sewer stations. Staff found high pump hours logged at the Hiller station during the daily SCADA check. When staff arrived at the site, they found a faulty float which caused the pumps to cycle more often. Staff made repairs and placed station back in service. Fischer and B Street lift stations received their quarterly maintenance which includes pump shimming, wear plate inspections, oil changes and wet well washing to remove grease and grit. Wet well washing prevents the grease, grit and rags from entering the pumps and causing pump failure. B Street check valve flappers were replaced due to wear. String trimming was completed at the Fischer station.

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. During the Bella Vista construction project, District staff teamed up with Kernan to jump in on their road closure to make repairs on two manholes. A manhole lid and frame was replaced along with gel grouting inside a manhole to stop infiltration.

Wastewater Management Facility:

Daily and weekly maintenance continues at the treatment plant to perform required service on the equipment. Staff completed the painting on all valves and piping. A public tour at the WWMF was held on August 13th with a turnout of 8 people.

Daily Irrigation and Observation of Reclamation Sites:

Discharge has been going to land since May 13th. Fischer and Pialorsi ranch fields were mowed. String trimming and mowing was completed along the Fischer Ranch white house.

Street Light Department:

There were no streetlight complaints in July.

Promote Staff Training and Advancement:

Weekly tailgate meetings and training associated with job requirements. Staff received training on Eye Protection, Lawn Mower Safety, Ergonomics and SDS's.

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 and follow up inspections.
Reviewed and commented on 60% drawings for Central Avenue pipe replacement.
Attended the Mad River reclamation project meeting
Communicating with Osmose to get a revised quote for 2022 pole inspections.
Attended Drought Rate review meeting
Reviewed BMX track project RFP's.
Attended field site to review proposed Community Forest Murray parking area.
Annual Seismic inspections were conducted by certified inspectors.
Inspections at the Cochran Tank painting project.
Conducted inspections and meeting at the Washington Subdivision

GIS:**Plans and Programs**

- Annual Review of the CalARP Program
 - No changes made at this time.
- Annual Review of Risk Management Plan
 - Updated review dates, training dates, and next review dates.
- Annual review of the CL2 & SO2 SOP
 - No changes were made.

Maps Completed/General GIS

- Updated and printed new sewer system wall map for field office.
- Community Forest access maps
 - Parking lot design map
- Water Recycling Plan Update
 - Flood cell maps, well data, Pialorsi facilities map
- Compiled Central Ave sewer lateral info for rehab project
 - Created spreadsheet of all sewer card information.
- Easements and ROW's into the GIS.
 - Continuing to create and enter in the GIS.
- Sewer model update
 - Began processing county data for inclusion into sewer model.
- Investigated and trued up cleanout numbering within as-builts and GIS.
- Completed several edits to the Online Facilities map
 - Laterals, meters, and misc. facilities.
 - Published updated map.
- GPS'd and Input newly installed water/sewer services into the GIS.

Misc. Work Completed

- Service Orders
- USA's
- Attended TAC meeting
- Operations document filing
- Posted documents onto website

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McKinleyville Community Services District

BOARD OF DIRECTORS

September 7, 2022

TYPE OF ITEM: **INFORMATION**

ITEM: F.3.C **Parks & Recreation Director's Report for August 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 switched from summer hours to school year hours this month and is now open Monday- Friday 2:00pm-7:00pm. 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 15-20 teens per day.

BGCR is planning a Drive-Thru Pulled Pork Dinner on September 23rd and an Art Show and auction on November 18th at the McKinleyville Teen Center this fall as fundraisers for the McKinleyville site.

PARK AND RECREATION COMMITTEE:

The Park and Recreation Committee (PARC) did not meet this month.

BMX TRACK & PARK PROJECT:

Staff received three proposals in response to the RFP released in June. The highest-ranking proposal was contacted and a professional services agreement has been drafted. Once the contract is signed, site surveys will begin.

