

Mission statement of McKinleyville Community Services District:
"Provide McKinleyville with safe and reliable water, wastewater, lighting, open space, parks and recreation, and library services 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, APRIL 6, 2016 AT 7:00pm
Azalea Hall, 1620 Pickett Road
McKinleyville, California**

AGENDA

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.

B.1 Conduct Public Hearing for the Annual Levy of Assessments (Fiscal Year 2016/2017) for the Measure B Maintenance Assessment District -- Renewal for Parks, Open Space, and Recreational Facilities.
Consider adopting Resolution 2016-09; Approving the Annual Engineer's Report; Fiscal Year 2016/2017; McKinleyville Community Services District; Measure B Maintenance

Assessment District (Renewal for Parks, Open Space, and Recreational Facilities), including the assessment diagram connected therewith.

Consider adopting Resolution 2016-10; Ordering the levy and Collection of Assessments within the Measure B Maintenance Assessment District (Renewal for Parks, Open Space, and Recreational Facilities) for FY 2016/2017 **Pg. 5**

Attachment 1 – Resolution 2016-09 **Pg. 8**

Attachment 2 – Resolution 2016-10 **Pg. 10**

Attachment 3 – Annual Engineer's Report Fiscal Year 2016/17 **Pg. 13**

Attachment 4 – PSA for Notice of Hearing **Pg. 45**

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 of March 2, 2016 **Pg. 47**

Attachment 1 – Draft Minutes from March 2, 2016 **Pg. 48**

D.2 Consider approval of February 2016 Treasurer's Report **Pg. 54**

D.3 Compliance with State Double Check Valve (DCV) Law – Violations **Pg. 76**

D.4 Approve and authorize Board President to sign and execute the Hiller Sports Complex Facility Use Agreement Contract for Mad River Youth Soccer League **Pg. 77**

Attachment 1 – Mad River Youth Soccer League Agreement **Pg. 78**

D.5 Approve and authorize Board President to sign and execute the Senior Center Management Services and Usage Agreement **Pg. 114**

Attachment 1 – Senior Center Management Services and Usage Agreement **Pg. 115**

D.6 Approve and authorize Board President to sign and execute the Lease Extension Agreement for Fischer Ranch **Pg. 140**

Attachment 1 – Second Lease Extension Agreement **Pg. 142**

Attachment 2 – Request of Lease Extension by Marvin Peachey **Pg. 170**

D.7 Approve and authorize Board President to sign and execute the Library Lease Agreement **Pg. 171**

Attachment 1 – Library Lease Agreement with Exhibits A-D **Pg. 173**

E. CONTINUED AND NEW BUSINESS

- E.1 Employee negotiations regarding proposed three (3) year compensation contract with District employees **Pg. 191**
Attachment 1 – Memo from negotiations committee to the Board **Pg. 194**
Attachment 2 – Memo to the negotiations committee from the Board **Pg. 196**
- E.2 Review Draft Urban Water Management Plan **Pg. 198**
Attachment 1 – Draft Urban Water Management Plan **Pg. 199**
- E.3 Consider Local Agency Formation Commission (LAFCo) Election for Special District Representative **Pg. 304**
Attachment 1 – LAFCo Independent Special District Election Memo **Pg. 306**
Attachment 2 – Official Ballot **Pg. 308**
Attachment 3 – Letter from candidate Debra Lake **Pg. 309**
- E.4 Initiate process for General Manager Performance Evaluation **Pg. 310**
Attachment 1 – Exhibit A from Board Policy Manual **Pg. 312**
Attachment 2 – Board of Director's Evaluation Form GM **Pg. 313**
Attachment 3 – Department Head 360 Performance Evaluation of the General Manager **Pg. 316**
- E.5 Consider authorization to attend the 2016 Special District Legislative Days on May 17 & 18, 2016 in Sacramento, CA **Pg. 319**
Attachment 1 – Legislative Days Agenda and Registration Form **Pg. 321**
- E.6 Consider approval of Resolution 2016-08 authorizing the General Manager to sign and file an application for grant funding from the State Water Resources Control Board (SWRCB) for the planning, design, and construction of the McKinleyville Community Services District (MCSD) Wastewater System Energy Efficiency and Renewable Energy Project **Pg. 323**
Attachment 1 – Wastewater System Energy Efficiency and Renewable Energy Project Technical Report **Pg. 325**
Attachment 2 – Resolution 2016-08 **Pg. 357**
- E.7 Approve Resolution 2016-07 nominating Gregory Orsini for election to the California Special Districts (CSDA) Board of Directors Seat B **Pg. 358**
Attachment 1 – CSDA Elections and Bylaws Committee Memo regarding Call for Nominations **Pg. 360**
Attachment 2 – Resolution 2016-07 **Pg. 365**
- E.8 Discussion of 2015 Wastewater Management Facility Annual Report to the Regional Water Quality Control Board (RWQCB) **Pg. 366**
Attachment 1 – Summary of 2015 Wastewater Management Facility Annual Report **Pg. 368**

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|------|--|----------------------------------|
| E.9 | Review Parks & General Fund Draft Operating Budget, FY2016-17
Attachment 1 – FY 2016-17 Draft Operating Budget for the
Parks/General Fund and Measure B Fund | Pg. 377
Pg. 378 |
| E.10 | Approve and authorize Board President to sign and execute the Facility Use
Agreement between McKinleyville Community Services District and the
Boys & Girls Club of the Redwoods for the shared use of the McKinleyville
Teen & Community Center
Attachment 1 – Facility Use Agreement | Pg. 379
Pg. 381 |

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. Recreation Advisory Committee (Wheeler/Couch)
- b. Area Fund (John Kulstad/Edwards)
- c. Redwood Region Economic Development Commission (Mayo/Edwards)
- d. McKinleyville Senior Center Advisory Committee (Edwards, Mayo)
- e. Audit (Corbett/Edwards)
- f. Employee Negotiations (Couch/Edwards)
- g. Water Task Force (Wheeler/Corbett)
- h. AdHoc No Drugs & Toxics Down the Drain (Wheeler/Couch)
- i. McKinleyville Municipal Advisory Committee (Edwards/Corbett)
- j. Cornerstone Committee (Couch)
- k. Groundwater Sustainability Committee (Edwards/Corbett, Mayo)

F.2 STAFF REPORTS

- | | |
|---|----------------|
| a. Support Services Department (Colleen M.R. Trask) | Pg. 386 |
| b. Operations Department (James Henry) | Pg. 388 |
| c. Parks & Recreation Department (Lesley Frisbee) | Pg. 394 |
| Attachment 1 – RAC Meeting Notes 03-17-16 | Pg. 397 |
| Attachment 2 – RAC Roster | Pg. 400 |
| d. General Manager (Greg Orsini) | Pg. 402 |
| Attachment 1 – WWMF Monthly Self-Monitoring Report | Pg. 405 |

F.3 PRESIDENT'S REPORT

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

G. ADJOURNMENT

Posted 5:00 pm on April 1, 2016

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

April 6, 2016

TYPE OF ITEM: **ACTION**

ITEM: B.1

Conduct Public Hearing for the Annual Levy of Assessments (Fiscal Year 2016/2017) for the Measure B Maintenance Assessment District -- Renewal for Parks, Open Space, and Recreational Facilities

Consider adopting Resolution 2016-09; Approving the Annual Engineer's Report; Fiscal Year 2016/2017; McKinleyville Community Services District; Measure B Maintenance Assessment District (Renewal for Parks, Open Space, and Recreational Facilities), including the assessment diagram connected therewith

Consider adopting Resolution 2016-10; Ordering the levy and Collection of Assessments within the Measure B Maintenance Assessment District (Renewal for Parks, Open Space, and Recreational Facilities) for Fiscal Year 2016/2017

PRESENTED BY: Gregory Orsini, General Manager

TYPE OF ACTION: Roll Call Vote

Recommendation:

Staff recommends the Board of Directors participate in the presentation of information and follow the below process related to the proposed Annual Levy of Assessments for Fiscal Year 2016/2017 of the Measure B Assessment District

1. Public Hearing
 - a. Open the Public Hearing, receive testimony, consider any public input and written protests.
 - b. Close the Public Hearing

2. Adopt Resolution 2016-09 & 2016-10:

- a. Resolution 2016-09; Approving the Annual Engineer's Report; Fiscal Year 2016/2017; McKinleyville Community Services District; Measure B Maintenance Assessment District (Renewal for Parks, Open Space, and Recreational Facilities); including the assessment diagram connected therewith.
- b. Resolution 2016-10; Ordering the levy and Collection of Assessments within the McKinleyville Community Services District; Measure B Maintenance Assessment District (Renewal for Parks, Open Space, and Recreational Facilities) for Fiscal Year 2016/2017.

Discussion:

In 1992, McKinleyville voters approved the Measure B Assessment District with a 20-year duration for the purpose of funding the development and maintenance of public recreation facilities including the McKinleyville Activity Center, Azalea Hall and Hiller Sports Site. The Board authorized collection of the assessments in each year beginning in Fiscal Year 1992/1993.

In 2011, a property owner protest ballot proceeding was conducted pursuant to the provisions of the California Constitution Article XIID for the levy of annual assessments for the Measure B Maintenance Assessment District -- Renewal for Parks, Open Space, and Recreational Facilities ("District") which replaced and extend for another 20-year duration the assessments previously approved by voters in 1992. The proposed assessments were approved by the property owners (55.9% in favor, 45.1% opposed) and the new assessments were levied on the Humboldt County tax rolls for Fiscal Year 2011/2012 (first year's assessment)

In accordance with the provisions of the Landscaping and Lighting Act of 1972 of the California Streets and Highway Code (the 1972 Act), in order to levy the assessments each fiscal year an Engineer's Report must be prepared and filed with the Board regarding the proposed assessments and the Board must conduct a noticed Public Hearing regarding these matters prior to approving and adopting the assessments for the upcoming fiscal year.

On March 2, 2016, the Board adopted Resolution 2016-05 which initiated the annual levy process and preparation of the Engineer's Report; and Resolution 2016-06 which declared the Board's intention to levy the assessments for Fiscal Year 2016/2017 and set April 6, 2016 as the date for the public hearing.

Since the proposed assessments (assessment rate) to be levied for Fiscal Year 2016/2017 are equal to or less than the maximum assessments originally approved in 2011 through the property owner protest ballot proceeding, in accordance with Chapter 3 Section §22626 of the 1972 Act, notice of the public hearing shall be given by causing such notice to be published one time in a

newspaper of general circulation at least 10 days prior to the date of hearing pursuant to Chapter 1, Article 3 Sections 22552 and 22553 of the Act. The tax rolls can be accessed on the MCSD website and are also available to view at the MCSD office, located at 1656 Sutter Road, McKinleyville CA 95519.

Alternatives:

Staff analysis consists of the following potential alternative

- Open the Public Hearing to accept public testimony
- Continue the public hearing as needed
- After accepting all public testimony, close the public hearing, but take no action on the Resolutions

Fiscal Analysis:

The Fiscal Year 2016/2017 Engineer's Report anticipates that Measure B assessment revenues to be levied and collected on the tax rolls will be approximately \$211,132.34 based on the 5,620 parcels to be assessed on the tax rolls and proposed assessment rate of \$30.00 per equivalent benefit unit (rate unchanged from last year). This assessment revenue represents approximately 33% of the total estimated \$623,167 budgeted for Fiscal Year 2016/2017 to fund the operation and maintenance of MCSD's parks and recreation facilities and begin construction of the new Teen & Community Center. In addition to those costs identified as general benefit (\$311,584 not assessed), MCSD will contribute an additional estimated \$96,742 from other revenue sources for the proportional assessments calculated for non-taxable parcels and parcels assessed through other similar district assessments, as well as the additional funding that is need but not collected through the assessments.

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 - Resolution 2016-09
- Attachment 2 – Resolution 2016-10
- Attachment 3 – Annual Engineer's Report Fiscal Year 2016/17
- Attachment 4 – Public Service Announcement for Notice of Hearing

RESOLUTION 2016 - 09

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MCKINLEYVILLE
COMMUNITY SERVICES DISTRICT, AMENDING AND/OR APPROVING THE FINAL
ENGINEER'S ANNUAL LEVY REPORT FOR THE MEASURE B MAINTENANCE
ASSESSMENT DISTRICT — RENEWAL FOR PARKS, OPEN SPACE, AND
RECREATIONAL FACILITIES FOR FISCAL YEAR 2016/2017**

THE BOARD OF DIRECTORS OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT DOES HEREBY FIND, DETERMINE, AND RESOLVE AS FOLLOWS:

Section 1: The Board of Directors (the “Board”) of the McKinleyville Community Services District (“MCSD”), pursuant to the provisions of the Landscaping and Lighting Act of 1972 (Streets & Highways Code Section 22500 *et. seq.*) (the “Act”) did by previous resolution, order the preparation and filing of an Engineer’s Report in accordance with Article 4 of Chapter 1 of the Act for the annual levy and collection of assessments for the district known and designated as the “**Measure B Maintenance Assessment District — Renewal for Parks, Open Space, and Recreational Facilities**” (the “Assessment District”) for the fiscal year commencing July 1, 2016 and ending June 30, 2017.

Section 2: Whereas, the Board proposes to levy and collect assessments against lots and parcels of land within the Assessment District for Fiscal Year 2016/2017 to pay the annual costs and expenses of the Assessment District improvements that may include all improvements, services and activities authorized by the Act for the ongoing operation, maintenance, servicing, acquisition, construction, and installation and incidental expenses, including any debt service issued to finance capital improvements, related to the parks, trails, open space and recreational facilities associated with the Assessment District that provide special benefits to such lots and parcels of land.

Section 3: Whereas, the Assessment Engineer of Work (the “Engineer”), has prepared and filed with the Secretary of the Board of Directors and the Secretary has presented to the Board of Directors such report entitled “Annual Engineer’s Report; Fiscal Year 2016/2017; McKinleyville Community Services District; Measure B Maintenance Assessment District, Renewal for Parks, Open Space, and Recreational Facilities” (the “Report”) in connection with the proposed levy of the Assessment District assessments for Fiscal Year 2016/2017.

Section 4: The Report as presented, in accordance with Chapter 1, Article 4 of the Act, consists of the following:

- (a) Plans and specifications for the improvements
(A description of the Assessment District and Improvements).
- (b) An estimate of the costs of the improvements
(The budget identifying the estimated costs and expenses for Fiscal Year 2016/2017).

- (c) A diagram for the Assessment District
(Assessment District Diagram showing the exterior boundaries of the Assessment District).
- (d) An assessment of the estimated costs of the improvements
(A description of the method of apportionment and resulting assessment rate for the fiscal year).
- (e) If bonds or notes will be issued, an estimate of their principal amount.

Section 5: The Board of Directors has carefully examined and reviewed the Report as presented, and is satisfied with the plans and specifications, each of the budget items and documents as set forth therein, and is satisfied that the proposed annual assessments have been spread in accordance with the special benefits received from the improvements, operation, maintenance and services to be performed within the Assessment District, and the Assessment District consists of all parcels that receive such special benefits as set forth in said Report and such assessments are made in accordance with the Act and the California State Constitution, Article XIID.

Section 6: The Report, as presented, is hereby approved (as submitted or amended herein by Board action), and is ordered to be filed in the offices of the MCSD as a permanent record and to remain open to public inspection.

Section 7: The Board Secretary shall certify to the passage and adoption of this Resolution and the minutes of this meeting shall so reflect the presentation and final approval of the Report.

Now, therefore, be it resolved that the McKinleyville Community Services District

ADOPTED, SIGNED AND APPROVED at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on the 6th day of April, 2016 by the following polled vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

George Wheeler, Board President

Attest:

Becky Schuette, Board Secretary

RESOLUTION 2016 – 10**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT, ORDERING THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN THE MEASURE B MAINTENANCE ASSESSMENT DISTRICT — RENEWAL FOR PARKS, OPEN SPACE, AND RECREATIONAL FACILITIES FOR FISCAL YEAR 2016/2017**

THE BOARD OF DIRECTORS OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT DOES HEREBY FIND, DETERMINE, AND RESOLVE AS FOLLOWS:

Section 1: Whereas, The Board of Directors (the “Board”) of the McKinleyville Community Services District (“MCSD”), has by previous Resolutions initiated proceedings and declared its intention to levy special benefit assessments against parcels of land within the **“Measure B Maintenance Assessment District — Renewal for Parks, Open Space, and Recreational Facilities”** (the “Assessment District”) for the fiscal year commencing July 1, 2016 and ending June 30, 2017; pursuant to the provisions of the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code, commencing with Section 22500 (the “Act”) to pay the annual costs and expenses for the ongoing operation, maintenance, servicing, acquisition, construction, and installation and incidental expenses, including any debt service issued to finance capital improvements, related to the parks, trails, open space and recreational facilities associated with the Assessment District.

Section 2: The Assessment Engineer of Work (the “Engineer”) selected by the Board of Directors has prepared and filed with the Board Secretary, and the Secretary has presented to the Board of Directors the Annual Engineer’s Report for fiscal year 2016/2017 (the “Report”) in connection with the proposed levy and collection of special benefit assessments upon eligible parcels of land within the Assessment District, and the Board of Directors did by previous Resolution approve said Report.

Section 3: Following notice duly given, the Board of Directors has held a full and fair Public Hearing regarding the Assessment District, the levy and collection of assessments, the Annual Engineer’s Report prepared in connection therewith, and considered any oral and written statements, protests and communications made or filed by interested persons regarding these matters.

Section 4: Based upon its review (and amendments, as applicable) of the Report, a copy of which has been presented to the Board of Directors and which has been filed with the Board Secretary, the Board of Directors hereby finds and determines that:

- a) The land within the Assessment District will receive special benefit by the operation, maintenance, servicing, acquisition, construction, and installation and incidental expenses, including any debt service issued to finance capital improvements, related to the parks, trails, open space and recreational facilities associated with and within the boundaries of the Assessment District.
- b) The Assessment District includes all of the lands receiving such special benefit.
- c) The net amount to be assessed upon the lands within the Assessment District is in accordance and apportioned by a formula and method which fairly distributes the net amount among eligible parcels in proportion to the special benefit to be received by each parcel from the improvements and services for the fiscal year commencing July 1, 2016 and ending June 30, 2017.
- d) The Report and assessment as presented to the Board of Directors and on file in the office of the Board Secretary comply with the applicable provisions of the Act and the California State Constitution Article XIID and are hereby confirmed as filed.

Section 5: The annual operation, maintenance, servicing, acquisition, construction, and installation and incidental expenses, including any debt service issued to finance capital improvements, related to the parks, trails, open space and recreational facilities shall be performed pursuant to the Act including. The Board of Directors hereby orders the proposed improvements to be made, which improvements are more fully described in the Report which by reference is made part of this resolution.

Section 6: The County Auditor of Humboldt County shall enter on the County Assessment Roll opposite each eligible parcel of land the amount of levy, and such levies shall be collected at the same time and in the same manner as the County taxes are collected, pursuant to Chapter 4, Article 2, Section 22646 of the Act. After collection by the County, the net amount of the levy shall be paid to the MCSD Treasurer.

Section 7: The MCSD Treasurer shall deposit all money representing assessments collected by the County for the Assessment District to the credit of a fund for the Measure B Maintenance Assessment District — Renewal for Parks, Open Space, and Recreational Facilities, and such money shall be expended only for the improvements, services and activities outlined in the Report and briefly described in Section 5.

Section 8: The adoption of this Resolution constitutes the Assessment District levy for the fiscal year commencing July 1, 2016 and ending June 30, 2017.

Section 9: The Board Secretary, or their designate, is hereby authorized and directed upon adoption of this Resolution, to file the levy of assessments for fiscal year 2016/2017 with the County Auditor at the time and in the manner required by the County Auditor for the levy of such assessments.

Now, therefore, be it resolved that the McKinleyville Community Services District

ADOPTED, SIGNED AND APPROVED at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on the 6th day of April, 2016 by the following polled vote:

AYES:

NOES:

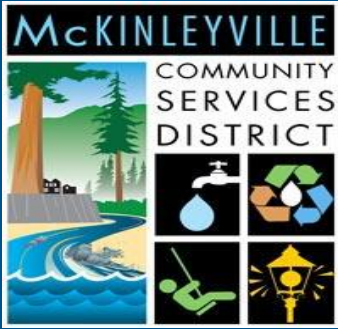
ABSENT:

ABSTAIN:

George Wheeler, Board President

Attest:

Becky Schuette, Board Secretary



MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

MEASURE B MAINTENANCE ASSESSMENT DISTRICT (RENEWAL FOR PARKS, OPEN SPACE, AND RECREATIONAL FACILITIES)

2016/2017 ENGINEER'S ANNUAL LEVY REPORT

Intent Meeting: March 2, 2016

Public Hearing: April 6, 2016

27368 Via Industria
Suite 200
Temecula, CA 92590
T 951.587.3500 | 800.755.6864
F 951.587.3510



**McKinleyville Community Services District
Measure B Maintenance Assessment District — Renewal for
Parks, Open Space, and Recreational Facilities**

Fiscal Year 2016/2017

County of Humboldt, State of California

This Report and the enclosed descriptions, budgets and diagram outline the proposed improvements and assessments associated with the McKinleyville Community Services District Measure B Maintenance Assessment District — Renewal for Parks, Open Space, and Recreational Facilities for Fiscal Year 2016/2017. Said District includes each lot, parcel, and subdivision of land within the boundaries of the McKinleyville Community Services District, as they existed at the time this Report was prepared and the passage of the Resolution of Intention. Reference is hereby made to the Humboldt County Assessor's maps for a detailed description of the lines and dimensions of parcels within the McKinleyville Community Services District Measure B Maintenance Assessment District — Renewal for Parks, Open Space, and Recreational Facilities. The undersigned respectfully submits the enclosed Report as directed by the McKinleyville Community Services District Board of Directors.

Dated this 15 day of March, 2016.

Willdan Financial Services

Assessment Engineer

On Behalf of the McKinleyville Community Services District

By: 

Jose Omoteotti
Project Manager

By: 

Richard Kopecky
R. C. E. # 16742



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I. Introduction

The McKinleyville Community Services District (hereafter referred to as “CSD”), in the County of Humboldt, was established on April 14, 1970, pursuant to the Community Services District Law (California Government Code Section 61000 et seq.) (“CSD Law”), to provide water and sewer services. The services of the CSD were expanded in 1972 to include street and lighting; again in 1985 to include park and recreation; and then in 1995 to include the construction of the McKinleyville Library. The boundaries of the CSD include approximately 12,140 acres from North Bank Road to Patrick Creek.

In 1991, Measure B was passed by voters, authorizing the CSD to collect annual assessments in order to construct a new community center, to purchase land for sports fields and to provide for the maintenance and operation of park and recreational facilities. The 1991 Measure B Assessment District was formed to levy and collect annual assessments on the County tax rolls pursuant to the Landscape and Lighting Act of 1972 (California Streets and Highways Code §22500 et seq.) (hereafter referred to as “1972 Act”) for a period of twenty (20) years. With the original Measure B Assessment District (District) and assessments set to expire (sunset) in 2012 (the end of Fiscal Year 2011/2012), the continued operation and maintenance of the park and recreational improvements and facilities provided to the community by the CSD including the McKinleyville Activity Center, Hiller Sports Complex and Azalea Hall, would be jeopardized.

Therefore, in 2010, the McKinleyville CSD Board of Directors (“Board” or “Board of Directors”) initiated proceedings to reestablish a special benefit assessment district within the CSD designated as the:

McKinleyville Community Services District Measure B Maintenance Assessment District — Renewal for Parks, Open Space, and Recreational Facilities

for the purpose of providing and continuing a stable revenue source, coupled with available grants and donations from other sources, to fund the ongoing operation, maintenance, expansion, enhancement, construction, renovation and rehabilitation of the CSD park and recreational improvements including parks, wilderness parklands, open space, trails, sports facilities, recreation and activity centers and facilities (collectively referred to as “Improvements”) that provide special benefits to properties within the CSD, including incidental expenses and debt services for any bond(s), loans or other repayment plans incurred to finance capital improvements. The Board of Directors proposed to form (reestablish) the Measure B Maintenance Assessment District — Renewal for Parks, Open Space, and Recreational Facilities (“District”) for another twenty (20) year period, and to levy and collect annual assessments on the County tax rolls to fund in whole or in part the improvements including related debt service on bonds that may be issued or loan agreements to finance the authorized improvements.