COMMUNITY FOREST UPDATES:

Committee met on August 3rd and discussed the site walks with GDRC staff and the considerations for MCSD's request for access easements. The committee met again on August 30th to review the draft easement request letter to be sent to GDRC.

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 6:00pm-7:00pm \$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.
- Tot-letics Soccer starts on September 10th. There are currently 5 openings left out of 40.
- Kids Camp Summer Day Camp wrapped up on August 19th. The program is served 20-25 youth per day throughout the summer.
- Drop-in Basketball on Sunday nights is averaging 12-15 players per week.

- Adult Softball League is hosting 12 teams this season.
- Our 0-5 year old Playgroup for children and parents/guardians started up again on August 25th for the first time since March of 2020.

PARK & FACILITY MAINTENANCE UPDATES:

Playground structure repairs were made at both Pierson and Hiller Park playgrounds. Trash and debris from the North Bank Rd. river property was cleaned up this month. Parks Crew continues to be busy with landscape maintenance. 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.

Staff is getting quotes for interior renovations at Azalea Hall as funded by the Prop 68 Per Capita Grant program. The renovations will include new flooring in the Hewitt room and Lobby, renovated walls and new window coverings, a new front door and HVAC replacement. It is anticipated that all renovations will be complete by the end of the 2023 calendar year.

FACILITY RENTALS & USE

12 Azalea Hall Rentals plus a weekly kitchen rental in August through October. 8 Pierson Park rentals August through October. Mad River Youth Soccer League use of Hiller Sports Site begins August 13th and will continue seven days per week through November 5th.

OTHER UPDATES:

- The California Department of Parks and Recreation announced the grantees of the Rural Recreation and Tourism program; MCSD did not get awarded funding for the skatepark.
- Staff completed the wage reimbursement rates for the wage changes requested by MUSD and drafted the Amendment to 2022-23 MOU with the McKinleyville Union School District for the provision of program staff for MUSD’s Extended Learning Program.
- Staff is preparing for the 2023 Youth Basketball program. Registration for Youth Basketball opens on September 1st and the league runs January – March.
- Staff continues to participate as members of the McKinleyville Chamber of Commerce Board of Directors, the McKinleyville Family Resource Center Board of Directors and the Boys & Girls Club of the Redwoods Board of Directors.
- Staff continues to provide support to other departments of the District; assisting with accounts payable, and payroll.

ATTACHMENTS: None

McKinleyville Community Services District

BOARD OF DIRECTORS

September 7, 2022

TYPE OF ITEM: **INFORMATIONAL**

ITEM: F.3.D **General Manager’s Report for September 7, 2022 Meeting**

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

TYPE OF ACTION: **Information Only**

A summary of activity for the month of August 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 =	\$3,822
• CSW =	\$0
• WEX Labor Reimbursement =	\$910
• SWAP =	\$4,320
• Volunteer Pickleball Labor =	\$188
• Staples Cost Savings =	\$112
• Repair Cochran Altitude Control =	\$160
• Replace Hiller High Level Float =	\$160
• Install Hydrant Guard on Central =	\$160
• Replace NB Gen Block Heater =	\$100
• <u>Patch Pave on Central =</u>	<u>\$100</u>
TOTAL COST SAVINGS FOR AUG =	\$10,032

For the District’s 2022/23 Fiscal Year, Staff was responsible for \$22,596 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 –The District has not recently had people testing positive for Covid for the past several weeks. 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.

The District has also enrolled in the State's Low Income Household Water Assistance Program (LIHWAP). As the name implies, this program is for low income households and provides assistance for paying water and sewer bills. The program is administered locally by the Redwood Community Action Agency (RCAA). The household has to apply to RCAA to confirm their eligibility. Once they are determined eligible, the program reaches out to the District to confirm the amounts due. The District then receives payment directly and credits it to the customer's account. We have received payments on three customer accounts todate, but continue to let customers know about this program.

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 submitted the 60% design submittal and District Staff reviewed the documents and met with KJ to review. The most critical item to come out of the 60% submittal was the updated Engineer's opinion of probable construction costs. The estimated project construction costs have gone from \$9.4M to an estimate of \$11.87M (with an estimated range from \$11.3M to \$13.65M). The District's match for this project is currently at \$2.6M and if the construction increases by another \$2.4M, our match will increase to \$5M. We have reached out to CalOES to see if there is additional funding in this disaster declaration and have been informed that there is an additional \$2M. We are currently revising the grant forms to submit a formal request for the additional \$2M available. We are also preparing a grant application to the North Coast Resource Partnership as part of the Prop. 1 Round 2 funding. We will request \$2.4M from the NCRP but will also let them know that we will be willing to accept whatever grant funding they could provide. This should make the NCRP grant application competitive as it fits many of the grant program objectives.

The current schedule is that the design will be completed in January 2023, bidding and awarding the bid in February/March 2023, and construction starting in May 2023 and completion in May 2024. We should hear on both grant requests well before the end of that time period.

So far escrow for the purchase of the land from American Hospital Management Corp. (AHMC) is proceeding well. Escrow is anticipated to close on October 4th, 2022. As discussed at the July 6th Board Meeting, we have put on hold our work with Legal Counsel Michael Colantuono concerning acquiring the property through the eminent domain process.

Central Avenue Water and Sewer Mainline Replacement Project – GHD is moving forward with the preparation of the design of a new 16-inch waterline and CIPP lining for the existing sewer line for the rehabilitation of the mainlines in Central Avenue from Sutter to Hiller. The 60% submittal was provided to the District on July 29, 2022. District Staff reviewed the submittal and GHD is now working on the 90% submittal. The intent is 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 solar portion of the facility was brought on-line and signed off by PG&E on July 1, 2022. The solar portion was then taken back off-line to allow for punchlist items to be corrected. The battery portion of the system still being permitted through PG&E, since we could not submit that portion of the application until PG&E signed off on the solar portion. Now that PG&E signed off on the solar portion, the application for the battery portion has been submitted to them. We are now waiting for their review of the battery design. Once they approve the application, we will turn right around and have them inspect the battery portion. Upon that approval, the entire microgrid will then be operational, however that could take as long as November or December, depending how long it takes for PG&E review and approval.

Mad River Restoration Project – As detailed in July 2022 Board Meeting, CalTrout and their engineers have awarded the construction contract to the low bidder, Kernan Construction. As discussed at this September Board Meeting, construction started on August 15th and will extend through October 15, 2022. Kernan has started on the lower percolation pond area and are making quick work of clearing and grubbing this area. The schedule has them starting the upper bluff area construction on September 16th.

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 for the project. 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) completed. We have yet to hear any schedule for the completion of NEPA.

Office Remodel – As detailed at the August 3rd 2022 Board Meeting, District Staff selected LDA Partners as the most responsive and responsible respondent to the Office Remodel RFQ. They are the Architectural firm that also designed the Teen Center. Staff submitted the contract to LDA and we are waiting for the Kick-off meeting and to obtain a schedule from them for the performance of the work. 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 we discussed the Incorporation item on this month's MMAC Agenda. I also mentioned that at our October 5th Board Meeting, we will be meeting with Natalie Arroyo so our Board can meet her. We talked about the Joint MCSD/MMAC Meeting on October 26th. April is going to schedule a meeting between Bonnie, Director Couch, April and I to discuss logistics for the Joint Meeting. April prepared a draft agenda for Bonnie & Dave's review. I let them know that we have an empty Board seat in the upcoming elections and that the Board will be discussing how to fill it at the September Board Meeting. We discussed the lack of notification for the Central Ave widening work around Bella Vista as well as the ADA work and the poor traffic control setting up the detour to Highway 101 from Central Ave. South. Supervisor Madrone said that he and Tom Mattson reviewed these items and he suggested that MMAC & MCSD write a joint letter to County Public Works and Planning requesting that they regularly update MMAC and MCSD on work that is occurring in the community so we can help them notify the Public. We discussed the Town Center Ordinance and the fact it might come back to the MMAC in Sept. Supervisor Madrone has also been talking to Tom Mattson about eliminating the left turn lane into Turner Ave for traffic heading north on Central Avenue as he thinks this leads to confusion and traffic conflicts with people turning east onto Bartow Road.