Pursuant to the requirements of the California Constitution, Article XIID Section 4 and the provisions of the 1972 Act, the Board of Directors called for an Engineer’s Report to be prepared regarding the proposed formation of the District and conducted a property owner protest ballot proceeding for the proposed levy of the new assessments. In conjunction with this ballot proceeding, a noticed public hearing was held on March 16, 2011 to consider public testimonies, comments and written protests regarding the formation of the District and the levy of assessments. Upon conclusion of the public hearing, protest ballots received were opened and tabulated to determine whether majority protest existed (with ballots weighted based on

proportional assessment amounts), and the Board of Directors confirmed the results of that ballot tabulation, with approximately 54.9% of the weighted ballots being in favor of the assessments and 45.1% being opposed. Finding that majority protest did not exist, the Board approved and adopted the formation of the District and order the levy and collection of assessments for Fiscal Year 2011/2012 (first year's annual assessments).

The assessment rate and method of apportionment established in the Engineer's Report at the time of formation of the District and as described herein, became effective commencing in Fiscal Year 2011/2012 and may be levied annually pursuant to the provisions of the 1972 Act for up to twenty (20) years (through Fiscal Year 2031/2032). The annual assessments each fiscal year are based on the estimated revenues needed to support the ongoing operational and maintenance costs of the Improvements (collectively referred to as "maintenance"); the long term repairs, renovations and rehabilitation costs associated with the improvements as well as possible acquisitions, expansion or construction of new improvements or facilities including a new Teen/Family Center (collectively referred to as "capital improvements"); and estimated incidental expenses associated with the administration of the assessments and of bonds or loans issued to finance improvements and facilities.

The authorized improvements may include, but are not limited to, operation, maintenance, acquisitions, upgrades and construction of existing and/or new facilities to enhance or expand the McKinleyville CSD park and recreational system, facilities and activities that will provide special benefits to properties within the District that would otherwise be reduced, postponed or abandoned due to limited funding sources. The improvements and annual District assessments for Fiscal Year 2016/2017 as outlined herein, have been established in accordance with the 1972 Act which may include the issuance of bonds pursuant to the Improvement Bond Act of 1915 (California Streets and Highways Code §8500 et seq.) ("1915 Act") and in compliance with the substantive and procedural requirements of the California State Constitution Article XIID ("California Constitution" or "Article XIID"). This Engineer's Report ("Report") has been prepared in connection with the proposed levy and collection of District assessments for Fiscal Year 2016/2017, pursuant to Chapter 2 Article 1 Sections §22585 and §22586 in accordance with Chapter 1, Article 4 beginning with §22565 of the 1972 Act.

The District includes all lots and parcels of land within the McKinleyville CSD as identified by the Humboldt County Assessor's Office at the time this Report was prepared. The word "parcel," for the purposes of this Report, refers to an individual property assigned its own Assessor's Parcel Number (APN) by the Humboldt County Assessor's Office. The Humboldt County Auditor/Controller uses Assessor's Parcel Numbers and a specified Fund Number to identify properties to be assessed on the tax roll for the special benefit assessments described herein.

This Report describes the District; identifies the improvements including any proposed changes to such improvements to be provided; the estimated expenditures; and the resulting special benefit assessments to be levied and collected on the County tax rolls for Fiscal Year 2016/2017. The total annual assessments presented herein is based on an estimated budget (estimated expenses) and the assessment revenues required to fund in whole or in part the park and recreational improvements, facilities and related activities deemed to be of special benefit to properties in the District and have been identified as essential recreational and conservation objectives which property owners and residents of the CSD have supported.

While the revenues generated by the annual assessments are currently being used primarily to fund the annual operation and maintenance of the existing park and recreational improvements within the CSD, a portion of the annual assessments (both now and in the future) may also be

utilized and pledged to pay debt service and related costs associated with the issuance of bonds or other loans to finance capital improvement projects for the upgrade or renovation of existing improvements and facilities, or the acquisition and/or construction of new park and recreational improvements or facilities for the special benefit of properties within the District. The allocation of assessment revenue funds amongst the various improvements, services and activities to be provided will be prioritized by the McKinleyville CSD staff based on available assessment revenues generated by the District, the total funding needed for each authorized improvement and projects, the impact each improvement will have on the overall park and recreational system that benefit properties in the District, and the timing of any outside revenues that may become available to offset the cost of such improvements or projects.

This Report pursuant to Chapter 1, Article 4 of the 1972 Act, consists of five (5) parts:

Part I

Plans and Specifications: A description of the District boundaries and the proposed improvements associated with the District. Generally, the District improvements consist of each of the park and recreational improvements and facilities in McKinleyville CSD.

Part II

The Method of Apportionment: A discussion of the general and special benefits associated with the overall park and recreational improvements to be provided within the CSD (Proposition 218 Benefit Analysis). This part also includes a discussion of the proportional costs of the special benefits upon which the assessments are determined and separation of costs considered to be of general benefit (and therefore not assessed). This section of the Report also outlines the method of calculating each property's proportional special benefit and annual assessment utilizing a weighted benefit comparison and proportionality among the different property types within the District.

Part III

Estimate of Improvement Costs: An estimate of the annual cost to fund the improvements for Fiscal Year 2016/2017. The District assessments are intended and will fund only a portion of the costs needed to provide the various improvements, and are not designated to fully fund any specific improvement. This estimate of the improvement costs (budget) includes an estimate of the total annual maintenance and operation costs for the existing park and recreational improvements within the CSD; an estimate of annual funding collected for planned capital improvement expenditures to fund expansion, enhancement, renovation or rehabilitation of the parks, trails and related recreational facilities within the CSD (including acquisitions and new construction); and authorized incidental expenses including, but not limited to county fees, professional services related to administration of the District and/or bonds. The estimated expenditures and assessment rate identified in this Report budget and the resulting parcel assessments for Fiscal Year 2016/2017 are based on the estimated net annual cost to fund the improvements and activities for the year (Balance to be Levied), and the method of apportionment established for the District, and such assessments shall not exceed the maximum assessment (Rate per Equivalent Benefit Unit) established when the District was formed.

Part IV

District Diagram: A Diagram showing the exterior boundaries of the District is provided in this Report and includes all parcels that will receive special benefits from the improvements. These boundaries are coterminous with the boundaries of the McKinleyville CSD. Parcel identification, the lines and dimensions of each lot, parcel and subdivision of land within the District, are inclusive of all parcels within the CSD as shown on the Humboldt County Assessor's Parcel Maps as they existed at the time this Report was presented to the Board of Directors for the adoption of the Resolution of Intention, and shall include all subsequent subdivisions, lot-line adjustments or parcel changes therein. Reference is hereby made to the Humboldt County Assessor's maps for a detailed description of the lines and dimensions of each lot and parcel of land within the District.

Part V

Assessment Roll: A listing of the proposed assessment amount to be levied and collected for each parcel within the District for Fiscal Year 2016/2017. The assessment amount for each parcel is based on the parcel's calculated proportional special benefit as outlined in the method of apportionment and the assessment rate established in the budget for Fiscal Year 2016/2017.

Part I — Plans and specifications

The boundaries of the District are coterminous with the McKinleyville CSD boundaries. The purpose of this District is to provide a stable revenue source, coupled with available grants and donations from other sources, to fund the ongoing operation, maintenance, expansion, enhancement, construction, renovation and rehabilitation of the McKinleyville CSD park and recreational improvements including parks, wilderness parklands, open space, trails, sports facilities, recreation and activity centers and facilities (collectively referred to as “Improvements”) that provide special benefits to properties within the CSD, including incidental expenses and debt services for any bond(s), loans or other repayment plans incurred to finance capital improvements.

Improvements Authorized by the 1972 Act

The 1972 Act permits assessments proceeds to be spent on the following:

- The installation or planting of landscaping.
- The installation or construction of statuary, fountains, and other ornamental structures and facilities.
- The installation or construction of public lighting facilities.
- The installation or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof, including, but not limited to, grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities.
- The installation of park or recreational improvements, including, but not limited to, all of the following:
 - Land preparation, such as grading, leveling, cutting and filling, sod, landscaping, irrigation systems, sidewalks, and drainage.
 - Lights, playground equipment, play courts, and public restrooms.
- The maintenance or servicing, or both, of any of the foregoing.
- The acquisition of land for park, recreational, or open-space purposes.
- The acquisition of any existing improvement otherwise authorized pursuant to this section.
- The acquisition or construction of any community center, municipal auditorium or hall, or similar public facility for the indoor presentation of performances, shows, stage productions, fairs, conventions, exhibitions, pageants, meetings, parties, or other group events, activities, or functions, whether those events, activities, or functions are public or private.
- Incidental expenses associated with the improvements including, but not limited to:
 - The cost of preparation of the report, including plans, specifications, estimates, diagram, and assessment;
 - The costs of printing, advertising, and the publishing, posting and mailing of notices;
 - Compensation payable to the County for collection of assessments;
 - Compensation of any engineer or attorney employed to render services;

- Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements;
 - Any expenses incidental to the issuance of bonds or notes pursuant to Section 22662.5.
 - Costs associated with any elections held for the approval of a new or increased assessment.
- Where the cost of improvements (other than maintenance and operations) is greater than can be conveniently raised from a single annual assessment, the 1972 Act permits an assessment to be levied and collected in annual installments. In that event, the governing body may choose to do any of the following:
- Provide for the accumulation of the moneys in an improvement fund until there are sufficient moneys to pay all or part of the cost of the improvements.
 - Provide for a temporary advance to the improvement fund from any available and unencumbered funds of the local agency to pay all or part of the cost of the improvements and collect those advanced moneys from the annual installments collected through the assessments.
 - Borrow an amount necessary to finance the estimated cost of the proposed improvements. The amount borrowed, including amounts for bonds issued to finance the estimated cost of the proposed improvements.

District Improvements

The District assessments will fully or partially fund various improvements and activities that specially benefit properties within the District. It is the goal and intent for this District to provide a stable revenue source that will allow the McKinleyville CSD to partially fund the on-going maintenance of the various park and recreational facilities for the community and endeavors to improve the overall park and recreational system that directly affect the properties and quality of life for residents, tenants, employees and owners of properties within the CSD. To the full extent permitted by the 1972 Act, the improvements, projects and expenditures to be funded by the assessments may include:

- **Operation and Maintenance:** operation and maintenance of park and recreational improvements throughout the District.
- **Acquisitions:** The acquisition of land or facilities for park or recreational purposes.
- **Resource Development:** The construction, installation and/or expansion of various park sites, trails, open spaces, halls/activity centers (“community centers”) and related recreational facilities within the District.
- **Facility Enhancements/Rehabilitation:** Periodic repairs and renovations of recreational sites and facilities (parks, trails, community centers) including but not limited signage, playground and tot-lot equipment; sports field fencing; portable soccer goals; ball fields; tennis courts; basketball courts; sports facility lighting; parking facilities; restrooms, kitchens and related equipment and amenities such electrical, irrigation and drainage systems, tables benches, etc.
- **Capital Improvements:** Major repairs of recreational buildings and facilities that may include repair or replacement roofs, interior building repairs, replacement of permanent fixtures,

structural repairs, internal building remodels, as well as the construction and installation of new facilities.

Based on current facility needs and planned capital improvement projects (park and recreational enhancements), an estimated annual budget for Fiscal Year 2016/2017 has been developed for the overall McKinleyville CSD park and recreation improvement program, which has been prioritized based on the overall impact each improvement or facility will have on the overall park and recreational system within the CSD, and the timing and availability of any outside revenues that may be utilized to offset certain costs. Based on this budget, revenues collected through the annual assessments will be apportioned approximately twenty-three percent (23%) for park and sports complex maintenance; sixteen percent (16%) for hall/activity center operation and maintenance; six percent (6%) for trail and open space maintenance; fifty percent (50%) for capital improvement projects; and five percent (5%) for incidental expenses including administration and fees. However, it is likely this apportionment of assessment revenues may be altered over the proposed twenty-year duration of the District and may even be adjusted during the course of Fiscal Year 2016/2017 based on changing needs.

A summary of the improvements that have been identified by the CSD as planned park and recreational maintenance and/or enhancements that will be funded in whole or in part through the District assessments is provided below, as well as in Appendix A. Specific details regarding these improvements and projects are on file in the Office of the McKinleyville CSD General Manager and by reference these documents are made part of this Report.

Improvements to be maintained in whole or in part by District assessments for Fiscal Year 2016/2017 may include, but are not limited to:

- Maintenance, servicing and operation of existing parks and park facilities, including:
 - Landscape Maintenance of approximately 91,571 square feet of irrigated turf in Pierson Park, 75,000 square feet within Hiller Park West, and 498,112 square feet within the Hiller Sports Complex.
 - Landscape Maintenance of approximately thirty-five (35) acres of non-irrigated/natural vegetation within Hiller Park West.
 - Maintenance of eight (6) sports fields within the Hiller Sports Complex.
 - Maintenance of approximately 17,157 square feet of parking lot area within Pierson Park, 9,770 square feet within Hiller Park West, and 35,000 square feet within the Hiller Sports Complex.
 - Maintenance and operation of approximately 2 restroom facilities each, within Pierson Park, Hiller Park West, and the Hiller Sports Complex.
 - Maintenance of 6 playground structures within Pierson Park, and 3 playground structures within Hiller Park West.
- Operation, servicing and maintenance of existing halls/activity centers including:
 - Azalea Hall: including maintenance of approximately 200 square feet of landscaping area; 13,800 square feet of parking lot area maintenance; and operation and maintenance of an approximately 9,500 square foot hall, including men and women restroom facilities,

commercial sized-kitchen, 3,000 square foot hall available as reception area, stage, storage for social events. Azalea Hall is located along Pickett Road, within Pierson Park.

- McKinleyville Activity Center (“MAC”): including maintenance of approximately 19,174 square feet of landscaping and parking lot areas; operation and maintenance of an approximately 10,000 square foot hall, including men and women restroom facilities; and operation and maintenance of a 7,000 square foot gym, office, and storage space. MAC is located along Gwin Road within Pierson Park.
 - McKinleyville Teen Center: is an approximate 6,600 square foot addition to an existing community center. The 6,600 square-foot center is used for teen and community activities that include a quiet study room, a teen café, covered outdoor performance area and a community commercial kitchen where cooking classes are held. The center is designed so that up to seven distinct and separate activities can take place at the same time without overlap.
- Maintenance of existing trails:
- Landscaping and trail maintenance of approximately 7,000 feet of trails, including maintenance/repairs to trails, benches, and asphalt.
- Maintenance of existing open space, including:
- Hewitt Ranch:
 - Washington Park
 - North Bank River Property
- Operation and maintenance of future park and recreational facilities that may be acquired or developed over the duration of the District assessments.

The improvements listed above are inclusive of the improvements and facilities identified in the Engineer’s Report prepared in connection with the formation of the District, and no significant changes are proposed or anticipated for Fiscal Year 2016/2017.

Part II — METHOD OF APPORTIONMENT

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, including the acquisition, construction, installation and servicing of park and recreational facilities. The 1972 Act requires that the cost of these improvements be levied according to benefit rather than assessed value:

“The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements.”

The method of apportionment described in this Report for allocation of special benefit assessments utilizes commonly accepted engineering practices and is the same method of apportionment utilized and established when the District was formed. The formulas used for calculating assessments reflect the composition of parcels within the District and the improvements and activities to be provided, and have been designed to fairly apportion costs based on a determination of the proportional special benefits to each parcel, consistent with the requirements of the 1972 Act and the provisions of Article XIII D of the California Constitution.

Proposition 218 Benefit Analysis

The costs of the proposed improvements have been identified and allocated to properties within the District based on special benefit. The improvements to be provided by this District and for which properties will be assessed have been identified as essential recreational objectives for the CSD, which the property owners and residents have expressed a high level of support.

The District was formed to provide an overall park and recreational enhancement program that affects and will directly benefit all parcels to be assessed within the District. The assessments and method of apportionment is based on the premise that the assessments will be used for the annual maintenance, as well as expansion and enhancement of the CSD’s park and recreation system, and the revenues generated over the duration of the District will be used for park and recreational facilities throughout the District.

In conjunction with the provisions of the 1972 Act, the California Constitution Article XIID addresses several key criteria for the levy of assessments, notably:

Article XIID Section 2d defines District as follows:

“District means an area determined by an agency to contain all parcels which will receive a special benefit from a proposed public improvement or property-related service”;

Article XIID Section 2i defines Special Benefit as follows:

“Special benefit” means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute “special benefit.”

Article XIID Section 4a defines proportional special benefit assessments as follows:

“An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”

The method of apportionment (method of assessment) set forth in the Report is based on the premise that each assessed property receives special benefits from local park and recreational improvements that are funded by the assessments, and the assessment obligation for each parcel reflects that parcel's proportional special benefits as compared to other properties that receive special benefits.

To identify and determine the proportional special benefit to each parcel within the District, it is necessary to consider the entire scope of the improvements provided as well as the properties that benefit from those improvements. The improvements and the associated costs described in this Report, have been carefully reviewed and have been identified and allocated based on a benefit rationale and calculations that proportionally allocate the net cost of only those improvements determined to be of special benefit to properties within the District. The various public improvements and the associated costs have been identified as either “general benefit” (not assessed) or “special benefit”.

General Benefits

Assessments are established on the basis of calculated proportional special benefit to properties within a district. Because general benefits are not assessable, the general benefit costs are excluded from the assessment calculation. With respect to this District, although the various McKinleyville CSD park and recreational improvements including designated parks, wilderness parklands, open space, trails, sports facilities, recreation and activity centers and facilities that will be maintained, expanded and/or enhanced through the District's assessment revenues are located throughout the CSD and clearly provide a special benefit to properties within the District, it is also recognized that these are public facilities that will occasionally be utilized by the general public and may even be in proximity to some properties outside the District boundaries that are not assessed. The fact that these improvements and facilities are available to the general public would suggest that at least a portion of the cost to provide the improvements is of general benefit.

When the District was formed in Fiscal Year 2011/2012 a detailed review and analysis of the improvements and surrounding properties revealed that all properties within the District boundaries were located within two and a half miles (2½ miles) of an existing park, wilderness parkland, open space, trail, sports facility, recreation and activity center and other facilities provided by the CSD, which is well within the broader 3-4 mile sphere of influence commonly associated with such improvements. This analysis revealed that properties within the broader 3-4 mile area, but outside the 2½ mile service area associated with District parcels was predominately undeveloped land consisting of agricultural, timber, mining and open space properties. So, based on this information, it was reasonable to conclude that the improvements and facilities serve primarily the 2½ mile service area.

Within the 2½ mile service area, there were approximately 6,715 parcels of which, 5,638 parcels or eighty-four percent (84%) were identified in Fiscal Year 2011/2012 as being within the boundaries of the District, comprising roughly 12,140 acres of land. The remaining parcels (those parcels outside the District) represented approximately forty-two percent (42%) of the total acreage within the identified 2½ mile service area (approximately 8,800 acres of land). However, this area outside the District boundaries, but within the 2½ mile service area is, largely comprised of agricultural, timber production and gravel mining properties (approximately 6,835 acres or 78% of that total area) and these properties clearly have very limited direct utilization or need for the District improvements. In addition, approximately 575 acres, (6.5% of the total acreage outside the District, but within the 2½ mile service area), is identified as open space/public areas which offer similar recreational opportunities to the properties outside the District. The remaining developed properties (residential and non-residential) located outside of the District boundaries (approximately 1,390 acres) represent the equivalent of approximately six percent (6%) of the total developed residential and non-residential properties within the overall 2½ mile service area. While many of these parcels are likely served more directly by park and recreational facilities outside of the CSD, these properties have proximity to the improvements associated with the District and it can be assumed that the owners, residents and employees of these parcels may occasionally utilize or reasonably have access to the improvements within the CSD. These overall statistics have not changed significantly since Fiscal Year 2011/2012 and therefore, it was and still is, reasonable to assume that six percent (6%) of the total cost to provide the improvements is non-assessable and of general benefit.

In quantifying other general benefit considerations, it is more difficult to quantify benefits to people living and working outside of the 2½ mile service area (benefits to the general public). While the parks, trails and open space areas, and, to a lesser extent the community centers, are certainly available and may be utilized by the general public, the overall McKinleyville CSD area is clearly considered a rural area and not typically a destination point for tourism and travel. This observation is supported by the limited amount of non-residential development (commercial enterprises) in the area, comprising less than three percent (3%) of the parcels within the District and represents less than 4% of the acreage, of which less than 10% have been identified as travel related business (i.e. hotels, motels and service stations). As such, it is reasonable to conclude that the District improvements provide very limited general benefit to the public at large, statistically, less than 0.4% of the total acreage (10% of the 4%) and less than 0.3% of the total parcels (10% of the 3%). Based on this analysis, conservatively, the general benefit to the public at large is certainly no greater than four percent (4%) of the cost to provide the improvements. Therefore, based on the preceding analysis, collectively, the benefit to properties outside the District and to the public at large represents no more than ten percent (10%) of the total cost to provide the improvements.

As noted above, the District improvements clearly provide some measure of general benefit to properties outside the District and to the public at large, but it is also recognized that park and recreational improvements inherently provide general benefit to properties and people within the District. While much of the benefits to people are more directly tied to Recreational Programs (which are not part of the funding provided by the District or contemplated by this Report), the park and recreational facilities themselves provide general benefits to properties and people within the District such as:

- ❖ Health, social and self-improvement benefits derived from utilizing the facilities;

- ❖ Increased social opportunities and active involvement for children, teens and senior citizens;
- ❖ Group participation, character building, mentoring, and coaching for the youth in the community, that provides a positive atmosphere and reduces idle time that might otherwise result in criminal activities;
- ❖ Family and group activities that help to strengthen family value and reduce ethnic and social tensions.

These indirect benefits may be considered more general than special, but are difficult to measure quantitatively. The need for, and the utility of, park and recreational improvements is created by the development of residential and non-residential land uses. The facilities extend the utility of concentrated land development, such as occurs in the McKinleyville CSD (which is an island of developed land uses largely surrounded by large areas of undeveloped land). Benefits to people are largely secondary benefits created by the primary benefits of increased recreational access of more concentrated developments and conservatively, it is estimated that no more than one-third (33%) of the cost to provide and maintain such improvements is attributable or considered a general benefit to properties and people within the District.

Based on the preceding discussion, collectively, it has been determined that approximately forty-three percent (43%) of the costs to provide the District improvements is attributable to general benefit, but for purposes of establishing proportional special benefit costs, it was established at the time of the District formation in Fiscal Year 2011/2012 and this Report assumes a more conservative approximation of general benefit to be fifty percent (50%) or half of the total annual cost to provide the improvements.

Special Benefit

McKinleyville CSD's recreational system (parks, wilderness parkland, trails, community centers, and recreational facilities and equipment) provide properties within the District the special benefit of nearby access to recreational facilities and spaces which are too specialized and/or large to be maintained within the individual properties and would be cost prohibitive to include within individual property development, including:

- ❖ Exercise facilities/space such as sports complexes, parkland areas and trails not typically found on individual parcels.
- ❖ Substantial outdoor areas increase the available recreational space and outdoor facilities, (picnic areas, playground equipment, open turf areas, sports fields and full size courts, etc.), that are typically limited on individual parcels.
- ❖ Facilities (activity centers, parks) available for large gatherings, meetings and community events that could otherwise not be accommodated by the individual properties.

These facilities expand the use of each property within the CSD by providing these properties with access to desirable recreational facilities beyond those that can conveniently be included on a home or businesses lot. The common-use development of these facilities by the CSD, frees property-owners from the burden of having to provide extensive privately owned recreation facilities or having a property that lacks access to such facilities. The availability

and proximity of the facilities is a distinct special benefit to the assessed parcels because the assessed parcels, unlike most parcels outside the District are within the immediate service area of the facilities and can easily use the facilities as a substitute for (and enhancement of) recreational facilities that would otherwise need to be provided on the parcel (or simply foregone). Because each assessed parcel is within the service area of the improvements and facilities offered by the McKinleyville CSD, these park and recreation improvements are like an extension of the front and back lawns of the parcels. They are not remote, but available for frequent and everyday use with minimal travel. We estimate this special benefit to represent at least half (1/2) of the total benefits created by the facilities.