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. We have been going back and forth with CalOES with Requests for Information on that grant application and feel like this application will likely be approved and submitted to FEMA, but we don't know that for a fact yet.

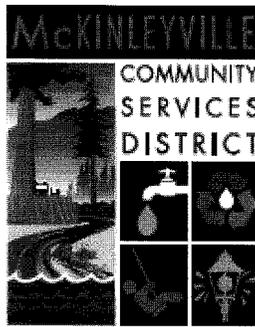
The North Coast Resource Partnership also release the grant application for Phase 2 of the Prop. 1 funding. The grants are to fund drought related projects. We are planning on submitting an application for the additional funds owed on the 4.5 MG Tank. Grants are due November 4, 2022 and there is \$26.5M available in funding for the Northcoast Region.

The Federal Bipartisan Infrastructure Law funding that we will have access to will be run through the EPA funded Clean Water and Drinking Water State Revolving Fund Programs. The SRF funding in California is run through the State Water Resources Control Board. We have begun a Clean Water SRF application for funding the retrofit of the Fischer and B Street Lift Stations, which are two of our highest priority Capital Improvement Projects. We will of course keep the Board updated on the success of that application.

Meetings –The General Manager attended numerous meetings as usual. The meetings in August included two meetings 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 review meetings for the Central Avenue Water & Sewer replacement project, several Mad River Restoration project Construction meetings, meetings on the BMX Park development, the 60% design review meeting with Kennedy Jenks Engineers on the design of the 4.5MG Reservoir, several Rotary meetings, a MMAC meeting, and meetings on the Office Remodel scope and fee.

Attachments:

- Attachment 1 – WWMF Monthly Self-Monitoring Report

PHYSICAL ADDRESS:1656 SUTTER ROAD
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MAIN OFFICE:PHONE: (707) 839-3251
FAX: (707) 839-8456**PARKS & RECREATION OFFICE:**PHONE: (707) 839-9003
FAX: (707) 839-5964R.W.Q.C.B. NORTH COAST REGION
5550 SKYLANE BLVD., SUITE A
SANTA ROSA, CA 95403

August 29, 2022

RE: MONTHLY MONITORING REPORT

Dear Justin:

Enclosed is the Monthly Monitoring Report for July 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 26 days going to 004 and 006. The required monitoring and water quality constituents that were tested and reported was in compliance in July.

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 July are as follows. Median was <1.8 and a Maximum of 4.5. Four samples were collected in the month of July and was in compliance.

Monthly River Monitoring was conducted in July.

Quarterly testing was conducted in July.