Assessment Methodology

The method of apportionment (method of assessment) developed for this District is based on the premise that each of the property to be assessed receives a direct and special benefit from the improvements and recreational facilities to be financed by the District assessments.

To assess benefits equitably it is necessary to calculate each property's relative share of the special benefits conferred by the funded service. The method of apportionment for this District calculates the receipt of special benefit from the respective improvements based on the actual or proposed land use of the parcels within the District. The special benefit received by each lot or parcel is equated to the overall land use of parcels within the District based on the parcel's actual land use or proposed development. All costs associated with the improvements are distributed among the parcels based upon a calculation of the proportional special benefit received by each parcel. The benefit formula used to determine the assessment obligation is therefore based upon both the improvements that benefit the parcels within the District as well as the use and relative characteristics of each property as compared to other parcels that benefit from those specific improvements.

The Equivalent Benefit Unit (EBU) method of assessment apportionment establishes a basic unit (base value) of benefit and then calculates the benefit derived by each assessed parcel as a multiple (or a fraction) of the basic unit.

For the purposes of this Engineer's Report, an EBU is the quantum of benefit derived from the funded programs and facilities by a single family residential parcel or unit. Thus, the "benchmark" property (the single family residential parcel/unit) derives one (1.0) EBU of benefit. All other land uses are proportionately weighted (assigned an EBU) based on an assessment formula that equates the property's specific development to that of the benchmark property (single-family residential unit). This proportional weighting may be based on several factors that may include, but are not limited to: the type and status of development (land use), size of the property, development plans or restrictions, typical development densities, population densities or other property related factors. Generally, for most districts the calculation of each parcel's proportional special benefit can be reasonably determined by applying one or more of these factors.

Based on an overall evaluation of the properties within the District and the proposed annual cost of providing the improvements, it has been determined that several key property related factors should be considered in the determination of the proportional special benefit of each parcel. These factors include: the various land uses within the District and the relative size (units or acreage) of each parcel. The following discussion provides a summary of these factors and basis upon which each property's proportional special benefit and EBU has been determined.

Residential Property (Developed) — This land use is defined as fully developed residential property which includes single-family residential properties, mobile/manufactured residential properties, apartments, duplexes, and triplexes or other multi-family residential developments. For purposes of establishing equivalent benefit units for all other land uses in this District, the residential land use is designated as the basic unit of assessment and is assigned a land use benefit of 1.0 EBU per residential unit. Convalescent and long term-care facilities (of which there is currently one in the District), will be classified as residential land use, however, this unique residential property will be assigned 0.5 EBU per bed to reflect the quasi-residential nature/use of the property and the fact that a bed represents a smaller increment of measure (both in size and population) than a residential unit.

Non-Residential/Commercial Property (Developed) — This land use is defined as a developed property with structures that are used or may be used for non-residential purposes, whether those structures are occupied or not. This land use does not include parcels for which the primary use of the property is considered residential. This land use classification includes all types of non-residential uses and commercial enterprises including but not limited to, commercial retail; food services; shopping centers; office buildings, and professional buildings, churches, as well as industrial properties including warehousing and manufacturing. This land use classification also includes any parcel that may incorporate a single residential unit, but is also used in whole or in part for commercial purposes.

Based on the average development densities for residential properties in the District, (the average single-family residential property being approximately 1.06 units per Acre), it is reasonable to assume that non-residential properties if developed as residential, would have resulted in approximately 1.00 benefit unit per Acre. Therefore, it has been determined that assigning this land use classification 1.0 EBU per gross acre provides a proportional representation of benefit for this land use type with some limitations:

- ❖ Because each non-residential parcel typically represents a separate and independent commercial enterprise or business, parcels less than one acre shall be assigned 1.0 EBU (minimum EBU).
- ❖ It is also recognized that larger non-residential properties typically have portions of the property that have less intense use/development (such as parking areas, private landscaped areas, outdoor storage, areas with development restrictions etc.) and it is reasonable to assume that the benefit derived from the Improvements does not necessarily increase by the same proportion as the size of property.

As such, parcels identified as Non-Residential Property shall be assigned 1.00 EBU for the first two (2) acres with a minimum of 1.00 EBU assignment; 0.5 EBU per Acre for the next two (2) acres (acreage between 2 and 4 Acres); 0.25 EBU per Acre for the following two (2) acres (acreage between 4 and 6 acres), 0.125 EBU per Acre for the next two (2) acres (acreage between 6 and 8 acres), and 0.00 EBU per Acre for acreage above eight (8) acres. Further, for commercial properties providing private recreation, such as golf properties, the acreage of outdoor recreation space (such as the golf course itself) will be excluded from the calculation of assessable acreage.

Vacant Property — This land use is defined as undeveloped property. Such parcels benefit from the existence of the funded facilities because park and recreational improvements improve the potential development of such parcels. Recognizing this

benefit to property, but also its immediate need for such improvements, each Vacant Property is assigned 1/3 of an EBU per parcel (\$10.00 per parcel).

Exempt Property — This land use identifies properties that are not assessed and are assigned 0.00 EBU. This land use classification may include but is not limited to:

- ❖ Lots or parcels identified as public streets and other roadways (typically not assigned an APN by the County);
- ❖ Dedicated public easements including open space areas, utility rights-of-way, greenbelts, parkways, parks or other publicly owned properties that are part of the District improvements or may provide similar or other public services or benefits to private properties within the District; and
- ❖ Private properties that cannot be developed independently from an adjacent property, such as common areas, sliver parcels or bifurcated lots or properties with very restrictive development use;

Because these properties either provide a public service that is comparable to public recreation or are dependent on another property or development, these types of parcels have no direct need for public recreational facilities and are considered to receive little or no special benefit from the improvements. Therefore, these properties are exempted from assessment, but shall be reviewed annually by the assessment engineer to confirm the parcels current development status.

Government owned properties, quasi-government entity owned properties, or public properties (collectively referred to as “Public Property”) are not necessarily exempt properties and will be allocated special benefit unless the parcel otherwise qualifies for exempt status. The proportional special benefit and resulting assessment obligation for such parcels will be calculated as if the parcel were not Public Property. However, because Public Property, often is identified by the County as non-taxable (tax bills are not generated on the regular tax rolls), the McKinleyville CSD will provide a contribution from other available revenue sources to pay those assessments.

The following table provides a summary of each land use described above and related EBU's. The determination of each parcel's land use and property characteristics shall be based on the data available from the most recent Humboldt County Assessor's Secured Roll, or as identified by the McKinleyville CSD, if the information is different than that provided by the Humboldt County Assessor's Office.

Land Use Description	Assessment Formula	No. of Parcels	EBU Units
Residential	1.000 EBU per Unit	4,996	6,713.00
	0.500 EBU per Bed ⁽¹⁾	1	36.00
	Residential Total	4,997	6,749.00
Non-Residential/Commercial	1.000 EBU per Acre for first 2 Acres (minimum 1 EBU per parcel); 0.500 EBU per Acre for next 2 acres (between 2 and 4 acres); 0.250 EBU per Acre for next 2 acres (acreage between 4 and 6 Acres); 0.125 EBU per Acre for next 2 acres (acreage between 6 and 8 Acres); 0.000 EBU per Acre for Remaining Acres (acreage exceeding 8 acres)	140	192.41
Vacant	(1/3) EBU per Parcel (0.333 EBU)	499	164.67
Exempt	0.000 EBU per Parcel	115	53.64
Totals ⁽²⁾		5,751	7,159.72

(1) For Fiscal Year 2016/2017 there is one parcel in the District identified as a Convalescent/long term-care facility, and this residential property although classified as a Residential Property, is assigned 0.5 EBU per bed for a total of 36.00 EBU (refer to method of apportionment).

(2) Of the total 5,751 parcels in the District representing a total of 7,159.72 EBU, in addition to the 115 parcels identified above as exempt representing 53.64 EBU (which are non-taxable parcels generally owned by government agencies) there are 16 parcels representing 70 EBU's (being assessed for park and recreational improvements through another revenue source) that are currently identified as properties that will not be assessed on the County tax rolls. The proportional special benefit obligation for these parcels will not be collected on the tax rolls, the CSD will annually pay from its general fund an amount equal to the assessment obligation that would otherwise accrue to these parcels. Therefore, there are currently a total of 5,620 parcels representing 7,036.08 EBUS that are proposed to be applied to the tax rolls for Fiscal Year 2016/2017.

The total assessment amount for each parcel in the District will be collected on the County tax rolls pursuant to the 1972 Act. The amount that may be collected annually cannot exceed the amount that may be levied at the Maximum Assessment Rate, which was presented to property owners of record in a balloting process.

Part III — BUDGET

Description of Budget Items

The following provides a brief description of the line items on the District Budget that follows:

Expenditures:

Operation and Maintenance: The estimated annual costs associated with the operation and maintenance of the improvements, including, maintenance wages and supplies.

Capital Improvements: An estimate of funds required annually for costs associated with the design, construction of the Teen/Family Center, as well as costs of major rehabilitation projects of existing facilities. These funds may be used for debt service or to build a reserve for projects to occur over the life of the assessment.

Incidental Expenses: The estimated annual costs related to administration of the assessment, such as contracting with professionals to provide legal, or engineering services for preparation of the annual report and resolutions; conducting noticing or balloting; creation and submission of the annual levy; County Fees for the collection of assessments; and similar administrative costs.

Revenues:

General Benefit Funding: These are funds to be contributed by the McKinleyville CSD for the portion of the District Budget determined to be General Benefit. These funds are from revenue sources available to the CSD other than the Measure B Maintenance Assessment District assessments.

Additional Funding From Sources Other Than Assessment: Additional funds contributed by the McKinleyville CSD from other available revenue sources that are necessary to meet the difference between the annual expenditures and revenues supported by the General Benefit Obligation and the Measure B assessments.

Measure B Special Benefit Assessments: The proportional special benefit obligation and proposed annual assessment revenue calculated for the Measure B Maintenance Assessment District. This amount divided by the Total Equivalent Benefit Units calculated for all benefiting parcels (7,159.72 EBU) establishes the proposed maximum annual assessment rate ("Assessment Rate per EBU") of \$30.00.

Non-Taxable Property Adjustment: Funds to be contributed by the McKinleyville CSD from other revenue sources to pay the calculated assessment obligation for benefiting non-taxable parcels. As noted previously, 115 parcels representing 53.64 EBU are currently identified as non-taxable parcels and the assessments for these parcels (\$3,709.20) cannot be collected on the tax rolls. Therefore, in addition to other contributions, the CSD will annually pay the assessment obligation for the identified non-taxable parcels that receive special benefits.

Fund Balance (Capital/Rehabilitation Improvements):

Provides a summary of District funds being collected and/or spent for capital improvement projects, major rehabilitation projects or to build a reserve for such projects over the life of the assessments. These fund balances incorporate and include the amount of any surplus or deficit in the improvement fund to be carried over from a previous fiscal year.

District Budget

The following Budget shows the full estimated annual cost of the improvements and facilities for Fiscal Year 2016/2017 that will be partially funded with the assessment. The total special benefit assessment amount to be collected for the improvements is based on the following budget information and results in a total annual assessment obligation of approximately \$214,842.00 at an assessment rate of \$30.00 per Equivalent Benefit Unit based on 7,159.72 EBU, of which approximately \$211,132 (7,036.08 EBU) is proposed to be collected on the County tax rolls based on current property information:

Mckinleyville CSD FY1617 District Budget		
Expenditures:		
Operation and Maintenance:		
Pierson Park	\$	54,380
Hiller Park West		40,550
Hiller Sports Complex		89,900
Azalea Hall		80,690
McKinleyville Activity Center		84,810
Trails		41,300
Undeveloped Property		15,000
Future Parks & Facilities (including Teen/Family Center)		19,250
Operation and Maintenance Sub-total:	\$	425,880
Capital Improvements ⁽¹⁾		180,437
Total Program Budget	\$	606,317
Incidental Expenses		16,850
Total Annual Expenditures:	\$	623,167
Revenues:		
General Benefit Obligation		\$311,584
Additional Non-Assessed Funding ⁽²⁾		96,742
Non-Assessment Revenue Sub-total:	\$	408,325
Non-Taxable Special Benefit Assessment Revenue ⁽³⁾	\$	3,709
Taxable Special Benefit Assessment Revenue(Collected on Tax Rolls)	\$	211,132
Total Measure B Special Benefit Assessments	\$	214,842
Total Annual Revenues:	\$	623,167
Fund Balance (Capital/Rehabilitation Improvements):		
Estimated Beginning Fund Balance (As of 07/01/2016)		\$258,370
Estimated Fund Collection ⁽¹⁾		\$180,437
Estimated Expenditures		\$0
Estimated Ending Fund Balance		\$438,807

- (1) The amount budgeted and collected for Capital Improvements includes funds collected for future Renovations/Rehabilitation Projects as well as funding for the design, acquisition, construction of the Teen/Family Center or other future District facilities, including, but not limited to the repayment of any future debt service issued and/or loan(s).
- (2) Additional Funding from sources other than assessments, necessary to fund the annual expenses above those identified as General Benefit funding.
- (3) Contribution from MCSD general fund to cover amount that would otherwise be assessed against 115 non-taxable parcels and 16 parcels already being assessed for park and recreational improvements through another revenue source, which that collectively represent approximately 123.64 EBU's.

Assessment Calculations

Applying the method of apportionment outlined in Part II of this Report and the budget estimates for Fiscal Year 2016/2017 results in the following calculation of assessments:

$$\text{\$214,841.54} \div 7,159.72 \text{ EBU's} = \text{\$30.00 per EBU}$$

Therefore, a single benefit unit or the Annual Assessment Rate for Fiscal Year 2016/2017 (Applicable to a typical Residential Dwelling Unit) will be \$30.00.

Assessment Summary

Total Measure B Special Benefit Assessments	\$ 214,841.54
Total Equivalent Benefit Units	÷ \$ 7,159.72
Assessment Rate per EBU	\$ 30.00

Assessment Breakdown of Non-Taxable Properties

EBU of Non-Taxable Properties	123.64
Assessment Rate per EBU	x \$ 30.00
Non-Taxable Property Adjustment ⁽¹⁾	\$ 3,709.20

⁽¹⁾ This amount represents the calculated special benefit assessment for the parcels identified as non-taxable. This amount shall be paid by a contribution from MCSD general fund.

Assessment Breakdown of Taxable Properties

Total Equivalent Benefit Units	7,159.72
EBU of Non-Taxable Properties ⁽¹⁾	- 123.64
Equivalent Benefit Units Levied on Tax Rolls	7,036.08
Balance to be collected on Tax Rolls ⁽²⁾	211,132.34
Equivalent Benefit Units Levied on Tax Rolls	÷ 7,036.08
Assessment Rate per EBU	30.00

⁽¹⁾ This number represents the combined total EBU that will not be assessed on the County tax rolls. In addition, 115 parcels representing 53.64 EBU's (which are non-taxable parcels generally owned by government agencies) and 16 parcels representing 70 EBU's (being assessed for park and recreational improvements through another revenue source) currently identified as properties that will not be assessed on the County tax rolls. Because the proportional special benefit obligation for these parcels will not be collected on the tax rolls, the CSD will annually pay from its general fund an amount equal to the assessment obligation that would otherwise accrue to these parcels.

⁽²⁾ Difference due to rounding.

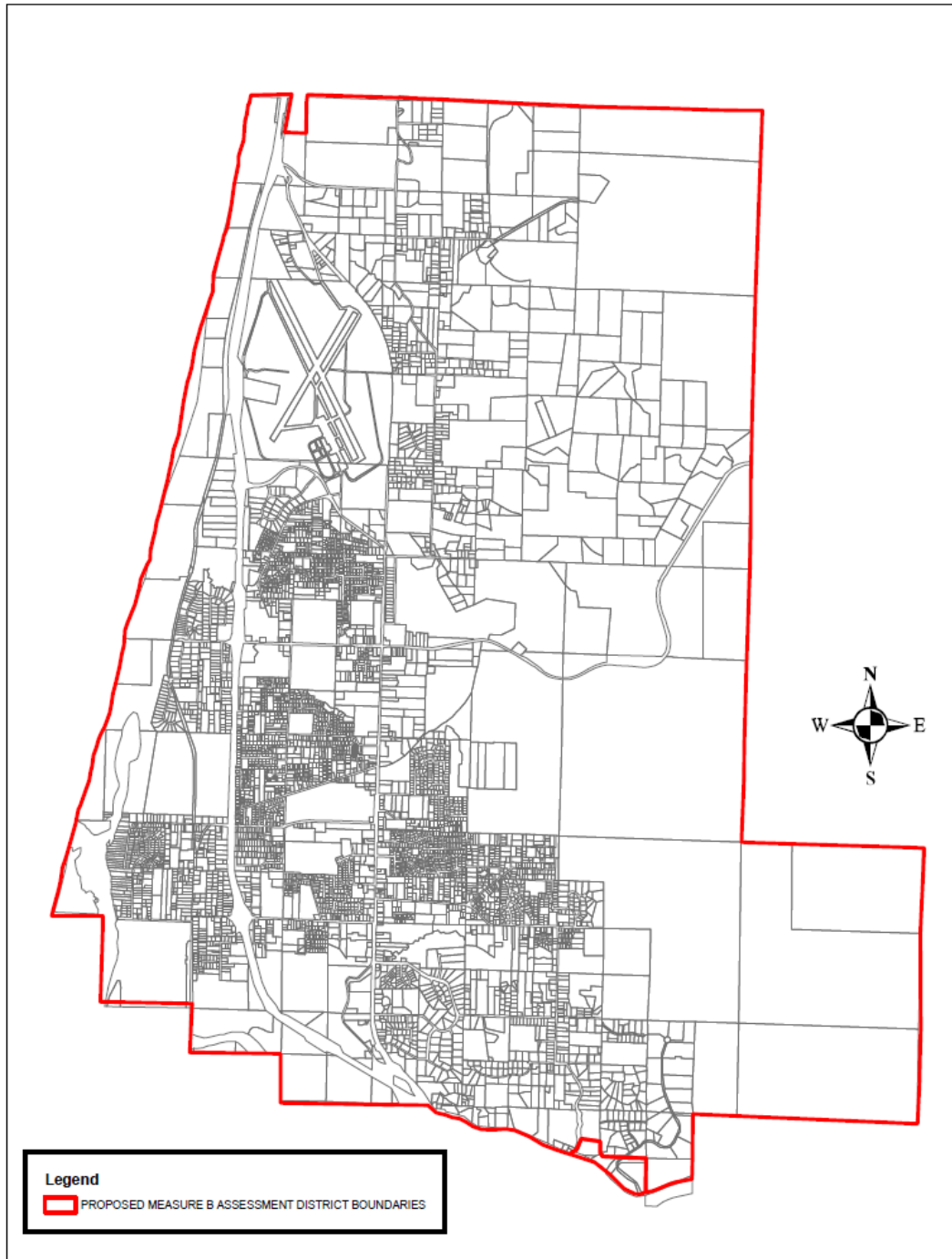
Therefore, the anticipated annual assessment revenue to be collected on the tax rolls is approximately \$211,132.34.

Part IV — DISTRICT DIAGRAM

The following is a Diagram showing the boundaries of the McKinleyville Community Services District Measure B Maintenance Assessment District — Renewal for Parks, Open Space, and Recreational Facilities, which is coterminous with the McKinleyville CSD boundaries. The dimensions of all lots, parcels and subdivisions of land within the District are the same as the lines and dimensions of the parcels shown on the Humboldt County Assessor's Parcel Maps (APN Maps) and by reference these Maps are made part of this Report and Assessment Diagram as they existed at the time of the passage of the Resolution of Intention. Each of the subdivisions of land, parcels, or lots on the Assessment Diagram subject to the annual assessment are identified by an Assessor's parcel Number (APN) by the Humboldt County Assessor's and these APN's corresponds with the assessment number shown on the Assessment Roll (Part V of this Report).

The Boundary Map and Assessment Diagram in a reduced-scale format follows.

McKinleyville CSD Proposed Boundaries of Measure B Assessment District



Part V — ASSESSMENT ROLL

Parcel identification for each lot or parcel within the District, shall be the parcel as shown on the Humboldt County Secured Roll for the year in which the Report is prepared and reflective of the Assessor's Parcel Maps. A complete listing of the parcels within this District, along with each parcel's assessment amount to be levied for Fiscal Year 2016/2017 is provided under Appendix B ("Proposed Annual Assessments").

These assessments will be submitted to the County Auditor/Controller to be included on the property tax roll for Fiscal Year 2016/2017. If any parcel submitted for collection is identified by the County Auditor/Controller to be an invalid parcel number for the fiscal year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be recalculated based on the method of apportionment and assessment rates as approved herein by the McKinleyville CSD Board of Directors.

APPENDIX A: TOTAL PROGRAM BUDGET DETAIL

Below is the Total Program Budget, a portion of which will be funded by the Measure B Assessment District assessments, with the remainder being funded by other revenue sources.

	Maintenance Wages	Maintenance Supplies	Planned Capital Improvement Funding	Totals
PARK ENHANCEMENTS				
Pierson Park	\$ 47,380	\$ 7,000	\$ -	\$ 54,380
Hiller Park West	36,050	4,500	5,000	45,550
Hiller Sports Complex	82,400	7,500	9,000	98,900
<i>subtotal:</i>	\$ 165,830	\$ 19,000	\$ 14,000	\$ 198,830
HALLS/ACTIVITY CENTERS				
Azalea Hall	\$ 75,190	\$ 5,500	\$ 16,000	\$ 96,690
McKinleyville Activity Center	79,310	5,500	-	84,810
<i>subtotal:</i>	\$ 154,500	\$ 11,000	\$ 16,000	\$ 181,500
TRAILS				
School Road Trail	\$ 10,000	\$ -	\$ -	\$ 10,000
Hiller Loop Trail	20,000	1,000	-	21,000
Other Trails	10,300	-	-	10,300
<i>subtotal:</i>	\$ 40,300	\$ 1,000	\$ -	\$ 41,300
UNDEVELOPED PROPERTY				
River Property	\$ 5,000	\$ -	\$ -	5,000
Washington Property	5,000	-	-	5,000
Hewitt Ranch	5,000	-	-	5,000
<i>subtotal:</i>	\$ 15,000	\$ -	\$ -	\$ 15,000
FUTURE PARKS & FACILITIES ⁽¹⁾				
Renovations/Rehabilitation Projects	\$ -	\$ -	\$ 23,000	23,000
Teen/Family Center	11,000	8,250	127,437	146,687
<i>subtotal:</i>	\$ 11,000	\$ 8,250	\$ 150,437	\$ 169,687
Grand Totals:	\$ 386,630	\$ 39,250	\$ 180,437	\$ 606,317

(1) Future Parks & Facilities includes funds being collected for future Renovations/Rehabilitation Projects as well as funding for the design, acquisition, construction, operation and maintenance (wages and/or supplies) of future District facilities, including, but not limited to the Teen/Family Center. These expenses may include repayment of any future debt service issued and/or loan(s) utilized to finance such improvements.