McKINLEYVILLE COMMUNITY SERVICES DISTRICT WASTEWATER MANAGEMENT FACILITY MONITORING DATA

MONTH: July 2022

DATE	INFLUENT FLOW		EFFLUENT FLOW		EFFLUENT MONITORING		EFFLUENT MONITORING		EFFLUENT MONITORING		EFFLUENT MONITORING		EFFLUENT MONITORING		EFFLUENT MONITORING		EFFLUENT MONITORING		EFFLUENT MONITORING			
	M.G.D.	M.G.D.	M.G.D.	M.G.D.	BOD	TSS	PH	TEMP	BOD	TSS	CO ₂ -RES	CO ₂ -RES	SETTLABLE SOLIDS	TOTAL COLIFORMS	TIME	PH	TEMP	D.O.	TIME	PH	TEMP	D.O.
1	0.841	0.858	950	N/A	420	320	7.1	18.7	4.0	2.2	1.7	N/A	N/A	N/A								
2	0.777	0.826	944	N/A			7.2	19.2			1.5	N/A	N/A	N/A								
3	0.757	0.812	836	N/A			7.2	18.8			1.4	N/A	N/A	N/A								
4	0.797	0.810	812	N/A			7.3	18.9			1.4	N/A	N/A	N/A								
5	0.810	0.819	817	N/A			7.2	19.0			1.5	N/A	N/A	4.5	10:00	7.2	18.6	8.9	10:10	7.4	18.4	8.1
6	0.826	0.955	1170	N/A			7.0	19.3			1.4	N/A	N/A	N/A								
7	0.803	0.906	1112	N/A			7.0	19.1			1.1	N/A	N/A	N/A								
8	0.792	0.936	1128	N/A	340	240	7.2	19.4	4.6	2.8	1.2	N/A	N/A	N/A								
9	0.769	0.817	949	N/A			7.3	19.4			1.0	N/A	N/A	N/A								
10	0.783	0.817	820	N/A			7.3	19.5			1.0	N/A	N/A	N/A								
11	0.816	0.897	1071	N/A			7.3	20.3			1.1	N/A	N/A	<1.8								
12	0.796	0.921	1076	N/A			7.1	20.2			1.0	N/A	N/A	N/A	14:35	7.4	21.1	10.1	14:45	7.5	22.2	10.4
13	0.790	0.907	1081	N/A			7.2	20.0			0.9	N/A	N/A	N/A								
14	0.795	0.919	1089	N/A			7.1	19.5			1.2	N/A	N/A	N/A								
15	0.806	0.907	1108	N/A	340	190	7.2	19.2	4.0	2.6	1.2	N/A	N/A	N/A								
16	0.794	0.000	0	N/A							No Discharge											
17	0.777	0.000	0	N/A							No Discharge											
18	0.794	0.281	2358	N/A			7.4	19.6			1.4	N/A	N/A	N/A								
19	0.775	0.877	1089	N/A			7.3	19.4			1.5	N/A	N/A	<1.8	9:40	7.0	17.8	9.2	9:52	7.2	18.5	8.2
20	0.775	0.890	1068	N/A			7.4	19.0			1.6	N/A	N/A	N/A								
21	0.787	0.897	1072	N/A			7.3	18.9			0.9	N/A	N/A	N/A								
22	0.794	0.899	1125	N/A	380	260	7.4	19.1	3.7	3.1	1.0	N/A	N/A	N/A								
23	0.771	0.787	789	N/A			7.1	19.5			0.9	N/A	N/A	N/A								
24	0.790	0.609	800	N/A			7.4	19.3			0.9	N/A	N/A	N/A								
25	0.818	0.000	0	N/A							No Discharge											
26	0.786	0.000	0	N/A							No Discharge				15:40	7.2	21.7	10.6	15:45	7.6	22.3	11.1
27	0.789	0.000	0	N/A							No Discharge											
28	0.780	0.555	1196	N/A			7.2	18.1			1.8	N/A	N/A	<1.8								
29	0.775	0.889	1084	N/A	300	240	7.3	19.6	3.9	2.9	1.0	N/A	N/A	N/A								
30	0.773	0.797	817	N/A			7.2	20.1			1.2	N/A	N/A	N/A								
31	0.823	0.802	810	N/A			7.2	20.1			1.4	N/A	N/A	N/A								

MONTHLY TESTS EFF-001 DISCHARGE TO RIVER

Ammonia	Nitrate	Nitrite	Hardness	Phosphorus	Bio Phosphorus	Carbon Tetrachloride	Chlorobromomethane	Chlorobromomethane	Turbidity % Increase
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

MONTHLY TESTS LND-001, REC-001 DISCHARGE TO PERC PONDS and LAND

Organic Nitrogen	TSS	Ammonia	NITRATE	NITRITE	50:50:50	CHLOROBROMOMETHANE	CHLOROBROMOMETHANE	Quarterly Turbidity	Quarterly Turbidity
1.00	256	2.90	0.22	ND	34	42	260	84	157