APPENDIX B: Teen Center Lease Financing

Bond Debt Service
 McKinleyville Community Services District
 2014 Lease Financing

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
5/1/2015	36,228	3.550%	29,549.96	65,777.96	
11/1/2015	36,229	3.550%	25,430.44	61,659.44	127,437.40
5/1/2016	39,279	3.550%	24,787.38	64,066.38	
11/1/2016	39,281	3.550%	24,090.18	63,371.18	127,437.56
5/1/2017	40,687	3.550%	23,392.94	64,079.94	
11/1/2017	40,687	3.550%	22,670.74	63,357.74	127,437.68
5/1/2018	42,144	3.550%	21,948.55	64,092.55	
11/1/2018	42,144	3.550%	21,200.49	63,344.49	127,437.04
5/1/2019	43,654	3.550%	20,452.44	64,106.44	
11/1/2019	43,654	3.550%	19,677.58	63,331.58	127,438.02
5/1/2020	45,218	3.550%	18,902.72	64,120.72	
11/1/2020	45,217	3.550%	18,100.10	63,317.10	127,437.82
5/1/2021	46,837	3.550%	17,297.50	64,134.50	
11/1/2021	46,837	3.550%	16,466.14	63,303.14	127,437.64
5/1/2022	48,514	3.550%	15,634.79	64,148.79	
11/1/2022	48,515	3.550%	14,773.66	63,288.66	127,437.45
5/1/2023	50,252	3.550%	13,912.52	64,164.52	
11/1/2023	50,252	3.550%	13,020.55	63,272.55	127,437.07
5/1/2024	52,052	3.550%	12,128.58	64,180.58	
11/1/2024	52,052	3.550%	11,204.65	63,256.65	127,437.23
5/1/2025	53,916	3.550%	10,280.73	64,196.73	
11/1/2025	53,917	3.550%	9,323.72	63,240.72	127,437.45
5/1/2026	55,847	3.550%	8,366.69	64,213.69	
11/1/2026	55,848	3.550%	7,375.41	63,223.41	127,437.10
5/1/2027	57,848	3.550%	6,384.11	64,232.11	
11/1/2027	57,848	3.550%	5,357.31	63,205.31	127,437.42
5/1/2028	59,920	3.550%	4,330.50	64,250.50	
11/1/2028	59,920	3.550%	3,266.92	63,186.92	127,437.42
5/1/2029	62,066	3.550%	2,203.34	64,269.34	
11/1/2029	62,066	3.550%	1,101.67	63,167.67	127,437.01
	1,468,929		442,632.31	1,911,561.31	1,911,561.31

APPENDIX C: Proposed Annual Assessments

The following proposed assessments for each parcel within the District will be submitted to the County Auditor/Controller to be included on the property tax roll for Fiscal Year 2016/2017. If any parcel listed herein for collection is identified by the County Auditor/Controller to be an invalid parcel number for the fiscal year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be recalculated based on the method of apportionment and assessment rates as approved herein by the McKinleyville CSD Board of Directors.

Assessor's Parcel Number	EBU	LandUse	Special Benefit Assessment ⁽¹⁾	Applied Charge
507-061-007-000	0.33	8000	\$10.00	\$0.00
507-141-001-000	0.33	8000	10.00	0.00
507-141-033-000	0.33	8000	10.00	0.00
507-141-034-000	0.33	8000	10.00	0.00
508-021-006-000	0.33	8000	10.00	0.00
508-021-007-000	0.33	8000	10.00	0.00
508-041-006-000	0.33	8000	10.00	0.00
508-051-010-000	0.33	8000	10.00	0.00
508-091-038-000	0.33	8000	10.00	0.00
508-211-051-000	0.33	8000	10.00	0.00
508-211-055-000	0.33	8000	10.00	0.00
508-211-057-000	0.33	8000	10.00	0.00
508-224-036-000	0.33	8000	10.00	0.00
508-224-038-000	0.33	8000	10.00	0.00
508-224-039-000	0.33	8000	10.00	0.00
508-224-048-000	0.33	8000	10.00	0.00
508-242-008-000	0.33	8000	10.00	0.00
508-242-043-000	0.33	8000	10.00	0.00
508-242-044-000	0.33	8000	10.00	0.00
508-371-009-000	0.33	8000	10.00	0.00
508-371-027-000	0.33	8000	10.00	0.00
509-021-046-000	0.33	8000	10.00	0.00
509-021-047-000	0.33	8000	10.00	0.00
509-021-054-000	0.33	8000	10.00	0.00
509-171-061-000	0.33	8000	10.00	0.00
509-191-031-000	0.33	8000	10.00	0.00
509-191-047-000	0.33	8000	10.00	0.00
510-091-039-000	4.00	9921	120.00	0.00
510-091-040-000	4.00	9921	120.00	0.00
510-091-041-000	4.00	9921	120.00	0.00
510-091-042-000	4.00	9921	120.00	0.00
510-091-043-000	4.00	9921	120.00	0.00

Assessor's Parcel Number	EBU	LandUse	Special Benefit Assessment ⁽¹⁾	Applied Charge
510-091-044-000	4.00	9921	120.00	0.00
510-091-045-000	6.00	2120	180.00	0.00
510-091-046-000	4.00	9921	120.00	0.00
510-091-047-000	4.00	9921	120.00	0.00
510-091-048-000	0.33	8000	10.00	0.00
510-091-049-000	4.00	9921	120.00	0.00
510-091-050-000	4.00	9921	120.00	0.00
510-091-051-000	4.00	2120	120.00	0.00
510-091-052-000	4.00	9921	120.00	0.00
510-091-053-000	4.00	2120	120.00	0.00
510-091-054-000	6.00	9922	180.00	0.00
510-091-055-000	6.00	9922	180.00	0.00
510-101-079-000	0.33	8000	10.00	0.00
510-101-080-000	0.33	8000	10.00	0.00
510-161-002-000	0.33	8000	10.00	0.00
510-161-003-000	0.33	8000	10.00	0.00
510-211-079-000	0.33	8000	10.00	0.00
510-211-081-000	0.33	8000	10.00	0.00
510-221-002-000	0.33	8000	10.00	0.00
510-271-015-000	0.33	8000	10.00	0.00
510-271-077-000	0.33	8000	10.00	0.00
510-271-079-000	0.33	8000	10.00	0.00
510-281-023-000	0.33	8000	10.00	0.00
510-341-031-000	0.33	8000	10.00	0.00
510-341-032-000	0.33	8000	10.00	0.00
510-341-034-000	0.33	8000	10.00	0.00
510-372-005-000	0.33	8000	10.00	0.00
510-401-004-000	0.33	8000	10.00	0.00
510-401-012-000	0.33	8000	10.00	0.00
510-401-013-000	0.33	8000	10.00	0.00
510-401-015-000	0.33	8000	10.00	0.00
510-401-017-000	0.33	8000	10.00	0.00
510-401-019-000	0.33	8000	10.00	0.00
510-401-020-000	0.33	8000	10.00	0.00
510-401-021-000	0.33	8000	10.00	0.00
510-401-025-000	0.33	8000	10.00	0.00
510-451-043-000	0.33	8000	10.00	0.00
510-461-052-000	0.33	8000	10.00	0.00
510-461-053-000	0.33	8000	10.00	0.00
510-461-054-000	0.33	8000	10.00	0.00
511-011-001-000	0.33	8000	10.00	0.00
511-011-003-000	0.33	8000	10.00	0.00

Assessor's Parcel Number	EBU	LandUse	Special Benefit Assessment ⁽¹⁾	Applied Charge
511-011-005-000	0.33	8000	10.00	0.00
511-011-008-000	0.33	8000	10.00	0.00
511-011-015-000	0.33	8000	10.00	0.00
511-011-016-000	0.33	8000	10.00	0.00
511-061-001-000	0.33	8000	10.00	0.00
511-061-005-000	0.33	8000	10.00	0.00
511-071-005-000	3.75	8000	112.50	0.00
511-082-003-000	0.33	8000	10.00	0.00
511-082-004-000	1.00	8000	30.00	0.00
511-082-007-000	0.33	8000	10.00	0.00
511-082-008-000	0.33	8000	10.00	0.00
511-082-009-000	0.33	8000	10.00	0.00
511-082-010-000	0.33	8000	10.00	0.00
511-084-002-000	0.33	8000	10.00	0.00
511-084-003-000	0.33	8000	10.00	0.00
511-111-023-000	0.33	8000	10.00	0.00
511-111-025-000	0.33	8000	10.00	0.00
511-111-060-000	0.33	8000	10.00	0.00
511-121-001-000	0.33	8000	10.00	0.00
511-121-002-000	3.75	8000	112.50	0.00
511-202-001-000	0.33	8000	10.00	0.00
511-241-008-000	0.33	8000	10.00	0.00
511-241-022-000	1.00	8000	30.00	0.00
511-251-017-000	1.00	8000	30.00	0.00
511-261-003-000	0.33	8000	10.00	0.00
511-291-015-000	0.33	8000	10.00	0.00
511-291-016-000	0.33	8000	10.00	0.00
511-291-017-000	0.33	8000	10.00	0.00
511-291-024-000	0.33	8000	10.00	0.00
511-291-025-000	0.33	8000	10.00	0.00
511-291-026-000	0.33	8000	10.00	0.00
511-291-036-000	0.33	8000	10.00	0.00
511-291-038-000	0.33	8000	10.00	0.00
511-301-001-000	0.33	8000	10.00	0.00
511-301-018-000	0.33	8000	10.00	0.00
511-301-019-000	0.33	8000	10.00	0.00
511-301-020-000	0.33	8000	10.00	0.00
511-331-001-000	0.33	8000	10.00	0.00
511-331-002-000	0.33	8000	10.00	0.00
511-331-004-000	0.33	8000	10.00	0.00
511-331-005-000	0.33	8000	10.00	0.00
511-341-001-000	0.33	8000	10.00	0.00

Assessor's Parcel Number	EBU	LandUse	Special Benefit Assessment ⁽¹⁾	Applied Charge
511-341-002-000	0.33	8000	10.00	0.00
511-341-004-000	0.33	8000	10.00	0.00
511-341-007-000	0.33	8000	10.00	0.00
511-341-040-000	0.33	8000	10.00	0.00
511-341-041-000	0.33	8000	10.00	0.00
511-351-001-000	0.33	8000	10.00	0.00
511-351-002-000	0.33	8000	10.00	0.00
511-351-005-000	0.33	8000	10.00	0.00
511-351-007-000	0.33	8000	10.00	0.00
511-351-009-000	3.75	8000	112.50	0.00
511-351-010-000	3.75	8000	112.50	0.00
511-381-025-000	0.33	8000	10.00	0.00
511-441-041-000	0.33	8000	10.00	0.00
511-443-008-000	0.33	8000	10.00	0.00
511-450-030-000	0.33	8000	10.00	0.00
Total	123.64		\$3,720.00	\$0.00
Parcel Count				131

(1) These assessments amounts represent the calculated special benefit assessment for the parcels identified as non-taxable or otherwise assessed. These assessment amounts shall be paid by a contribution from McKinleyville CSD general fund and collectively represent \$3,709.20. Difference is due to rounding.

PHYSICAL ADDRESS:

1656 SUTTER ROAD
McKINLEYVILLE, CA 95519

MAILING ADDRESS:

P.O. BOX 2037
McKINLEYVILLE, CA 95519



MAIN OFFICE:

PHONE: (707) 839-3251
FAX: (707) 839-8456

PARKS & RECREATION OFFICE:

PHONE: (707) 839-9003
FAX: (707) 839-5964

RELEASE DATE: FRIDAY, MARCH 18, 2016

RUN THROUGH DATE: WEDNESDAY, APRIL 6, 2016

FROM: **McKINLEYVILLE COMMUNITY SERVICES DISTRICT**
GREG ORSINI, GENERAL MANAGER
(707) 839-3251

SUBJECT: **NOTICE OF PUBLIC HEARING FOR MEASURE B MAINTENANCE**
ASSESSMENT DISTRICT – RENEWAL FOR PARKS, OPEN SPACE,
AND RECREATION FACILITIES

McKinleyville, CA –

RESOLUTION 2016-06

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT DECLARING ITS INTENTION TO LEVY AND COLLECT THE ANNUAL ASSESSMENTS FOR THE MEASURE B MAINTENANCE ASSESSMENT DISTRICT — RENEWAL FOR PARKS, OPEN SPACE, AND RECREATIONAL FACILITIES FOR FISCAL YEAR 2016/2017; ACCEPTING AND APPROVING THE ENGINEER'S REPORT PREPARED IN CONNECTION THERETO; AND SETTING A TIME AND PLACE FOR THE PUBLIC HEARING ON THESE MATTERS

The Board of Directors of the McKinleyville Community Services District (MCSD) determined and resolved in part by Resolution 2016-06 as follows:

The Assessment Engineer of Work (the "Engineer") has prepared and filed with the Board Secretary an Engineer's Report (the "Report") in connection with the Assessment District and the levy of assessments for Fiscal Year 2016/2017 pursuant to Section 22623 of the Act and in accordance with Chapter 1, Article 4 of the Act and the provisions of the California State Constitution, Article XIID.

The Report was accepted and approved as submitted and ordered to be filed in the offices of MCSD as a permanent record and to remain open to public inspection. The Board of Directors declared its intention to levy and collect an assessment against the lots and parcels of land within the Assessment District for Fiscal Years 2016/2017 at the same assessment

rate applied in the previous fiscal year as more fully described in the Report. Notice is hereby given that a public hearing on these matters will be held by the Board on Wednesday, April 6, 2016, beginning at 7:00 P.M., or as soon thereafter as feasible, at Azalea Hall, located at 1620 Pickett Road, McKinleyville, California.

At the Public Hearing, all interested persons shall be afforded the opportunity to hear and be heard.

#####

(End)

McKinleyville Community Services District

BOARD OF DIRECTORS

April 6, 2016

TYPE OF ITEM: **ACTION**

ITEM: D.1 **Approve the Minutes of the Board of Directors' Regular Meeting on March 2, 2016**

PRESENTED BY: **Becky Schuette, Board Secretary**

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

Recommendation:

Staff recommends that the Board review the draft minutes from the March 2, 2016 Regular Board Meeting; recommend edits and adopt.

Discussion:

The Draft Minutes are attached for the above listed 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 March 2, 2016 Regular Board Meeting

**MINUTES OF THE REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES
DISTRICT HELD ON WEDNESDAY, MARCH 2, 2016 AT 6:00PM
AZALEA HALL, 1620 PICKETT ROAD, MCKINLEYVILLE, CA**

AGENDA ITEM A CALL TO ORDER

A.1 Roll Call: The regular meeting of the Board of Directors of McKinleyville Community Services District convened at 6:02 pm with President Wheeler, Vice President Edwards, Director Corbett, Director Couch, and Director Mayo present.

George Wheeler, President
Helen Edwards, Vice President
John Corbett, Director
David Couch, Director
Dennis Mayo, Director

Gregory Orsini, General Manager
Becky Schuette, Board Secretary

A.2 Convene to Closed Session: The Director's and the General Manager convened to close session at 6:04 pm for conference with District Labor Negotiators.

- a. CONFERENCE WITH DISTRICT LABOR NEGOTIATORS (California Government Code § 54954.5 and 54957)

Agency designated representative: Board Members Helen Edwards and David Couch

Unrepresented employee to whom negotiations pertain: All MCSD employees

A.3 Report out of Closed Session: At 7:02 the Directors reconvened and had nothing to report.

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 7:02 pm with President Wheeler, Vice President Edwards, Director Corbett, Director Couch, and Director Mayo present.

George Wheeler, President
Helen Edwards, Vice President
John Corbett, Director
David Couch, Director
Dennis Mayo, Director

Gregory Orsini, General Manager
Russ Gans, District Counsel
Colleen M.R. Trask, Finance Director
James Henry, Operations Director
Lesley Frisbee, Recreation Director
Becky Schuette, Board Secretary

A.2 Pledge of Allegiance: The Pledge of Allegiance was led by Director Mayo.

A.3 Additions to the Agenda: There were no additions to the agenda

A.4 Approval of Agenda:

MOTION: It was moved to approve the agenda.

Motion: John Corbett; Second: Dennis Mayo

There was no comment from the Board or the public.

ROLL CALL: Ayes; Corbett, Couch, Edwards, Mayo and Wheeler.

MOTION SUMMARY: Motion Passed

AGENDA ITEM B PUBLIC HEARINGS: There were no public hearings scheduled.

AGENDA ITEM C PUBLIC COMMENT AND WRITTEN COMMUNICATIONS: President Wheeler opened public comment and Operations Director James Henry provided brief backgrounds and introduced two new District employees. Blake Stewart is working as a Parks Maintenance Worker and Drew Small is a Utility Worker I for Operations.

There were no further comments from the public or the Board.

AGENDA ITEM D CONSENT CALENDAR:

D.1 Consider approval of the Minutes of the Board of Directors' Regular Meeting of February 3, 2016

D.2 Consider approval of the January 2016 Treasurer's Report

D.3 Compliance with State Double Check Valve (DCV) Law – No Violations

D.4 Consider approval of Hiller Sports Complex Facility Use Agreement Contract with McKinleyville Little League

D.5 Consider approval of Hiller Sports Complex Facility Use Agreement Contract with McKinleyville Babe Ruth

D.6 Consider approval of Hiller Sports Complex Facility Use Agreement Contract with Humboldt Amateur Softball Association (ASA)

D.7 Consider approval of the transition of Mary Burke from alternate member to regular voting member of the Recreation Advisory Committee

Jeff Dunk requested that items D.4 – D.6 be pulled from the consent calendar for discussion.

MOTION: It was moved to adopt the consent calendar items D.1, D.2, D.3 and D.7.

Motion: John Corbett; Second: Dennis Mayo

ROLL CALL: Ayes; Corbett, Couch, Edwards, Mayo and Wheeler.

MOTION SUMMARY: Motion Passed

At this time President Wheeler requested Jeff Dunk step to the podium to discuss the pulled items. Mr. Dunk advised that it had been 10 years since the hourly rate for the field had been increased from \$6.50 to \$7.00 an hour. He reminded the board that the District subsidizes approximately \$30,000 to the organizations annually to counteract the lower field costs. He suggested it would have probably been prudent to have been adding moderate increases to the fees over the past ten years and requested the future increases be moderate, but annual. Director Edwards questioned if the money collected will affect the ability of the leagues to be able to form the teams. Recreation Director Lesley Frisbee advised that all costs are rolled into what the leagues charge their players. Her intention had been to bring all of the organizations to a table together in August to discuss their needs. Fees have already been charged to the players for this season, therefore she was not requesting fee increases for this season as it had not been planned for by the leagues. General Manager Orsini advised that with the restructuring of the Parks and Recreation Division and new policies, Operations Director Henry was still working on improving the fields and determining what the true costs of the upkeep of the fields is going to be. The question regarding the comparison costs of our District to others for the hourly field costs was answered with a response that MCSD rates are significantly lower than that of Arcata or Eureka. The rates will be discussed at a later meeting, after Recreation Director Frisbee has met with the organizations but before renewal of the contracts next year.

MOTION: It was moved to adopt the consent calendar items D.4-D.6.

Motion: Helen Edwards; Second: Dennis Mayo

President Wheeler added that we will be revisiting this again before the next agreements come up. and Director Couch stated that if they are going to subsidize something, then doing it for the youth sports is good.

ROLL CALL: Ayes; Corbett, Couch, Edwards, Mayo and Wheeler.

MOTION SUMMARY: Motion Passed

AGENDA ITEM E CONTINUED AND NEW BUSINESS:

Director Corbett requested that item E.3 be called at this time as Attorney Gans was present for this particular item.

E.3 Approve Memorandum of Understanding between City of Arcata and McKinleyville CSD related to the provision of water and annexation of Eureka Ready Mix property on Boyd Road:

Director Couch disqualified himself in accordance with the MCSD Conflict of Interest Code approved April 24, 1980.

General Manager Orsini presented the item to the Board and advised that he is comfortable with the spirit of the MOU. This was followed by a lengthy conversation centered around a question by Director Corbett. He had concerns that by allowing Arcata to annex Eureka Ready Mix, a precedent was being set for them to annex other properties currently served by the MCSD, but not provide these annexed properties services. Attorney Russ Gans provided clarification that future annexation requests will have to go to LAFCo and he believes they will take the service provider under serious consideration before making a recommendation. MCSD has the right to continue the extra-territorial services by law.

MOTION: It was moved to approve staff recommendation and accept the MOU as presented.

Motion: Helen Edwards; Second: Dennis Mayo

There was no public comment.

ROLL CALL: Ayes; Corbett, Edwards, Mayo and Wheeler. Director Couch had disqualified himself.

MOTION SUMMARY: Motion Passed

E.1 2015 California Water Environmental Association (CWEA) Awards: Operations Director James Henry presented the staff note and advised that Bill McBroom is being honored with two awards this year. One is for Electrical/Instrumentation Person of the Year and the other is for Operator of the Year. The awards plaques were presented and photos taken.

This item was informational only.

E.2 Adopt Resolutions 2016-05 & 2016-06 initiating proceedings for the Measure B Maintenance Assessment District - Renewal for Parks, Open Space, and Recreational Facilities annual levy and collection of assessments for Fiscal Year 2016/2017; Declaring Intention to Levy and Collect the Fiscal Year 2016/2017 Annual Assessments for the Measure B Maintenance Assessment District – Renewal for Parks, Open Space, and Recreational Facilities, Accepting and approving the Draft Engineer’s Report and setting the Public Hearing: General Manager Orsini briefly reviewed the agenda item and advised the Board that the tax rolls were available for viewing on the MCSD website and will be available upon request at the District Office.

MOTION: It was moved to adopt Resolution 2016-05 and 2016-06 per staff recommendation.

Motion: John Corbett; Second: Helen Edwards

There were no comments from the public or the Board.

ROLL CALL: Ayes; Corbett, Couch, Edwards, Mayo and Wheeler.

MOTION SUMMARY: Motion Passed

E.4 Consider Attendance to Association of California Water Agencies (ACWA) 2016 Spring Conference and Exhibition in Monterey, May 2-5, 2016: Board Secretary Schuette reviewed the topic and there was no public comment.

MOTION: It was moved to that all interested Board member's wishing to attend the conference be funded.

Motion: Helen Edwards; Second: Dennis Mayo

ROLL CALL: Ayes; Corbett, Couch, Edwards, Mayo and Wheeler.

MOTION SUMMARY: Motion Passed

E.5 Approve Resolution 2016-04 Modifying the Board Policy Manual to add Part 11, Board Self-Evaluation: Board Secretary Schuette reviewed the history of the request for the policy and advised that the track changes version in the packet included the recommended changes from the previous meeting.

MOTION: It was moved to accept staff recommendation.

Motion: Helen Edwards; Second: John Corbett

There was no public comment

ROLL CALL: Ayes; Corbett, Couch, Mayo and Wheeler. Absent; Edwards

MOTION SUMMARY: Motion Passed

E.6 Consider approval of Treatment Selection Criteria from the Integrated Pest Management Plan (IPM), Section 6: Operations Director James Henry reviewed the history from the last meeting regarding the ranking of the Treatment Selection Criteria, section 6.C of the IPM. Based on the requests from the Board at the last meeting, staff had reduced the amount of the criteria and re-arranged the order. The final four were being presented at the meeting. Director Edwards stated that cost effectiveness should be second, not third because there is an obligation to consider cost effectiveness before natural controls and Director Mayo agreed with her. Director Wheeler stated he believed cost effectiveness should be considered last. There was a brief discussion about the Districts obligation regarding cost.

MOTION: It was moved to keep the existing order with the exception of moving number 3, cost effectiveness in the short and long term, to number two and moving number 2, least disruptive of natural controls to number 3.

Motion: John Corbett; Second: Helen Edwards

There was no public comment and no further comments from the Board.

ROLL CALL: Ayes; Corbett, Couch, Edwards and Mayo. Noes; Wheeler

MOTION SUMMARY: Motion Passed

E.7 Consider discussion of the FY2016-17 Draft Capital Improvement Plan for the Operational Funds: Water, Wastewater, and Streetlights: Finance Director Colleen Trask reviewed the agenda item. Director Corbett had a question about the second chart on page 227 of the Board packet, indicating that it appears more like a five-year chart than a 10-year chart. General Manager Orsini agreed and advised that this would be rectified prior to the final budget presentation in June.

This was an informational item only. There was no public comment.

AGENDA ITEM F REPORTS:

F1. Active Committee Reports

- a. **Recreation Advisory Committee (Wheeler/Couch (alternate)):** President Wheeler advised that he attended and the issue regarding funding brought up earlier in the meeting by Jeff Dunk had been discussed. He advised that Recreation Director Frisbee's notes from the meeting were great.
- b. **Area Fund (John Kulstad/Edwards):** Director Edwards reported that there will be a meeting on March 9th to review the awards and make selections.
- c. **Redwood Region Economic Development Commission (Mayo/Edwards (alternate)):** Director Mayo had not been able to attend the meeting, but he had seen the PowerPoint presentation by the Employment Development Department that had been presented. Director Wheeler brought up information regarding a "data center" that is going to be built in northern California and is currently being considered in Trinity County. He wondered if there could be support to bring it to McKinleyville instead.
- d. **McKinleyville Senior Center Advisory Committee (Edwards):** Director Edwards had attended the monthly Board meeting and reported that the lease agreement was being taken very seriously and they would likely be making some requests for modifications this year. There were complaints about the items for sale in the room were being broken or going missing when the room was being used by other organizations. Sales of items are now being charged sales tax.
- e. **Audit (Corbett/Edwards):** Nothing to report.
- f. **Employee Negotiations (Couch/Edwards):** Met in closed session earlier this evening.
- g. **Water Task Force (Wheeler/Corbett (alternate)):** Did not meet.
- h. **AdHoc No Drugs & Toxics Down the Drain (Wheeler/Couch (alternate)):** Did not meet.
- i. **McKinleyville Municipal Advisory Committee (Edwards/Corbett (alternate)):** Director Edwards reported that there had been a meeting that had an update to the Brown Act, an update on the Harbor Commission and an update on Measure Z. General Manager Orsini added that there is going to be a discussion regarding an excise tax on the "grow" of marijuana. President Wheeler asked a question about utilities being buried underground.
- j. **Cornerstone Committee (Couch):** Director Couch reported that there had been a meeting, not the Cornerstone Committee, but the meeting had included two Board members from MCSD, two Board members and two staff members from the Boys & Girls Club of the Redwoods, General Manager Orsini, Recreation Director Lesley Frisbee and consultant Thomas Fumarelli.

- k. **Groundwater Sustainability Committee (Edwards/Corbett, Mayo):** Director Edwards reported that the committee had not met and that the letter discussed at the last Board meeting not be written as there had been some miscommunication.

F.2 Staff Reports:

- a. **Support Services Department:** Finance Director Colleen Trask reviewed her staff report and updated the Board on the amount in the reserves account, now \$547,944. She then walked the Board through the balance sheet from the Treasurer's report on page 13 of the Board packet.
- b. **Operations Department:** Operations Director James Henry had nothing additional to report, however, Director Edwards requested clarification regarding the fence build topic on page 234 of the Board packet. Operations Director Henry clarified that the move of the service was necessary due to the dogs in the yard and that the move was paid for by the customer.
- c. **Parks and Recreation Department:** Recreation Director Lesley Frisbee pointed out a correction to page 237 regarding the donation of topsoil by Wes Green. The correct amount was 15 yards, not 10 yards. She reported the Hiller Sports Site work day was a huge success with 53 people who came out to help and all of the food had been donated.
- d. **General Manager:** General Manager Orsini had an addition to his report regarding the execution of the funding agreement for the WWMF in the amount of 19.5 million dollars. He also advised that 1.26 million dollars in soft cost dispersals had been processed and that money will be used as liquid monies for the project. Director Edwards commended staff for holding the table top exercise for emergency management advising that her many years at the Red Cross showed her just many agencies were unprepared. General Manager Orsini added that he hoped that the hard work staff had put into the Emergency Management program would allow the system to continue with the District for years to come.

F.3 President's Report: President Wheeler referred back to the "data center" topic and believes it might be being overlooked for our area. If things need be cooled with water, we have a lot of water available to us, unlike water levels in lakes that can actually drop.

F.4 Board comments, announcements, reports and agenda item requests: Director Corbett thanked the Board and staff for the condolence cards for his mother's passing. He then wondered aloud why our area had such champion water conservationists. This was followed by a brief discussion of some reasons why McKinleyville residents are good at saving water. Operations Director Henry added a comment about the new radio read meters. He advised that meters are being read faster and that leaks and leak notifications are happening quicker as a result. Director Mayo reported back regarding his ACWA D.C. trip advising that he had met with numerous agencies such as the Bureau of Reclamation and the Department of the Interior as well as members of the legislature and their staff. Director Mayo brought back a complete bill written by Senator Feinstein which is available for viewing at the District Office. He advised that he will likely be requesting letters of support for the bill at the next Board meeting.

AGENDA ITEM G ADJOURNMENT:

Director Edwards moved to adjourn the meeting and the motion was seconded by Director Mayo. President Wheeler adjourned the meeting at 9:15 pm.

Becky Schuette, Board Secretary

**McKinleyville Community Services District
Treasurer's Report
Feb 2016**

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McKinleyville Community Services District
Investments & Cash Flow Report
As of Feb. 29, 2016

Petty Cash & Change Funds		5,206.70
<u>Cash</u>		
Operating & Money Market - Beginning Balance		795,324.22
Cash Receipts:		
Utility Billings	498,714.09	
Money Market Account Interest	139.54	
Transfers from County Funds #2560, #4240, CalTRUST	-	
Other Cash Receipts	95,126.05	
Total Cash Receipts		593,979.68
Cash Disbursements:		
Payroll Related Expenditures	(186,713.24)	
Debt Service	(6,299.88)	
Capital & Other Expenditures	(486,630.06)	
Total Cash Disbursements		(679,643.18)
Operating & Money Market - Ending Balance		709,660.72
Total Cash		714,867.42
<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	128,964.29	
Interest Income	-	
LAIF - Ending Balance		128,964.29
Humboldt Co. #2560 - Beginning Balance	1,422,091.26	
Property Taxes and Assessments	-	
Transfer to/from Operating Cash	-	
Interest Income	948.06	
Humboldt Co. #2560 - Ending Balance		1,423,039.32
Humboldt Co. #4240 - Beginning Balance	3,377,308.35	
Property Taxes	-	
Transfer to/from Operating Cash	-	
Transfer to/from Biosolids Reserve	20,000.00	
Interest Income	1,823.45	
Humboldt Co. #4240 - Ending Balance		3,399,131.80
Humboldt Co. #9390 - Beginning Balance	658,528.57	
Reserves Recovery Deposits	-	
Interest Income	-	
Humboldt Co. #9390 - Ending Balance		658,528.57
USDA Bond Reserve Fund - Beginning Balance	140,396.54	
Bond Reserve Payment	7,979.17	
Debt Service Payment, Principal	-	
Interest Adjustment	10.78	
USDA Bond Reserve Fund - Ending Balance		148,386.49
Market Valuation Account		(180.00)
Meas.B Loan Proceeds, Umpqua - Beginning Balance	203,386.02	
Net Transfer to/from Loan Cash Holding Acct	-	
Interest Income	56.55	
Meas.B Loan Proceeds, Umpqua - Ending Balance		203,442.57
CalTRUST - Beginning Balance	1,198,903.80	
Net Transfer to/from Meas. B Loan Umpqua Acct	-	
Net Transfer to/from Water Fund Capacity Fees Acct	-	
Interest Income/Unrealized Gain/Loss	890.34	
CalTRUST - Ending Balance		1,199,794.14
Total Investments		7,161,107.18
Total Cash & Investments - Current Month		7,875,974.60
Total Cash & Investments - Prior Month		7,925,663.05
Net Change to Cash & Investments This Month		(49,688.45)
<u>Cash & Investment Summary</u>		
Cash & Cash Equivalents		6,966,599.36
Davis-Grunsky Loan Reserve		600,473.90
Waste Water Capital Reserve		100,514.85
USDA Bond Reserve		148,386.49
I-Bank Loan Reserve		60,000.00
Total Cash & Investments		7,875,974.60

McKinleyville Community Services District
Consolidated Balance Sheet by Fund
As of Feb. 29, 2016

	Governmental Funds			Proprietary Funds		
	Parks & General	Measure B	Streetlights	Water	Wastewater	Total (Memorandum Only)
ASSETS						
Current Assets						
Unrestricted cash & cash equivalents	\$ 900,584.86	\$ 240,882.73	\$ (31,024.95)	\$ 2,643,298.89	\$ 3,235,983.00	\$ 6,989,724.53
Accounts receivable	2,917.80	-	4,371.13	271,839.26	232,724.51	511,852.70
Prepaid expenses & other current assets	20,546.75	-	832.51	83,893.39	36,613.71	141,886.36
Total Current Assets	924,049.41	240,882.73	(25,821.31)	2,999,031.54	3,505,321.22	7,643,463.59
Noncurrent Assets						
Restricted cash & cash equivalents	181,234.07	-	-	660,473.90	236,026.34	1,077,734.31
Other noncurrent assets	-	-	-	44,530.00	48,704.00	93,234.00
Capital assets (net)	-	-	-	7,858,841.60	13,392,123.48	21,250,965.08
Total Noncurrent Assets	181,234.07	-	-	8,563,845.50	13,676,853.82	22,421,933.39
TOTAL ASSETS	\$ 1,105,283.48	\$ 240,882.73	\$ (25,821.31)	\$ 11,562,877.04	\$ 17,182,175.04	\$ 30,065,396.98
LIABILITIES & FUND BALANCE/NET ASSETS						
Current Liabilities						
Accounts payable & other current liabilities	\$ 69,915.65	\$ 203,936.14	\$ 244.38	\$ 194,689.63	\$ 56,016.09	\$ 524,801.89
Accrued payroll & related liabilities	88,216.19	-	-	37,695.90	37,778.35	163,690.44
Total Current Liabilities	158,131.84	203,936.14	244.38	232,385.53	93,794.44	688,492.33
Noncurrent Liabilities						
Long-term debt	-	-	-	2,924,134.73	732,161.76	3,656,296.49
Other noncurrent liabilities	-	-	-	837,118.87	885,399.61	1,722,518.48
Total Noncurrent Liabilities	-	-	-	3,761,253.60	1,617,561.37	5,378,814.97
TOTAL LIABILITIES	158,131.84	203,936.14	244.38	3,993,639.13	1,711,355.81	6,067,307.30
Fund Balance/Net Assets						
Fund balance	234,019.10	36,946.59	(26,065.69)	-	-	244,900.00
Net assets	713,132.54	-	-	2,634,531.04	2,810,857.51	6,158,521.09
Investment in capital assets, net of related debt	-	-	-	4,934,706.87	12,659,961.72	17,594,668.59
Total Fund Balance/Net Assets	947,151.64	36,946.59	(26,065.69)	7,569,237.91	15,470,819.23	23,998,089.68
TOTAL LIABILITIES & FUND BALANCE/NET ASSETS	\$ 1,105,283.48	\$ 240,882.73	\$ (25,821.31)	\$ 11,562,877.04	\$ 17,182,175.04	\$ 30,065,396.98
Difference in Reclass from Cap Assets to Net Assets:						
Investment in General Capital Assets	\$ 4,924,534.93					
General Long-term Liabilities						
PG&E Streetlights Loan	76,148.15					
Meas. B Loan: Teen/Community Center	1,393,420.00					
OPEB Liability	276,539.23					
CalPERS Pension Liability/Deferred Inflows-Outflows	542,861.00					
Accrued Compensated Absences	61,161.36					
TOTAL GENERAL LONG-TERM LIABILITIES	\$ 2,350,129.74					

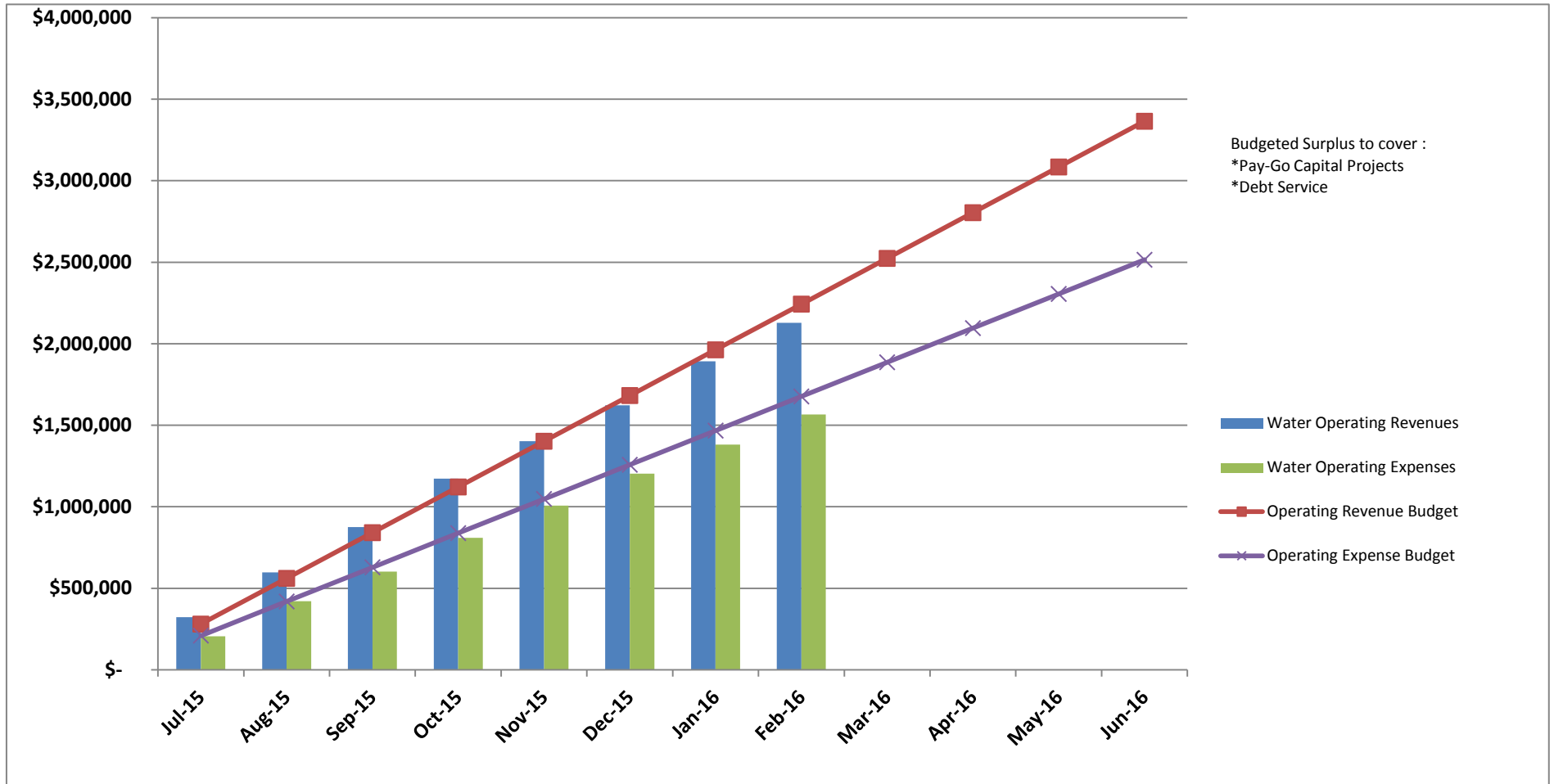
McKinleyville Community Services District
Activity Summary by Fund, Original Budget
Feb 2016

Department Summaries	February	% of Year 66.67% YTD	Original YTD Budget	Over (Under) YTD Budget	Over (Under) YTD Budget %	Notes
<u>Water</u>						
Water Sales	224,632	2,016,130	1,979,471	36,659	1.85%	Budget spread evenly over 12 months - actual water sales vary seasonally
Other Revenues	24,988	426,648	263,639	163,009	61.83%	Includes YTD Capacity Fees of \$57,105 and Contrib. Construction of \$256,860
Total Operating Revenues	249,620	2,442,779	2,243,110	199,669	8.90%	
Salaries & Benefits	62,752	569,576	556,941	12,635	2.27%	
Water Purchased	70,244	573,563	638,235	(64,672)	-10.13%	Budget spread evenly over 12 months - actual expenses vary per customer usage
Other Expenses	24,314	205,316	271,591	(66,275)	-24.40%	Budget spread evenly over 12 months - actual expenses vary per schedule
Depreciation	27,200	217,600	210,000	7,600	3.62%	
Total Operating Expenses	184,510	1,566,056	1,676,767	(110,711)	-6.60%	
Net Operating Income	65,111	876,723	566,343	88,957		
Interest Income	1,121	9,432	5,541	3,891	70.22%	Interest rate higher than originally estimated
Interest Expense	(5,889)	(48,548)	(49,068)	(520)	-1.06%	
Net Income (Loss)	60,342	837,607	522,816	314,791		
<u>Sewer</u>						
Sewer Service Charges	202,225	1,687,271	1,595,481	91,790	5.75%	Budget spread evenly over 12 months - actual sewer charges vary seasonally
Other Revenues	32,317	478,606	263,512	215,094	81.63%	Includes YTD Capacity Fees of \$114,648 and Contrib. Construction of \$310,090
Total Operating Revenues	234,542	2,165,877	1,858,993	306,884	16.51%	
Salaries & Benefits	67,649	590,431	622,961	(32,530)	-5.22%	
Other Expenses	37,289	299,129	371,946	(72,817)	-19.58%	Budget spread evenly over 12 months - actual repair/maintenance expenses vary
Depreciation	39,150	313,200	320,000	(6,800)	-2.13%	
Total Operating Expenses	144,088	1,202,760	1,314,907	(112,147)	-8.53%	
Net Operating Income	90,454	963,117	544,086	419,031		
Interest Income	1,415	13,327	13,333	(6)	-0.05%	
Interest Expense	(2,790)	(22,942)	(27,848)	(4,906)	-17.62%	
Net Income (Loss)	89,079	953,502	529,571	423,931		
Enterprise Funds Net Income (Loss)	149,421	1,791,108	1,052,387	738,721		

McKinleyville Community Services District

Feb 2016

Comparison of Water Fund Operating Revenues & Expenses to Budget

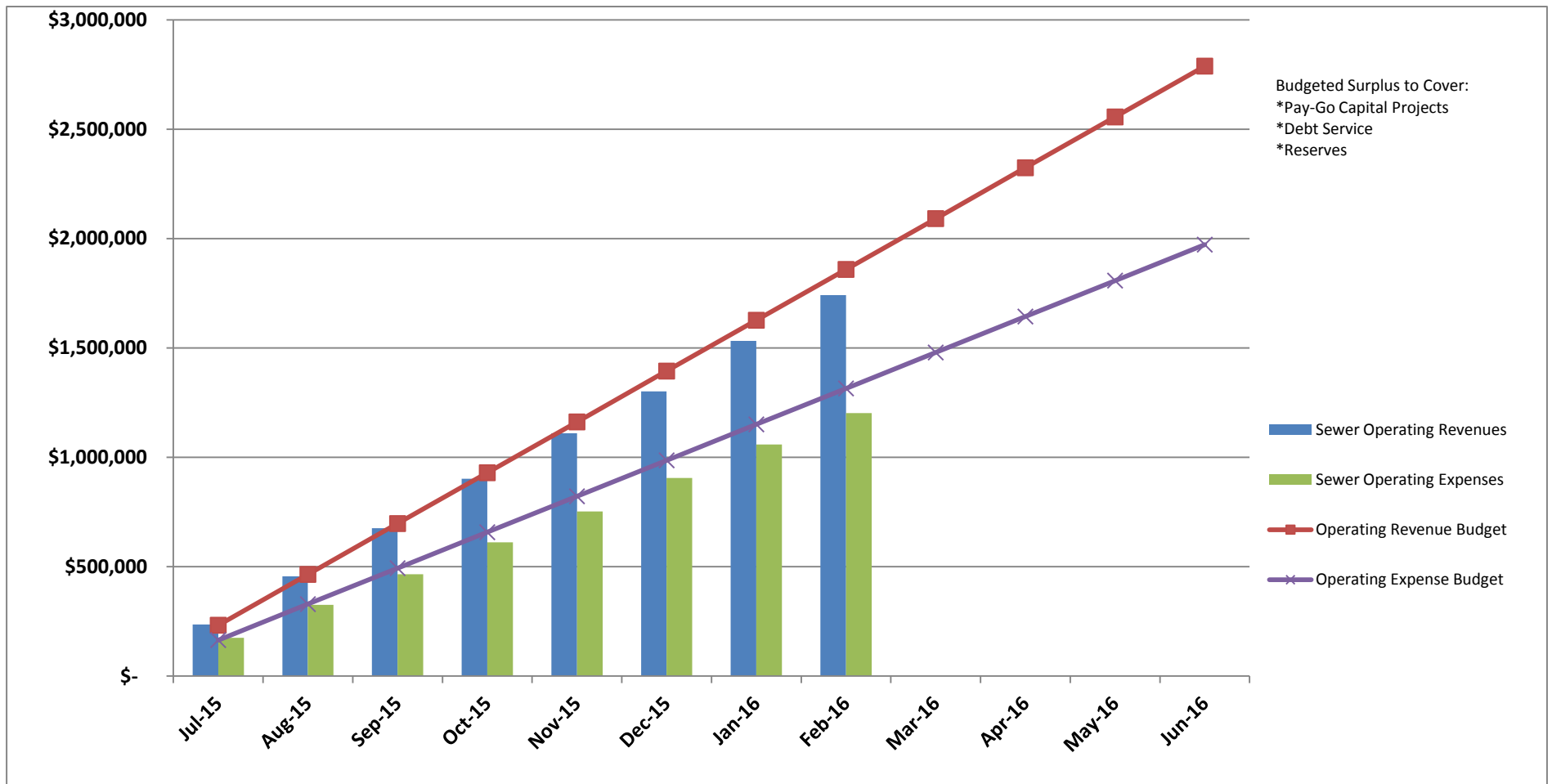


Treasurer's Report Page 5, Selected Graphic Comparisons

McKinleyville Community Services District

Feb 2016

Comparison of Sewer Fund Operating Revenues & Expenses to Budget



Treasurer's Report Page 6, Selected Graphic Comparisons

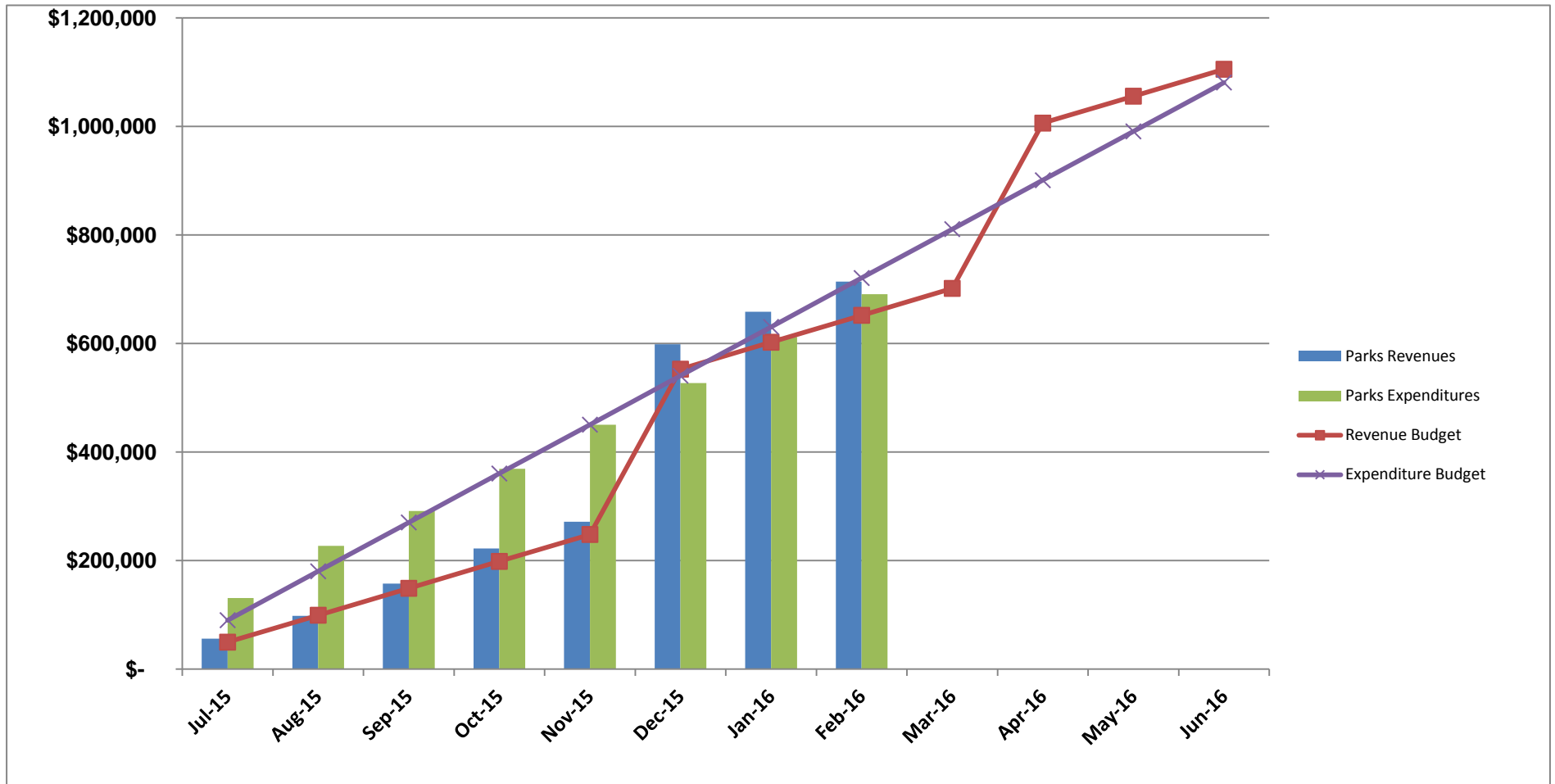
McKinleyville Community Services District
Activity Summary by Fund, Original Budget
Feb 2016