ACUTE TOXICITY	Species	% Survival	Quarterly TSS	BOD	BOD	BOD	TSS	TSS	TSS
	Rainbow Trout	N/A	3.92	mg/L	mg/L	mg/L	mg/L	mg/L	mg/L
			30 DAY AVERAGE	BOD & TSS	% Removal	% Removal	LBS/DAY	LBS/DAY	LBS/DAY
				4	99	99	3	18	99

Remarks:

EFF-001	REC-001	Quarterly	Permit Exceedance

**McKINLEYVILLE COMMUNITY SERVICES DISTRICT
WASTEWATER MANAGEMENT FACILITY
EFFLUENT DISCHARGE DISPOSAL**

JULY 2022

Discharge Monitoring DATE	INF-001 INFLUENT MGD	EFF-001 EFFLUENT MGD	MAXIMUM GPM	002 LND-001 N.POND MGD	002 LND-001 S.POND MGD	004 REC-001 FISCHER MGD UPPER	003 REC-001 FISCHER MGD LOWER	006 REC-001 PIALORSI MGD	005 REC-001 HILLER MGD	IRRGATE TOTAL MGD	001 EFF-001 RIVER MGD
1	0.841	0.858	950			0.858				0.858	0.000
2	0.777	0.826	944			0.826				0.826	0.000
3	0.757	0.812	836			0.812				0.812	0.000
4	0.797	0.810	812			0.810				0.810	0.000
5	0.810	0.819	817			0.819				0.819	0.000
6	0.826	0.955	1170			0.820		0.135		0.955	0.000
7	0.803	0.906	1112			0.786		0.120		0.906	0.000
8	0.792	0.936	1128			0.804		0.132		0.936	0.000
9	0.769	0.817	949			0.817				0.817	0.000
10	0.783	0.817	820			0.817				0.817	0.000
11	0.816	0.897	1071			0.756		0.141		0.897	0.000
12	0.796	0.921	1076			0.836		0.085		0.921	0.000
13	0.790	0.907	1081			0.737		0.170		0.907	0.000
14	0.795	0.919	1089			0.806		0.113		0.919	0.000
15	0.806	0.907	1108			0.768		0.139		0.907	0.000
16	0.794	0.000	0			No Discharge				0.000	0.000
17	0.777	0.000	0			No Discharge				0.000	0.000
18	0.794	0.281	2358			0.197		0.084		0.281	0.000
19	0.775	0.877	1089			0.750		0.127		0.877	0.000
20	0.775	0.890	1068			0.765		0.125		0.890	0.000
21	0.787	0.897	1072			0.785		0.112		0.897	0.000
22	0.794	0.899	1125			0.781		0.118		0.899	0.000
23	0.771	0.787	789			0.787				0.787	0.000
24	0.790	0.609	800			0.609				0.609	0.000
25	0.818	0.000	0			No Discharge				0.000	0.000
26	0.786	0.000	0			No Discharge				0.000	0.000
27	0.789	0.000	0			No Discharge				0.000	0.000
28	0.780	0.555	1196			0.474		0.081		0.555	0.000
29	0.775	0.889	1084			0.776		0.113		0.889	0.000
30	0.773	0.797	817			0.797				0.797	0.000
31	0.823	0.802	810			0.802				0.802	0.000
TOTAL	24.559	21.390		0.000	0.000	19.595	0.000	1.795	0.000	21.390	0.000
AVERAGE	0.792	0.690	876	0.000	0.000	0.632	0.000	0.000	0.000	0.690	0.000
MAXIMUM	0.841	0.955	2358	0.000	0.000	0.858	0.000	0.170	0.000	0.955	0.000
MINIMUM	0.757	0.000	0	0.000	0.000	0.000	0.000	0.081	0.000	0.000	0.000
DAYS	31	26		0	0	26	0	15	0	26	0

DAYS WITH NO DISCHARGE = 5