	February	% of Year 66.67% YTD	Original YTD Budget	Over (Under) YTD Budget	Over (Under) YTD Budget %	Notes
Department Summaries						
<u>Parks & Recreation</u>						
Program Fees	28,731	260,514	236,233	24,281	10.28%	Rec'd program grants
Rents & Related Fees	7,807	59,515	50,148	9,367	18.68%	Renewal of vendor contracts for Hiller Sports Site, Azalea Hall, and MAC
Property Taxes	-	279,472	340,000	(60,528)	-17.80%	County Tax remittance scheduled in December and April
Other Revenues	17,905	107,250	105,000	2,250	2.14%	
Interest Income	855	7,164	5,467	1,697	31.04%	Interest rate higher than originally estimated
Total Revenues	55,299	713,915	736,848	(22,933)	-3.11%	
Salaries & Benefits	61,531	520,374	541,599	(21,225)	-3.92%	
Other Expenditures	16,228	139,467	141,441	(1,974)	-1.40%	
Capital Expenditures	1,075	30,905	37,547	(6,642)	-17.69%	Budget spread evenly over 12 months - actual expenses vary per project schedules
Total Expenditures	78,834	690,747	720,587	(29,840)	-4.14%	
Excess (Deficit)	(23,535)	23,168	16,261	6,907		
<u>Measure B Assessment</u>						
Draw from Restricted Reserves	207,919	1,344,485	933,333	411,152	44.05%	Draw on Restricted Reserves to cover Teen Center Construction costs
Total Revenues	484	133,627	433,333	(299,706)	-69.16%	County Tax remittance scheduled in December, April
Salaries & Benefits	8,482	50,513	73,138	(22,625)	-30.93%	Revenue total includes unrealized gains/losses on cash assets
Other Expenditures	741	71,560	92,318	(20,758)	-22.48%	Some salary exp reversed, posted to Parks/Gen'l Fund
Capital Expenditures	411,114	1,609,082	1,200,000	409,082	34.09%	Includes periodic payments of Meas. B debt, not spread over 12 months
Total Expenditures	420,337	1,731,156	1,365,456	365,700	26.78%	Construction costs not spread evenly over 12 months
Excess (Deficit)	(419,853)	(253,043)	1,210	(254,253)		
<u>Street Lights</u>						
Total Revenues	8,005	62,479	62,558	(79)	-0.13%	
Salaries & Benefits	5,490	28,438	26,955	1,483	5.50%	
Other Expenditures	3,043	20,211	20,826	(615)	-2.95%	
Capital Expenditures/Loan Repayment	1,655	13,243	14,737	(1,494)	-10.14%	LED Project Debt repayment - final loan amount less than originally budgeted
Total Expenditures	10,189	61,892	62,518	(626)	-1.00%	
Excess (Deficit)	(2,183)	587	40	(547)		
Governmental Funds Excess (Deficit)	(445,571)	(229,288)	17,511	(246,799)		

McKinleyville Community Services District

Feb 2016

Comparison of Parks & Recreation Total Revenues & Expenditures to Budget

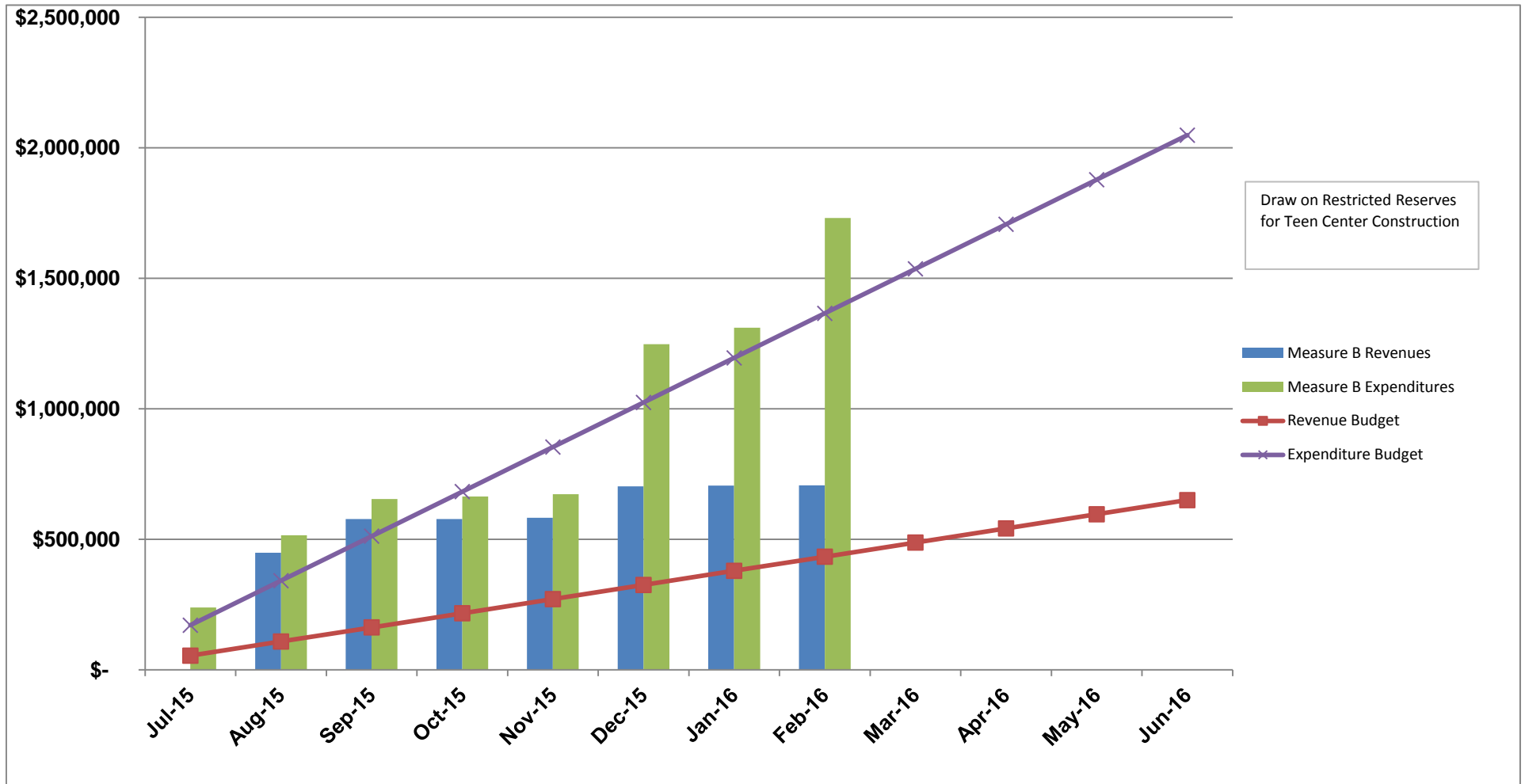


Treasurer's Report Page 8, Selected Graphic Comparisons

McKinleyville Community Services District

Feb 2016

Comparison of Measure B Fund Total Revenues & Expenditures to Budget

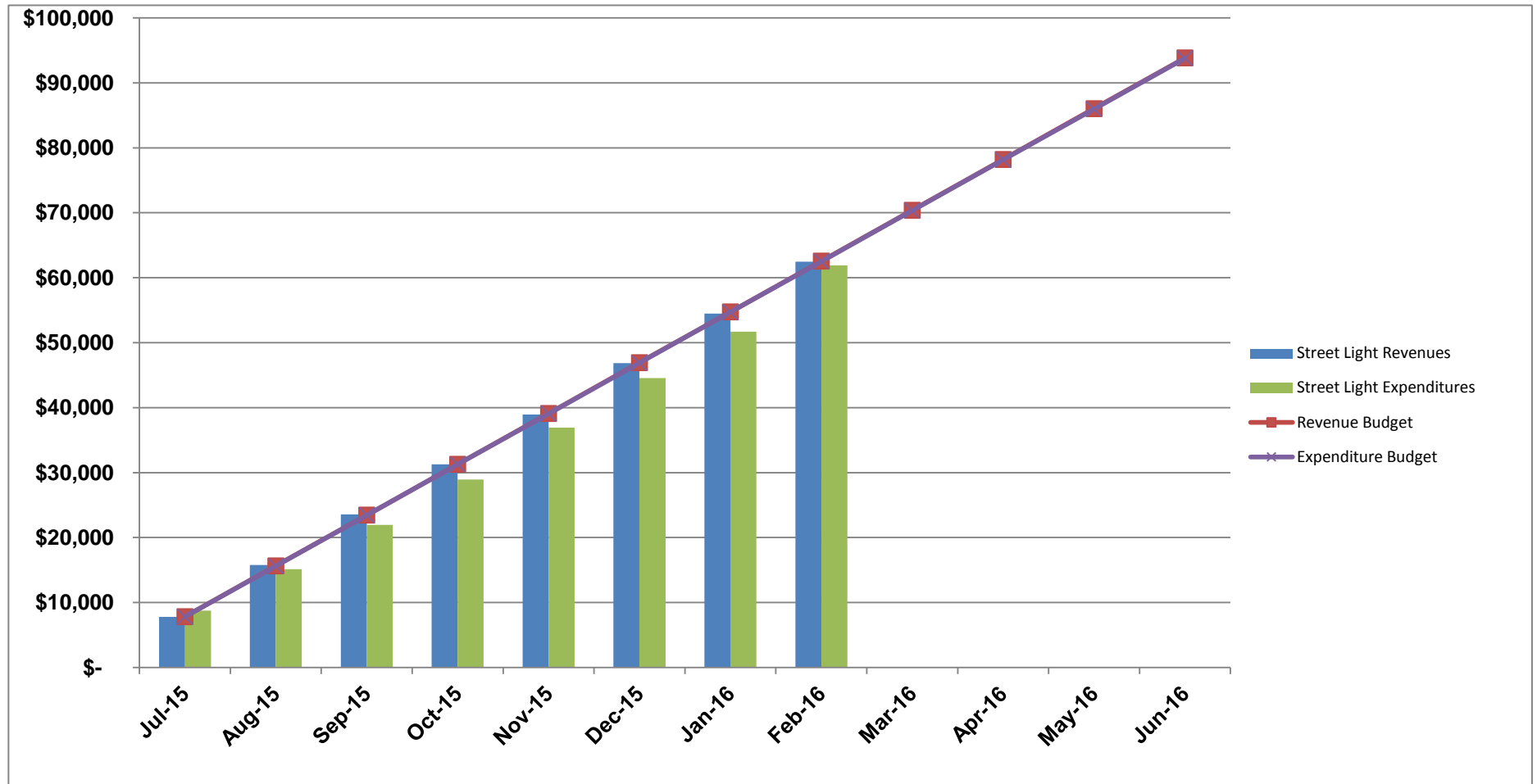


Treasurer's Report Page 9, Selected Graphic Comparisons

McKinleyville Community Services District

Feb 2016

Comparison of Street Light Fund Total Revenues & Expenditures to Budget



Treasurer's Report Page 10, Selected Graphic Comparisons

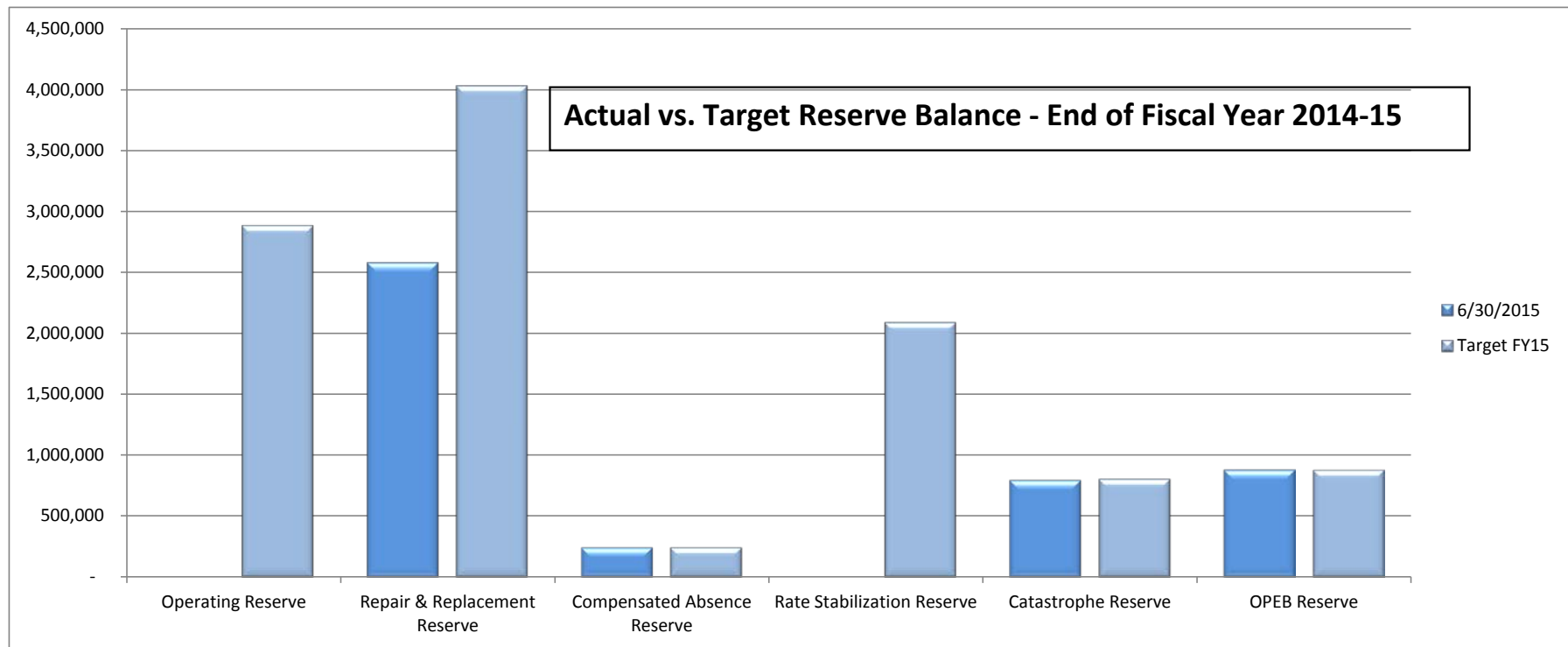
McKinleyville Community Services District
Capital Expenditure Report
As of Feb. 29, 2016

	February	YTD Total	FY 15-16 Budget	Remaining		
				Budget \$	Budget %	Notes
<u>Water Department</u>						
Water Tank Upgrade	-	-	350,000	350,000	100%	Tank Painting
4.5m New Water Tank	-	-	30,000	30,000	100%	Drilling, LACO Assoc.
Emergency Water Supply	-	8,881	40,000	31,119	78%	Emergency Water Supply
Fire Hydrant System Upgrade	-	-	13,000	13,000	100%	Fire Hydrant System Upgrade
Customer Radio Meter Replacements	-	123,025	131,000	7,975	6%	Radio meters purch/install
Water Main Rehab & Replacement	-	-	100,000	100,000	100%	Water Main Rehab
Property Purchase & Improvements	-	-	200,000	200,000	100%	Property Purch/Improvements
Subtotal	-	131,906	864,000	732,094	85%	
<u>Sewer Department</u>						
Sewer Main Rehab & Replacement	-	-	50,000	50,000	100%	Sewer Main Rehab
WWMF & Fischer Lift Stn Grinder Upgrade	-	-	15,000	15,000	100%	WWMF/Fischer Lift Stn Grinder
Sewer Main Camera Unit	-	-	30,000	30,000	100%	
WWMF Upgrade/CEQA/Permitting	61,758	235,413	13,000,000	12,764,587	98%	WWMF design & start construction
Radio Telemetry Upgrade	-	-	30,000	30,000	100%	Radio Telemetry upgrade
Sewer Lift Station Pump/Gen Upgrades	-	-	175,000	175,000	100%	
Customer Radio Meter Replacements	-	119,091	131,000	11,909	9%	Radio meters purch/install
Underground Locator Pipe & Camera	-	-	5,000	5,000	100%	
SCBA Apparatus and Bottles	-	-	6,000	6,000	100%	
Subtotal	61,758	354,505	13,442,000	13,087,495	97%	
<u>Water & Sewer Operations</u>						
Heavy Equipment	-	-	100,000	100,000	100%	Dump Truck, Tractor attachmts
Utility Vehicles	-	-	62,000	62,000	100%	Car, 3/4 or 1-ton Pickup Truck
Office, Corporate Yard & Shops	-	-	-	-	#DIV/0!	Facilities upgrade/sealcoat
Computers & Software	2,389	7,490	19,000	11,510	61%	File Server, Office16, Projector
GIS/SEMS/CADD Equipment/Software	-	-	4,000	4,000	100%	SCADA, AutoCAD, GIS computer
Fischer Ranch - Barn & Fence upgrades, Undergr.Valving	-	-	5,000	5,000	100%	Barn & Fence upgrades
Fischer Ranch -Disposal Site Upgrade	-	-	1,500,000	1,500,000	100%	Disposal Site Upgrade
Small Equipment & Other	-	-	15,000	15,000	100%	Ops Office Eq./Emergency Eqp
Subtotal	2,389	7,490	1,705,000	1,697,510	100%	
Enterprise Funds Total	64,148	493,901	16,011,000	15,517,099	97%	
<u>Parks & Recreation Department</u>						
Hiller Park & Sports Complex	1,075	3,147	9,000	5,853	65%	Signage & Landscaping
Pierson Park Upgrades	-	-	-	-	#DIV/0!	
Washington Avenue Park Project	-	-	-	-	#DIV/0!	
Azalea Hall Projects	-	3,971	5,000	1,029	21%	PA system - Audio/Visual
McKinleyville Activity Center Upgrades	-	3,971	13,000	9,029	69%	Flooring replacement
Law Enforcement Facility Improvements	-	-	-	-	#DIV/0!	
Projects Funded by Quimby/Other Funds	-	-	-	-	#DIV/0!	Covered Picnic Area
Projects Funded by Measure B Renewal	411,114	1,608,472	115,000	(1,493,472)	-1299%	Teen Center Project
Other Parks Projects & Equipment	-	19,815	29,000	9,185	32%	Vehicles and Equipment
Subtotal	412,189	1,639,378	171,000	(1,468,378)	-859%	
<u>Streetlights</u>						
Pole Replacement	-	-	2,000	2,000	100%	Pole Replacement
Subtotal	-	-	2,000	2,000	100%	
Governmental Funds Total	412,189	1,639,378	173,000	(1,466,378)	-848%	
All Funds Total	476,337	2,133,279	16,184,000	14,050,721	87%	

Principal Maturities and Scheduled Interest

Treasurer's Report Page 12

McKinleyville Community Services District
Board Designated Reserve Balances
As of Feb. 29, 2016



- Utility Accounts Receivable Turnover Days As of Feb. 29, 2016 **15.9** Days

- YTD Breakeven Revenue, Water Fund: **1,387,106.29** - YTD Actual Water Sales: **2,016,130.48**

- Days of Cash on Hand - Operations Checking Account **54.2** Days

McKinleyville Community Services District
Cash Disbursement Report
For the Period February 1 through February 29, 2016

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
Accounts Payable Disbursements						
30644	2/1/2016	*0013	CHRISTOPHER KELLEY	20.00	B60127	FINGERPRINTING
30645	2/1/2016	*0014	CASEY BOX	20.00	B60127	FINGERPRINTING
30646	2/1/2016	*0015	BRIAN DONAHUE	30.00	B60127	FINGERPRINTING
30647	2/1/2016	*0016	AZALEA HALL DEPOSIT REFUND DD	100.00	B60129	AZALEA HALL DEPOSIT REFUND DD
30648	2/1/2016	*0017	AZALEA HALL DEPOSIT REFUND BS	100.00	B60129	AZALEA HALL DEPOSIT REFUND BS
30649	2/1/2016	ACT01	ACTION RENTAL	315.80	18953	WWMF GROUNDBREAKING
30650	2/1/2016	BAL01	DAVID BALDOSSER	128.00	B60201	SUPERVISORY TRAINING
30651	2/1/2016	CDW01	CDW GOVERNMENT, INC.	5,100.80	BTV2852	OFFICE 2016 SOFTWARE
30652	2/1/2016	CHA03	CHASE INC.	2,192.40	1-16	REC PROGRAM SUPPLIES
30653	2/1/2016	COA01	COASTAL BUSINESS SYSTEMS	342.09	18177569	COPIER MAINTENANCE AGREEMENT
30654	2/1/2016	COR01	CORBIN WILLITS SYSTEMS, INC	858.42	B60127	MOMS MAINTENANCE AGREEMENT
30655	2/1/2016	COR07	JOHN W. CORBETT	125.00	B60127	BOARD MTG 01/06/2016
30656	2/1/2016	COU02	HUMBOLDT COUNTY ASSESSOR	20.00	B60127	MEASURE B MAPS
30657	2/1/2016	COU09	DAVID R. COUCH	125.00	B60127	BOARD MTG 01/06/2016

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
30658	2/1/2016	GES01	GE INFRASTRUCTURE SENSING	973.01	4440520	REPAIRS/SUPPLIES
30659	2/1/2016	HAR13	The Hartford - Priority A	371.23	B60127	GROUP LIFE INSURANCE
30660	2/1/2016	MAY02	DENNIS MAYO	125.00	B60127	BOARD MTG 01/06/2016
30661	2/1/2016	MCK03	MCKINLEYVILLE OFFICE SUPPLY	87.47	B60127	SHIPMENT-WWMF UPGRADE, LABS
30662	2/1/2016	RES05	USPS RESERVE ACCOUNT	1,500.00	B60127	POSTAGE METER REFILL
30663	2/1/2016	SDR01	SDRMA	184.19	52571	PROPERTY/LIABILITY INSURANCE
30664	2/1/2016	SWR04	SWRCB	586.00	B60127	PERMIT REGISTRATION-WWMF
30665	2/1/2016	TIM01	TIMES-STANDARD	580.39	5628859	ADVERTISING P&R MAINT. POSITION
30666	2/1/2016	UPS01	UPS	772.86	B60127	LAB SHIPMENT
30667	2/1/2016	USP02	USPS: ARCATA BMEU	1,500.00	B60127	REFILL PERMIT 202-BULK MAIL
30668	2/1/2016	WEI01	WEIRUP LANE ASSOCIATION	96.00	B60201	ANNUAL ROAD MAINTENANCE FEE
30669	2/1/2016	WHE02	GEORGE A. WHEELER JR.	125.00	B60127	BOARD MTG 01/06/2016
30670	2/1/2016	\B030	MQ CUSTOMER REFUND FOR BO	34.02	000B60201	MQ CUSTOMER REFUND FOR BO
30671	2/1/2016	\C020	MQ CUSTOMER REFUND FOR CO	62.72	000B60201	MQ CUSTOMER REFUND FOR CO
30672	2/1/2016	\M042	MQ CUSTOMER REFUND FOR MA	24.75	000B60201	MQ CUSTOMER REFUND FOR MA
30673	2/1/2016	\R005	MQ CUSTOMER REFUND FOR RE	25.12	000B60201	MQ CUSTOMER REFUND FOR RE
30674	2/1/2016	\S019	MQ CUSTOMER REFUND FOR SO	51.55	000B60201	MQ CUSTOMER REFUND FOR SO

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
30675	2/1/2016	\S021	MQ CUSTOMER REFUND FOR SP	49.22	000B60201	MQ CUSTOMER REFUND FOR SP
30676	2/1/2016	\V011	MQ CUSTOMER REFUND FOR VE	68.56	000B60201	MQ CUSTOMER REFUND FOR VE
30677	2/1/2016	\W015	MQ CUSTOMER REFUND FOR WE	97.41	000B60201	MQ CUSTOMER REFUND FOR WE
30678	2/2/2016	ROB02	TERRY ROBERTS	600.00	B60202P	VARMENT GETTER-LANDSCAPING
30679	2/4/2016	OLS03	JENNIFER OLSEN	718.00	B60204P	REIMBURSEMENT FOR TRAINING
30680	2/9/2016	*0018	REFUND PMT TO MCSD MH	39.83	B60202	REFUND PMT TO MCSD MH
30681	2/9/2016	*0019	AZALEA HALL DEPOSIT REFUND AL	100.00	B60202	AZALEA HALL DEPOSIT REFUND AL
30682	2/9/2016	*0020	AZALEA HALL DEPOSIT REFUND LW	100.00	B60204	AZALEA HALL DEPOSIT REFUND LW
30683	2/9/2016	BAN01	BANKCARD CENTER	1,445.95	JAN-2016	TRAVEL/MEALS/SUPPLIES/TRAINING
30684	2/9/2016	COS03	COSTCO WHOLESALE	367.80	B60202	REC PROGRAM SUPPLIES
30685	2/9/2016	DOW01	DOWNEY BRAND ATTORNEYS LLP	1,800.00	490912	LEGAL SERVICES
30686	2/9/2016	EIC01	JENNIFER EICHSTEDT	767.00	B60208	CONTRACT INSTRUCTOR PMT
30687	2/9/2016	GAN01	GAN CONFERENCING	97.78	23902	AUDIO CONFERENCES
30688	2/9/2016	HUB02	HUB INTERNATIONAL INSURANCE	107.40	B60202	SPECIAL EVENT INSURANCE
30689	2/9/2016	HUM01	HUMBOLDT BAY MUNI WATER DISTRICT	69,840.30	B60202	WATER PURCHASED IN JAN 2016
30690	2/9/2016	HUM08	HUMBOLDT SANITATION	978.00	B60202	TRASH SERVICE
30691	2/9/2016	MAD02	MAD RIVER UNION	108.00	38604	LEGAL ADS, UNCLAIMED PROPERTY

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
30692	2/9/2016	MCK04	MCK ACE HARDWARE	388.28	B60204	REPAIRS/SUPPLY
30693	2/9/2016	MCS01	MCSD C/O HUMBOLDT COUNTY	24,119.40	B60204	RESERVES RECOVERY SURCHARGE
30694	2/9/2016	MCS02	MCSD C/O HUMBOLDT COUNTY	20,000.00	B60204	BIOSOLIDS DISPOSAL RESERVE
30695	2/9/2016	MIL01	Miller Farms Nursery	79.26	B60204	REPAIRS/SUPPLY
30696	2/9/2016	NAP02	NAPA AUTO PARTS	27.39	B60204	REPAIRS/ SUPPLIES
30697	2/9/2016	NEC01	NEC FINANCIAL SERVICES,LLC	375.66	1879170	PHONE SERVICE FOR FEB 2016
30698	2/9/2016	NOR40	N. COAST EMPLOYER ADVISORY COUNCIL	40.00	1311	SUBSCRIPTION RENEWAL
30699	2/9/2016	ORE01	O'REILLY AUTOMOTIVE, INC.	6.47	B60208	REPAIRS/SUPPLY
30700	2/9/2016	PGE01	PG & E (Office & Field)	16,270.14	B60208	GAS & ELECTRIC
30701	2/9/2016	REN01	RENNER PETROLEUM	1,609.90	B60205	FUEL FOR JAN 2016
30702	2/9/2016	STE01	BLAKE STEWART	130.10	B60208	SAFETY GEAR REIMB
30703	2/9/2016	SUD01	SUDDENLINK	134.95	B60205	INTERNET SERVICES FOR JAN
30704	2/9/2016	UPS01	UPS	274.30	B60209	LAB SHIPMENT
30705	2/9/2016	USP02	USPS: ARCATA BMEU	1,358.78	B60202	NEWSLETTER POSTAGE
30706	2/9/2016	VER01	VERIZON WIRELESS	83.55	B60209	CELL PHONES FOR JAN 2016
30707	2/16/2016	*0021	KIDS CLUB REFUND JP	107.00	B60216	KIDS CLUB REFUND JP
30708	2/16/2016	ACW01	CB&T/ACWA-JPIA	10,273.20	B60216	GRP. HEALTH INS

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
30709	2/16/2016	AGS01	AG SALES	32.52	78395	VEHICLE REPAIRS
30710	2/16/2016	ARC02	Arcata Stationers	499.83	B60202	OFFICE SUPPLIES
30711	2/16/2016	ATT01	AT&T	691.13	B60216	PHONE SERVICE FOR FEB 2016
30712	2/16/2016	BAS01	BASIC LABORATORY INC.	188.50	1600926	TAB TESTING
30713	2/16/2016	BEL07	BELL'S HEATING	640.00	3429	PROFESSIONAL SERVICES
30714	2/16/2016	IND02	Industrial Electric Serv	66.02	IN18260	REPAIRS/SUPPLY
30715	2/16/2016	JAC04	JACKSON & EKLUND, INC.	3,660.00	B60216	PROFESSIONAL SERVICES
30716	2/16/2016	LDA01	LDA PARTNERS	610.00	33/635-1-	MCK TEEN CENTER
30717	2/16/2016	MCK11	MCKINLEYVILLE SENIOR CENTER	32.90	B60216	MCSD SHARE OF INTERNET SERVICE
30718	2/16/2016	MCK12	MCKINLEYVILLE UNION SCHOOL DISTRICT	1,676.50	B60204	BUS TRANSPORTATION-REC PROGRAM
30719	2/16/2016	MEN01	MENDES SUPPLY CO.	557.89	B60208	REPAIRS/SUPPLY
30720	2/16/2016	NOR01	NORTH COAST LABORATORIES	3,868.00	B60204	LAB TESTS
30721	2/16/2016	NOR35	NORTHERN HUMBOLDT	334.65	ES16-094	OPEN SPACE/CENTRAL AVE MAINT
30722	2/16/2016	NYL01	NYLEX.NET	209.42	1504	REPAIRS/ SUPPLIES
				802.50	1540	PROFESSIONAL SERVICES
			Check Total:	<u>1,011.92</u>		
30723	2/16/2016	PRE08	PRECISION INTERMEDIA	23.75	16-63	PROFESSIONAL SERVICES
30724	2/16/2016	SAF04	SAFEWAY INC. FILE # 72905	99.29	B60205	REC PROGRAM SUPPLIES/ OFFC SUPPL

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
30725	2/16/2016	SEC03	SECURITY LOCK & ALARM	128.92	95922	REPAIRS/ SUPPLIES
30726	2/16/2016	SIE02	SIERRA CHEMICAL CO.	2,831.71	B60205	CHLORINE/ CONTAINER DEPOSIT
30727	2/16/2016	SIX03	SIX RIVERS MECHANICAL	563.37	521	PROFESSIONAL SERVICES
30728	2/16/2016	STA11	STAPLES CREDIT PLAN	90.70	B60216	OFFICE SUPPLIES
30729	2/16/2016	THO01	THOMAS & ASSOCIATES	8,295.40	28634	REPAIRS PROJECTS
30730	2/16/2016	THO02	Thomas Home Center	252.62	B60208	REPAIRS/SUPPLY
30731	2/22/2016	*0022	AZALEA HALL DEPOSIT REFUND FM	100.00	B60222	AZALEA HALL DEPOSIT REFUND FM
30732	2/22/2016	ADA01	ADAMS COMMERCIAL GEN'L CONTRACTING	207,918.56	7	TEEN CENTER
30733	2/22/2016	BAL01	DAVID BALDOSSER	229.99	B60222	ROOM REIMB-TRAINING
30734	2/22/2016	COA01	COASTAL BUSINESS SYSTEMS	945.08	18260907	COPIER MAINTENANCE AGREEMENT
30735	2/22/2016	COR07	JOHN W. CORBETT	125.00	B60222	SPECIAL MTG 12/21/15
30736	2/22/2016	COU09	DAVID R. COUCH	125.00	B60222	SPECIAL MTG 12/21/15
30737	2/22/2016	CWE01	CWEA	164.00	B60222	CERTIFICATE RENEWAL
30738	2/22/2016	DEP05	DEPARTMENT OF JUSTICE	64.00	146246	FINGERPRINTING
30739	2/22/2016	EDW01	HELEN L. EDWARDS	125.00	B60222	SPECIAL MTG 12/21/15
30740	2/22/2016	GAN01	GAN CONFERENCING	4.98	24139	AUDIO CONFERENCES
30741	2/22/2016	HAR03	HARVEY M. HARPER CO.	300.03	B60216	VEHICLE REPAIRS

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
30742	2/22/2016	HUN01	HUNTER, HUNTER & HUNT	17,000.00	47760	AUDIT-PROFESSIONAL SERVICES
30743	2/22/2016	IBS01	IBS OF THE REDWOODS	92.55	14770	VEHICLE REPAIRS
30744	2/22/2016	KEN02	KENNEDY/JENKS CONSULTANTS	59,958.30	99089	WWMF UPGRADE
30745	2/22/2016	MAY02	DENNIS MAYO	125.00	B60222	SPECIAL MTG ON 12/21/15
30746	2/22/2016	MAY03	DENNIS MAYO	192.50	2	ACWA DC 2016 CONFERENCE
				43.00	B60222	STRATEGIC & BUSINESS PLAN
			Check Total:	<u>235.50</u>		
30747	2/22/2016	NOR13	NORTHERN CALIF. SAFETY CONSORTIUM	80.00	22067	SAFETY TRAINING
30748	2/22/2016	NYL01	NYLEX.NET	315.00	1660	PROFESSIONAL SERVICES
30749	2/22/2016	PGE02	PACIFIC GAS & ELECTRIC	1,297.66	B60222	STREETLIGHTS FEB 2016
30750	2/22/2016	PGE05	PACIFIC GAS & ELECTRIC	1,655.40	B60222	STRLT LOAN-AGRMT 4190997497
30751	2/22/2016	SEQ01	Sequoia Gas Co.	48.36	28180	HILLER SPORTS SITE FUEL
30752	2/22/2016	STE01	BLAKE STEWART	118.25	B60222	SAFETY GEAR REIMB
30753	2/22/2016	UPS01	UPS	383.64	B60222	LAB SHIPMENT
30754	2/22/2016	USP02	USPS: ARCATA BMEU	225.00	B60222	PERMIT 202-RENEWAL
30755	2/22/2016	WHE02	GEORGE A. WHEELER JR.	125.00	B60222	SPECIAL MTG ON 12/21/15
30756	2/23/2016	DEP05	DEPARTMENT OF JUSTICE	64.00	B60223P	FINGERPRINTING
				487,121.37		
			Total Disbursements, Accounts Payable:	<u>487,121.37</u>		

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
Payroll Related Disbursements						
13464-13497	2/10/2016		Various Employees	16,719.32		Payroll Checks
13498	2/10/2016	CAL12	CalPERS 457 Plan	5,206.68		RETIREMENT
				452.47		PERS 457 LOAN PMT
			Check Total:	5,659.15		
13499	2/10/2016	DIR01	DIRECT DEPOSIT VENDOR- US	23,131.78		Direct Deposit
13500	2/10/2016	EMP01	Employment Development	1,307.36		STATE INCOME TAX
				497.46		SDI
			Check Total:	1,804.82		
13501	2/10/2016	HUM29	UMPQUA BANK--PAYROLL DEP.	4,804.15		FEDERAL INCOME TAX
				6,838.12		FICA
				1,599.30		MEDICARE
			Check Total:	13,241.57		
13502	2/10/2016	ACW01	CB&T/ACWA-JPIA	48,194.67		MED & DENTAL INSURANCE
13503	2/10/2016	PUB01	Public Employees PERS	14,783.81		PERS PAYROLL REMITTANCE
13504-13533	2/24/2016		Various Employees	15,716.33		Payroll Checks
13534	2/24/2016	CAL12	CalPERS 457 Plan	5,268.08	B60224	RETIREMENT
				452.47	1B60224	PERS 457 LOAN PMT
			Check Total:	5,720.55		
13535	2/24/2016	DIR01	DIRECT DEPOSIT VENDOR- US	25,965.95	B60224	Direct Deposit
13536	2/24/2016	EMP01	Employment Development	1,481.88	B60224	STATE INCOME TAX
				519.56	1B60224	SDI
			Check Total:	2,001.44		

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
13537	2/24/2016	HUM29	UMPQUA BANK--PAYROLL DEP.	4,960.75	B60224	FEDERAL INCOME TAX
				7,142.70	1B60224	FICA
				1,670.44	2B60224	MEDICARE
			Check Total:	<u>13,773.89</u>		
				<u>186,713.28</u>		
			Total Disbursements, Payroll:	<u>186,713.28</u>		
			Total Check Disbursements:	673,834.65		

McKinleyville Community Services District

BOARD OF DIRECTORS

April 6, 2016

TYPE OF ITEM: **ACTION**

ITEM: D.3 **Compliance with State Double Check Valve (DCV) Law**

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

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

Recommendation:

Staff recommends that the Board authorize staff to provide the listed customers with formal notice that their water service will be discontinued in one month if they have not come into compliance with state law regarding water service cross-connection in accordance with MCSD Rules 7 and 10.

Discussion:

Customers listed below are currently not in compliance with State Law regarding cross connection control for water customers with an alternate water supply. These customers have been notified of their respective violations, as noted, and have been provided notification of this meeting.

1st Notice	February 26, 2016
10 Day Notice	March 30, 2016
Board Meeting	April 6, 2016
Lock	May 9, 2016
ROUTES 1 AND 3	

Account #	Address	Model of DCV	Date s/o out
1-555-000	2281 Cochran Road	FEBCO 850 LF	
1-780-000	1156 Azalea Avenue	WILKINS 550A	
1-975-000	2175 North Bank Road	FEBCO 805Y	
3-032-000	2060 Park Road	FEBCO 805Y	3/22/16

Updated 03/28/16

McKinleyville Community Services District

BOARD OF DIRECTORS

April 6, 2016

TYPE OF ITEM: **ACTION**

ITEM: D.4 **Approve and authorize Board President to sign and execute the Hiller Sports Complex Facility Use Agreement Contract with Mad River Youth Soccer**

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

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

Recommendation:

Staff recommends that the Board approve and authorized Board President to sign and execute the 2016 Facility Use Agreement Contract for Mad River Youth Soccer League and authorize the Board President to sign the contract and supplement.

Discussion:

Mad River Youth Soccer League has requested the use of Hiller Sports Complex (HSC) for the summer and fall of 2016. The District requires organizations using HSC annually to complete and sign a Facility Use Agreement Contract prior to the start of their season.

Attached, please find a copy of the 2016 Facility Use Agreement for the organization.

Complete Facility Use Agreement Contracts with attachments are available at the District Office for any Board member or member of the public who would like to review them.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

In March 2015, the MCSD Board set a fee schedule for HSC of \$7.00 per hour for all youth sports organizations. A portion of that fee includes the cost of janitorial supplies used at the site. Organizations are responsible for shared cleaning of the facility (restrooms, bleachers, parking lot, etc.) based on their percentage of use.

Each organization will be charged a percentage of utilities (propane & PG&E) at the end of the season. These percentages are based on field usage.

Each user group is responsible for cleaning their own dugouts and bleacher areas after each use.

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Mad River Youth Soccer League Agreement

MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

HILLER SPORTS COMPLEX FACILITY USE AGREEMENT

This HILLER SPORTS COMPLEX FACILITY USE AGREEMENT (this “AGREEMENT”), is made and entered into this 6th day of April 2016, by and between the McKinleyville Community Services District (DISTRICT), a Community Services District formed under the laws of the State of California, and the Mad River Youth Soccer League (ORGANIZATION), a non-profit youth sports organization, reference to the following facts, which are acknowledged as true and correct by each of the parties:

Recitals

- (a) DISTRICT is the owner of Hiller Sports Complex located at 880 Columbus Road in McKinleyville; and
- (b) DISTRICT desires to maximize financial self-sufficiency of the maintenance of Hiller Sports Complex; and
- (c) DISTRICT desires to maximize community access to recreation programs at Hiller Sports Complex; and
- (d) ORGANIZATION desires to offer recreation programs to the community at Hiller Sports Complex; and
- (e) ORGANIZATION proposes to operate recreation programs, in accordance with the terms and conditions of this AGREEMENT, which supersedes all other previous documents; and
- (f) ORGANIZATION and DISTRICT each desire to secure and enter into an AGREEMENT in accordance with the foregoing; and
- (g) The documents which are part of the AGREEMENT, and each of which are incorporated herein by this reference as though full, are the following:

- 1. Cover Page: Facility Use AGREEMENT
- 2. Exhibit A: Hiller Sports Complex Map
- 3. Exhibit B: Article IV – Rules and Regulations
- 4. Exhibit C: Hiller Sports Complex Master Facility Fee Schedule
- 5. Exhibit D: Operation & Maintenance Responsibilities
- 6. Exhibit E: Guidelines for Field Cancellations
- 7. Exhibit F: “In Kind Work” & Field Modification Request Form

Definitions

As used in this AGREEMENT, the following terms shall have the following definitions:

1. "AGREEMENT" shall mean Hiller Sports Complex Facility Use AGREEMENT.
2. "DISTRICT" shall mean the McKinleyville Community Services District.
3. "ORGANIZATION" shall mean Mad River Youth Soccer League.
4. "Hiller Sports Complex" shall mean the nineteen acre parcel of property located at 880 Columbus Road on the east side of the entry way into Hiller Park. Such property contains two (2) little league fields, a regulation softball field, a practice softball field, a Babe Ruth field, two collegiate size soccer fields, concession stand, bleachers, drinking fountains, walkways, and a parking lot.
5. "Recreation Advisory Committee" shall be the said committee operating under the jurisdiction of the McKinleyville Community Services District Board of Directors.
6. "Facility Use Request" shall mean all periods of time, including practices, games, assessment days, tournaments, etc., for which a party desires to utilize Hiller Sports Complex and requested via the DISTRICT Hiller Sports Complex Facility Use Reservation Form.
7. "Facility Use Schedule" shall mean the most current schedule for use of Hiller Sports Complex.
8. "Board of Directors" shall mean the five members of the McKinleyville Community Service District Board of Directors.
9. "Parks and Recreation Director" shall mean the individual employed in said position with the McKinleyville Community Services District.
10. "Article IV- Rules and Regulations" shall mean the portion of the document containing the Rules and Regulations of the McKinleyville Community Services District as adopted by the Board of Directors.

NOW, THEREFORE, in consideration of their mutual covenants and promises set forth herein and incorporating the foregoing recitals of fact, the parties hereto agree as follows:

AGREEMENT

Section 1. Facility Development

The DISTRICT and ORGANIZATION agree to collaborate, assist, and support one another and individual efforts in maintaining Hiller Sports Complex.

Section 2. Grant of Field Use

- 2.1 Grant of Use. The DISTRICT grants the ORGANIZATION field use for recreational and sports activities at Hiller Sports Complex. ORGANIZATION shall be responsible for: (a) setup of Hiller Sports Complex for ORGANIZATION's use, unless otherwise specified; (b) storing any equipment following ORGANIZATION's use; and (c) restoring Hiller Sports Complex to the appropriate condition as found prior to ORGANIZATION's use. ORGANIZATION shall not utilize Hiller Sports Complex prior to the start of the contracted time set forth in the most current Facility Use Schedule and shall vacate the playing area by the end of the contracted time set forth in said schedule.
- 2.2 Facility Use Schedule. ORGANIZATION shall provide DISTRICT with ORGANIZATION's most current field use schedule including team names, coaches/managers & names of individuals to contact in the case of game cancellations; list of official representatives of the organization; game, practice, tournament dates and times; and other scheduled use.
- 2.3 Cancellation. Provided cancellation of use by inclement weather or other unforeseen conditions, DISTRICT shall endeavor to make the decision of said cancellation by 3:00 p.m. of the day for which cancellation shall take place.
- 2.4 Additional Field Use Request. Provided cancellation of use by inclement weather or other unforeseen conditions, ORGANIZATION must notify the DISTRICT of said cancellation and request of additional field use (if needed) within twenty-four (24) hours. DISTRICT shall be responsible to administer and coordinate all additional facility use requests provided such requests do not conflict with the most current Facility Use Schedule of other approved users.
- 2.5. Access
DISTRICT shall provide the ORGANIZATION with one (1) set of keys to Hiller Sports Complex. It is the responsibility of the ORGANIZATION to produce copies and issue keys.

Section 3. Scheduling of Facility

- 3.1 Site Development, Management and Scheduling:
All development, scheduling, maintenance, and use of Hiller Sports Complex shall be coordinated with the Parks & Recreation Director.
- 3.2 Facility Use Requests
ORGANIZATION is responsible to submit a District Facility Use Reservation Form to the Parks & Recreation Director. The Parks and Recreation Director shall compile a draft Facility Use Schedule resulting from such requests. Parties currently having and maintaining an AGREEMENT with DISTRICT shall be designated for priority use when said schedule is drafted. The draft Facility Use Schedule shall delineate any dates and times with facility scheduling conflicts. The Parks & Recreation Director shall be charged with resolving any scheduling conflicts, in his or her discretion.

ORGANIZATION shall have first priority of Turf Fields 3, 4, 5 & 6 based on schedules submitted in advance to MCSD, from April 6 through November 6, 2016.

3.3 Facility Use Scheduling Protests

ORGANIZATION and those parties granted facility use by the DISTRICT shall retain the right to protest the facility use. For all protests, refer to Section 16: Resolution of Disputes.

Section 4. Operational Standards

4.1 Conduct and Disorderly Persons

ORGANIZATION agrees to uphold and remain in compliance, at all times, with the current rules and regulations of the recreation and park system as established by the DISTRICT and outlined in Article IV of the DISTRICT's Rules and Regulations.

4.2 Staffing

ORGANIZATION agrees to ensure that an official representative(s) of ORGANIZATION shall be present at all times and shall be responsible for overseeing all use at all times on those dates and times for which use of Hiller Sports Complex is being conducted by ORGANIZATION.

4.3 Equipment and Supplies Storage

Storage of ORGANIZATION's equipment at Hiller Sports Complex shall be at the DISTRICT'S approval and at the ORGANIZATION's sole risk, DISTRICT will not warrant security of stored materials. ORGANIZATION shall unilaterally bear all risks of loss, theft, damage and other casualty incidental to using and/or storing equipment at the Hiller Sports Complex, and will indemnify and defend the DISTRICT from and against all losses arising out of using and/or storing equipment at the Hiller Sports Complex.

4.4 Safety

ORGANIZATION agrees to comply with the DISTRICT's established facility use guidelines, as defined in Article IV of the DISTRICT's Rules and Regulations and attached as Exhibit B, and incorporated by reference herein.

4.5 Use of Equipment

ORGANIZATION agrees not to use equipment owned by others and stored at Hiller Sports Complex without first obtaining written approval from the owner of said equipment. A copy of written approval must be provided to the DISTRICT.

ORGANIZATION agrees not to remove or replace equipment provided at Hiller Sports Complex by DISTRICT without the prior written consent of the Parks & Recreation Director.

4.6 Entry by DISTRICT

ORGANIZATION shall permit DISTRICT, and DISTRICT's agents and assigns, at all reasonable times, to enter the premises, for the purposes of inspection, compliance with the terms of this AGREEMENT, exercise of all rights under this AGREEMENT, posting notices, and all other lawful purposes.

- 4.7. Environmental Sensitivity
ORGANIZATION agrees that all use by ORGANIZATION shall be conducted in a manner within the intended use of Hiller Sports Complex and with respect to the surrounding neighborhood and community. ORGANIZATION shall abide by all rules and regulations established, from time to time, by the DISTRICT regarding the use (or nonuse) of pesticides, herbicides and related products at the Hiller Sports Complex and surrounding areas.
- 4.8. Equal Opportunity and Non-Discrimination Clause
ORGANIZATION shall not discriminate in its offering of programs at Hiller Sports Complex and all duties related to such offering on the basis of race, color, national origin, religious creed, ancestry, sex, age, or physical handicap and shall comply with all applicable state and federal statutes and regulations prohibiting discriminatory practices and/or conduct.
- 4.9. Americans with Disabilities Act Compliance
DISTRICT shall indemnify, defend, and hold harmless ORGANIZATION from any fines or penalties which may be imposed upon it pursuant to the Americans with Disabilities Act as a result of DISTRICT's failure to make any required improvements to the premises as required by the Americans with Disabilities Act.
- ORGANIZATION shall be responsible for compliance with any and all requirements of the Americans with Disabilities Act with respect to the operation of recreation programs for which ORGANIZATION is responsible. ORGANIZATION shall indemnify, defend, and hold harmless DISTRICT from and against any and all claims, causes of action, damages, fines and/or penalties pursuant to the Americans with Disabilities Act arising, in whole or in part, as a result of the ORGANIZATION's failure or alleged failure to comply with any requirements of the Americans with Disabilities Act with respect to operation of recreation programs which ORGANIZATION is responsible.
- 4.10. Compliance with Law
ORGANIZATION and DISTRICT shall comply with and conform to all laws and regulations, state and federal, and any and all requirements and orders of any state or federal board or authority, present or future, in any way relating to the condition or use of Hiller Sports Complex throughout the entire term of this AGREEMENT.
- 4.11. District Coordination
DISTRICT shall employ a Parks and Recreation Director who shall be the primary contact person with the ORGANIZATION.

Section 5. Prohibited Actions

ORGANIZATION shall not:

- a) Use of Hiller Sports Complex for any purpose other than as authorized in this AGREEMENT and as authorized in the most current Facility Use Schedule; or
- b) Do or permit to be done anything which may interfere with the effectiveness or accessibility of Hiller Sports Complex, nor do or permit to be done anything which may

interfere with free access and passage in Hiller Sports Complex or the public areas adjacent thereto, or in the streets or trails adjoining Hiller Sports Complex, or hinder police, fire fighting, or other emergency personnel in the discharge of their duties; or

- c) Interfere with the public's enjoyment and use of Hiller Sports Complex for any purpose which is not essential to public safety; or
- d) Rent, sell, lease, or offer any space for any articles whatsoever within or on Hiller Sports Complex without the written consent of the DISTRICT; or
- e) Place any additional lock of any kind upon any door, cabinet, or storage bin, unless a key therefore is provided to the DISTRICT, and upon expiration or termination of this AGREEMENT; or
- f) Erect, construct, or place any permanent structure upon any portion of the premises without written authorization from DISTRICT; or
- g) Use or allow Hiller Sports Complex to be used for any improper or unlawful purposes or for purposes in violation of Article IV of the McKinleyville Community Services District's Rules and Regulations; or
- h) Allow vehicles access to the concession area via the 10 foot sidewalk driveway access point except for loading and unloading only. The sidewalk driveway area must be kept clear for access to emergency vehicles. All vehicles must park in the parking area.

Section 6. Insurance

6.1. Minimum Scope

ORGANIZATION shall obtain and maintain throughout the term of this AGREEMENT, at ORGANIZATION's cost, comprehensive general public liability insurance issued by insurance carriers acceptable to DISTRICT naming the ORGANIZATION as insured and the DISTRICT as an additional insured against any injuries or damages to persons or property caused by or arising out of ORGANIZATION's occupation and use of Hiller Sports Complex under this AGREEMENT in amounts of not less \$1,000,000.00 for any individual claimant and \$2,000,000.00 per occurrence.

6.2. Proof of Insurance

ORGANIZATION shall cause DISTRICT to be given written notification, prior to the commencement of this AGREEMENT, from the insurance carrier of the existence of such policies and shall provide a certificate of insurance and separate endorsement in the amounts listed in 6.1 prior to the inception of the term which shall provide that coverage provided by the policy shall not be canceled or amended until the DISTRICT is first provided with at least thirty (30) days written notice concerning such cancellation or notice.

Section 7. Hold Harmless, Indemnity and Release Forms

7.1. Hold Harmless and Indemnity

Except for the active negligence or willful misconduct of DISTRICT, ORGANIZATION undertakes and agrees, to the fullest extent permitted by law, to defend, indemnify, and hold harmless DISTRICT and all its officers, agents, assigns, and employees from and against any and all suits, actions and causes of action, claims, liens, demands, obligations, proceedings, loss or liability of every kind and nature in connection with or arising directly or indirectly out of this AGREEMENT whatsoever and/or ORGANIZATION's use of the Hiller Park Complex (and surrounding areas), for death or injury to any person including DISTRICT's officers, agents, assigns, and employees, or damage or destruction of any property of either party hereto or of third parties arising out of or in any manner by reason of, or incident to, the performance of this AGREEMENT on part of ORGANIZATION and/or ORGANIZATION's use of the Hiller Park Complex (and surrounding areas), by its officers, agents, assigns, program participants and employees of any tier.

7.2. Participant Liability Release Forms

ORGANIZATION shall provide to DISTRICT a master copy of the liability release form used for ORGANIZATION's program defending, indemnifying, and holding harmless, DISTRICT, its officers, agents, assigns, and employees from and against any and all suits, actions and causes of action, claims, liens, demands, obligations, proceedings, loss or liability of every kind and nature whatsoever, for death or injury to any person including DISTRICT's officers, agents, assigns, and employees, or damage or destruction of any property of either party hereto or of third parties arising out of or in any manner by reason of, or incident to, the program or programs sponsored by ORGANIZATION and conducted at the Hiller Sports Complex.

Section 8. Utilities

8.1. Water

The DISTRICT shall be responsible for all water and sewer related expenses at the site.

8.2. Gas and Electric

ORGANIZATION shall be required to pay a fee based on electrical use for the concession stand, low site lighting, and/or any other type of sporting equipment, which utilizes electricity. This cost will be remitted at the end of the season, based on a percentage of field use.

Section 9. Maintenance

9.1 Ongoing Facility Maintenance

DISTRICT shall provide for all ongoing maintenance of Hiller Sports Complex. ORGANIZATION shall be required to pay a fee based on expenses related to ongoing maintenance as approved by the MCSD Board of Directors. ORGANIZATION shall be allowed to decrease their portion of the maintenance fee through the use of volunteer labor to assist with maintenance of the site. Financial credit for approved volunteer labor shall be granted only for labor completed for facility maintenance. Credit shall not be granted for volunteer labor completed for game preparation. DISTRICT shall assign

specific financial value to one volunteer labor hour. DISTRICT shall base ORGANIZATION's maintenance fee on the total financial value of documented volunteer labor hours subtracted from the total financial value of site use. The financial value of volunteer labor, if in excess of the total maintenance fee, is not allowed to be placed as a credit toward future facility use.

Should ORGANIZATION provide volunteers to perform facility maintenance, all said volunteers must attend a facility maintenance orientation seminar with designated representative of ORGANIZATION. Designated ORGANIZATION representative must attend a facility maintenance orientation seminar organized and presented by DISTRICT staff. In addition, ORGANIZATION's designated representative must attend facility maintenance meetings as arranged by the DISTRICT. .

Furthermore, said volunteers of ORGANIZATION are not to be considered volunteers or employees of DISTRICT.

ORGANIZATION agrees to perform all maintenance of the fields, including but not limited to, field preparation before games, grounds cleanup, bathroom cleanup, re-stocking janitorial supplies, general cleanup of the concession stand & parking lot, and trash disposal. These operation and maintenance responsibilities are further explained in Exhibit D, and some may be in lieu of payment for field and concession use during the period of April 6 through November 6, 2016.

9.2. Facility Damages and Repairs

The ORGANIZATION shall be held responsible for all damage or vandalism to District facilities occurring during the ORGANIZATION'S use of the facilities. Upon notification by the DISTRICT, the ORGANIZATION is responsible to repair all damages immediately, or within a schedule approved by the DISTRICT. If ORGANIZATION is unable or unwilling to repair damage immediately, the DISTRICT reserves the right to make the necessary repairs and bill ORGANIZATION for all costs. The ORGANIZATION is responsible to reimburse the DISTRICT within thirty days (30) of presentation of the bill. Exception: The concession and snack bar area is the sole responsibility of the ORGANIZATION during the entire period of this AGREEMENT. Repair of any and all damage occurring to the concession stand during the AGREEMENT period is the sole responsibility of the ORGANIZATION.

Damaged and unsafe fields shall be unavailable for use until repairs are completed. The assignment of other fields during such time is at the discretion of the DISTRICT.

9.3. Site Improvements

Any ORGANIZATION desiring to perform site improvements must first obtain written approval from the DISTRICT for such improvements and pay for all costs related to approved improvements.

It is understood and agreed between the parties that all installations, additions, and improvements erected or installed at any time at Hiller Sports Complex during the term of this AGREEMENT shall immediately become the property of and belong to the DISTRICT upon such erection or installation; provided, however, this provision does not apply to participant playing equipment and concession equipment installed and

belonging to ORGANIZATION. ORGANIZATION must remove all participant playing equipment and concession equipment prior to the expiration or other termination of this AGREEMENT. Any portion of the premises affected by removal shall be immediately restored and repaired.

Section 10. Purchasing

- 10.1 DISTRICT shall have the responsibility to purchase all grounds maintenance and field preparation supplies needed to maintain Hiller Sports Complex.
- 10.2 ORGANIZATION shall be fully responsible for all expenses related to purchase of all supplies needed to operate the programs including supplies needed for field preparation should ORGANIZATION choose to prepare fields for their use and of any supplies needed for operations conducted in the concession stand.

Section 11. Sales

11.1. Participant Registration

ORGANIZATION shall be allowed to retain all revenue related to participant registration fees.

DISTRICT shall provide space for applications and flyers provided by ORGANIZATION at DISTRICT's office and at the McKinleyville Activity Center. DISTRICT shall not otherwise register applicants or provide directions regarding ORGANIZATION's program.

ORGANIZATION shall be responsible for promotion and sale of ORGANIZATION's program to customers. Upon provision by ORGANIZATION, DISTRICT shall provide copies of flyers and promotional materials to customers.

11.2. Advertising

DISTRICT recognizes the importance of advertising revenue to ORGANIZATION and desires to afford ORGANIZATION opportunities to obtain revenue for support of ORGANIZATION's program. However, ORGANIZATION shall first obtain written permission from DISTRICT and allow DISTRICT to review any such advertising prior to installation, placement, distribution, or maintenance of any type of advertising or AGREEMENT with any other vendor involving promotion or advertising of their products or services on and at Hiller Sports Complex. All such advertising placed in accordance with the aforementioned must be removed upon the conclusion of ORGANIZATION's program at a time agreed to by both parties.

11.3. Concessions

ORGANIZATION shall be allowed to retain all proceeds related to operation of a concession stand during granted facility use hours provided concession use fees are paid in full.

Approval for requests for use of the concession stand by ORGANIZATION will be granted only when said request is concurrent with the most current facility use schedule as approved. ORGANIZATION shall not utilize the concession stand prior to the start of

the contracted time set forth in the most current facility use schedule and shall vacate the concession stand by the end of the contracted time set forth in said schedule. Upon issuance of the most current Facility Use Schedule and concession stand use request approvals, should additional concession stand use be available during scheduled events, those ORGANIZATIONS having and maintaining a current AGREEMENT with DISTRICT shall be given priority for additional concession stand use requests. Such requests will be awarded on a first come, first serve basis.

Section 12. Licenses and Permits

- 12.1 ORGANIZATION shall apply for, obtain, and maintain all licenses, permits, and other accreditations required in connection with the management and operation of programs, site improvements as approved per 9.3., and as needed for development of the facility. ORGANIZATION shall be responsible to pay the cost of all such licenses and permits.

Section 13. Unavoidable Delays

- 13.1 The provisions of this Section shall be applicable if there shall occur, during the term of this AGREEMENT, any (a) inability to obtain labor or materials, or reasonable substitutes (other than lack of funds); or (b) acts of God, governmental restrictions, regulations or controls, enemy or hostile government, civil commotion, fire, or other casualty; or (c) other conditions similar to those enumerated in this Section beyond the reasonable control of the party obligated to perform (other than lack of funds). If DISTRICT or ORGANIZATION shall, as the result of any of the above-described events, fail to provide or to perform any obligation on its part under this AGREEMENT, then upon written notification to the other within ten (10) days of such event, such failure shall be excused and not be a breach of this AGREEMENT by the party claiming unavoidable delay, but only to the extent occasioned by such event. Notwithstanding anything contained herein to the contrary, this Section shall not be applicable to the obligation of the DISTRICT or ORGANIZATION to pay any sums, monies, costs, charges, or expenses required paid pursuant to the terms of this AGREEMENT, or to fulfill any hold harmless and/or indemnity obligations created by Section 7.1 or elsewhere in this AGREEMENT.

Section 14. Amendments and Assignments

- 14.1 This AGREEMENT contains the complete and final AGREEMENT between the DISTRICT and the ORGANIZATION. No AGREEMENT or other understanding in any way purporting to modify, add to, or supersede the terms and conditions hereof shall be binding upon either party unless made in writing and duly executed by authorized representatives.
- 14.2 This AGREEMENT may not be assigned or transferred, in whole or in part, by ORGANIZATION without first obtaining the written consent of DISTRICT which may be withheld, for any reason, in the DISTRICT's sole discretion.

Section 15. Taxes

- 15.1 ORGANIZATION shall be solely responsible for the payment when due of any possessory interest or other unsecured tax levied by any governmental authority with respect to the use and occupancy of Hiller Sports Complex by ORGANIZATION.

Section 16. Resolution of Disputes

16.1. Process for Resolution

Any dispute arising under the terms of this AGREEMENT, which is not resolved within a reasonable period of time by authorized representatives of the DISTRICT and the ORGANIZATION shall be brought to the attention of the General Manager (or designated representative) of the DISTRICT and the Board President (or designated representative) of the ORGANIZATION for joint resolution.

If joint resolution of the dispute through these means is pursued without success, ORGANIZATION shall seek to resolve the dispute by filing a written grievance with the General Manager (or designated representative). Upon receipt of a written grievance, the General Manager (or designated representative) shall research and investigate the grievance and set an agenda item for the next DISTRICT Board of Directors meeting. At the meeting, the ORGANIZATION or a representative thereof can appear and be heard. The DISTRICT Board of Directors shall consider the item and act thereon, and may adopt, reject, or amend the recommendation.

If resolution of the dispute as adopted by the DISTRICT Board of Directors is not satisfactory, ORGANIZATION may seek resolution employing whatever remedies exist in law or equity beyond this AGREEMENT. Despite an unresolved dispute, the DISTRICT and ORGANIZATION hereto shall continue without delay to perform its obligations under this AGREEMENT.

In the event of any breach or violation of this AGREEMENT by ORGANIZATION, the DISTRICT may employ whatever remedies that exist in law or equity to enforce this AGREEMENT, without resorting to the dispute resolution protocol described above.

16.2. Attorney's Fees

In the event of any litigation arising between the parties regarding the terms of this AGREEMENT, the prevailing party shall be entitled to recover reasonable attorney's fees in addition to other relief provided by law.

Section 17. Notices

- 17.1 Any notice, demand, or communication under, or in connection with, this AGREEMENT, may be served upon DISTRICT by personal service, or by mailing the same by certified mail in the United States Post Office, postage prepaid, and directed to the DISTRICT as follows:

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

and may likewise be served on ORGANIZATION by personal service or by so mailing the same addressed to ORGANIZATION as follows:

Mad River Youth Soccer League
P.O. Box 103
Arcata, CA 95518

Either DISTRICT or ORGANIZATION may change such address by notifying the other party in writing as to such new address as DISTRICT or ORGANIZATION may desire to be used and which address shall continue as the address until further written notice.

Section 18. Compensation

18.1. Funding for Facility Development

Should ORGANIZATION grant DISTRICT monies for development in an amount of more than \$5,000, said monies shall be dedicated to the development of facilities illustrated in Parks & Recreation Master Plan, which would fulfill the needs of ORGANIZATION. Monies granted by ORGANIZATION for development in amount less than \$5,000 shall be dedicated to the general overall development of facilities illustrated in Parks & Recreation Master Plan.

18.2. Facility Use and Additional Fees

ORGANIZATION shall pay DISTRICT fees in accordance to Hiller Sports Complex Master Facility Fee Schedule as adopted by the Board of Directors and outlined in Exhibit C.

ORGANIZATION agrees to pay a Cleaning/Damage deposit in the amount of \$1,500.00 to MCSD for the use of Hiller Sports Complex. MCSD may use the Cleaning/Damage deposit for reimbursement of any costs related to additional cleaning requirements, additional turf maintenance, and/or field & turf damages during the use of ORGANIZATION (see Exhibit D). This deposit must be paid in full prior to the start of the season.

ORGANIZATION is responsible for the cost to change the locks at the end of each season. This cost will be remitted at the end of the season, based on a percentage of field use.

In the event DISTRICT shall provide maintenance at the expense of ORGANIZATION, or the DISTRICT is required to respond to a call-out at a time outside the DISTRICT'S regular business hours, the ORGANIZATION agrees to reimburse the DISTRICT according to the following rates:

Labor:	Variable, depending on employee
Mower:	\$25.00/hour
Utility Vehicle:	\$35.00/hour
Tractor:	\$40.00/hour
Backhoe:	\$70.00/hour
Dump Truck:	\$50.00/hour
Boom Truck:	\$81.00/hour

18.3. Delinquent Payment

In the event ORGANIZATION shall be delinquent by more than fifteen (15) days in the payment of any sums due under the terms of section 18.2, DISTRICT shall cancel all future scheduled and yet to be scheduled use of DISTRICT-owned facilities until past due payments are paid in full.

Section 19. Law Governing

This AGREEMENT shall be governed exclusively by the provisions hereof and by the laws of the State of California.

Section 20. Term

20.1. Term and Extensions

Subject to the provisions of this AGREEMENT, the term of this AGREEMENT shall commence on the date herein and shall continue through and including the 31st day of December, 2015.

Opportunities shall be granted for ORGANIZATION and DISTRICT to review this AGREEMENT on a yearly basis to enact amendments and assignments to AGREEMENT as provided in Section 14 of this AGREEMENT. Any proposed amendments and assignments may be refused by ORGANIZATION or DISTRICT at said parties own discretion.

20.2. Termination by DISTRICT

Notwithstanding the foregoing, DISTRICT, in the case of ORGANIZATION's breaches, may terminate this AGREEMENT, with thirty (30) days notification, by giving the ORGANIZATION written notice of any material breach under this AGREEMENT, if:

- a) said breach is curable by the payment of money and remains uncured thirty (30) days after said notice; or
- b) said breach is not curable by the payment of money but is otherwise curable within thirty (30) days after said notice and remains uncured after said thirty (30) days; or
- c) said breach is neither curable by the payment of money nor otherwise reasonably curable within thirty (30) days after said notice and ORGANIZATION fails both to commence said cure within said thirty (30) days and to prosecute diligently said cure to completion thereafter; or
- d) ORGANIZATION files a voluntary petition in bankruptcy or insolvency or otherwise seeks relief as a debtor, or, if an involuntary petition therefore is filed against ORGANIZATION and such petition is not dismissed within ninety (90) days; or
- e) ORGANIZATION fails to remain in compliance with any and all terms of this AGREEMENT; or
- f) ORGANIZATION shall disband.

In the event this AGREEMENT is so terminated, it shall be lawful for DISTRICT immediately hereafter to remove all persons and property from the premises.

20.3. Termination by ORGANIZATION

Notwithstanding the foregoing, ORGANIZATION, in the case of DISTRICT's breaches, may terminate this AGREEMENT by giving the DISTRICT written notice of any material breach under this AGREEMENT, if:

- a) said breach is curable by the payment of money and remains uncured thirty (30) days after said notice; or
- b) said breach is not curable by the payment of money but is otherwise curable within thirty (30) days after said notice and remains uncured after said thirty (30) days; or
- c) said breach is neither curable by the payment of money nor otherwise reasonably curable within thirty (30) days after said notice and DISTRICT fails both to commence said cure within said thirty (30) days and to prosecute diligently said cure to completion thereafter; or
- d) DISTRICT fails to remain in compliance with any and all terms of this AGREEMENT.

20.4. Disposition of Certain Property

ORGANIZATION hereby acknowledges and agrees that any and all equipment and all DISTRICT purchased equipment and materials used in connection with Hiller Sports Complex shall remain the property of the DISTRICT, and ORGANIZATION acknowledges that it shall not be entitled to remove such property from Hiller Sports Complex upon the expiration or termination of this AGREEMENT, regardless of reason.

IN WITNESS WHEREOF, the parties have executed this AGREEMENT as of the day and year as written herein.

MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

George Wheeler, President of the Board of Directors

ATTEST: _____
Becky Schuette, Secretary to the Board of Directors

MAD RIVER YOUTH SOCCER LEAGUE

President of Mad River Youth Soccer League

The Facility Use AGREEMENT Checklist

Please note: This contract is not considered complete until the user ORGANIZATION submits the following information to MCSD.

<u>Item:</u>	<u>Attachment #:</u>	<u>Completed:</u>	<u>Date:</u>
Completed District Facility Use Form	Attachment 1		
League Schedule	Attachment 2		
Tournament Schedule	Attachment 3		
Practice Schedule	Attachment 4		
Proof of Insurance	Attachment 5		
Phone List of Managers and Board Members	Attachment 6		
Facility (emergency) Cell Phone #	Attachment 7		
All Other Field Usage Requests	Attachment 8		
Coach/Manager Contact Information	Attachment 9		
Organization Liability Release Form	Attachment 10		

McKINLEYVILLE COMMUNITY SERVICES DISTRICT
Facility Use Agreement Supplement

User: Mad River Youth Soccer League
Event: 2016 Regular Season Contract

This Cover Page is a supplement to the main body of the Agreement. This supplement further describes the costs and responsibilities required for the maintenance fields during the course of regular season usage. This Agreement Supplement is between the McKinleyville Community Services District (MCSD) and the Mad River Youth Soccer League contingent upon the following conditions:

1. Mad River Youth Soccer League shall have first priority of Field 3, 4, 5 & 6 (Turf) based on schedules submitted in advance to MCSD, from April 6 through November 6, 2016 of each year subject to the terms of Section 2 of this Supplemental Agreement for maintenance and operation.
2. Mad River Youth Soccer agrees to pay or reimburse MCSD:
 - A. \$1,500.00 Cleaning/Damage deposit prior to the start of the season (ongoing).
 - B. \$7.00 per hour per field
 - C. \$10.00 per weekday for the use of the Concession Stand.
 - D. \$25.00 per weekend day for the use of the Concession Stand.
 - E. Electric and gas utility costs will be paid at the end of the season, and billed based on a percentage of field use.
 - F. Cost of re-keying facility locks and replacement keys at end of year
3. Mad River Youth Soccer League agrees to perform all maintenance of the fields, including but not limited to, field preparation before games, grounds cleanup, bathroom cleanup, re-stocking janitorial supplies, general cleanup of the concession stand & parking lot, and trash disposal. These operation and maintenance responsibilities are further explained in Exhibit D, and some may be in lieu of payment for field and concession use during the period of April 6 through November 6, 2016.
4. Mad River Youth Soccer League agrees to pay a Cleaning/Damage deposit in the amount of \$1,500.00 to MCSD for the use of Hiller Sports Complex. MCSD may use the Cleaning/Damage deposit for reimbursement of any costs related to lost additional cleaning requirements, additional turf maintenance, and/or field & turf damages during the use of MLL (see section 18 and Exhibit D of Facility Use Agreement). This deposit must be paid in full prior to the start of the season.
5. Mad River Youth Soccer League agrees to remove equipment and clean storage area within fifteen (15) days of the completion of their season.

6. Mad River Youth Soccer League agrees not to park any vehicles inside Hiller Sports Complex. All vehicles must be parked in the designated parking lot and/or overflow parking areas.
7. This Agreement Supplement is an addendum to and to be considered a part of the main document. All other conditions in the main body of this document remain in place.

McKinleyville Community Services District

George Wheeler
President, MCSD

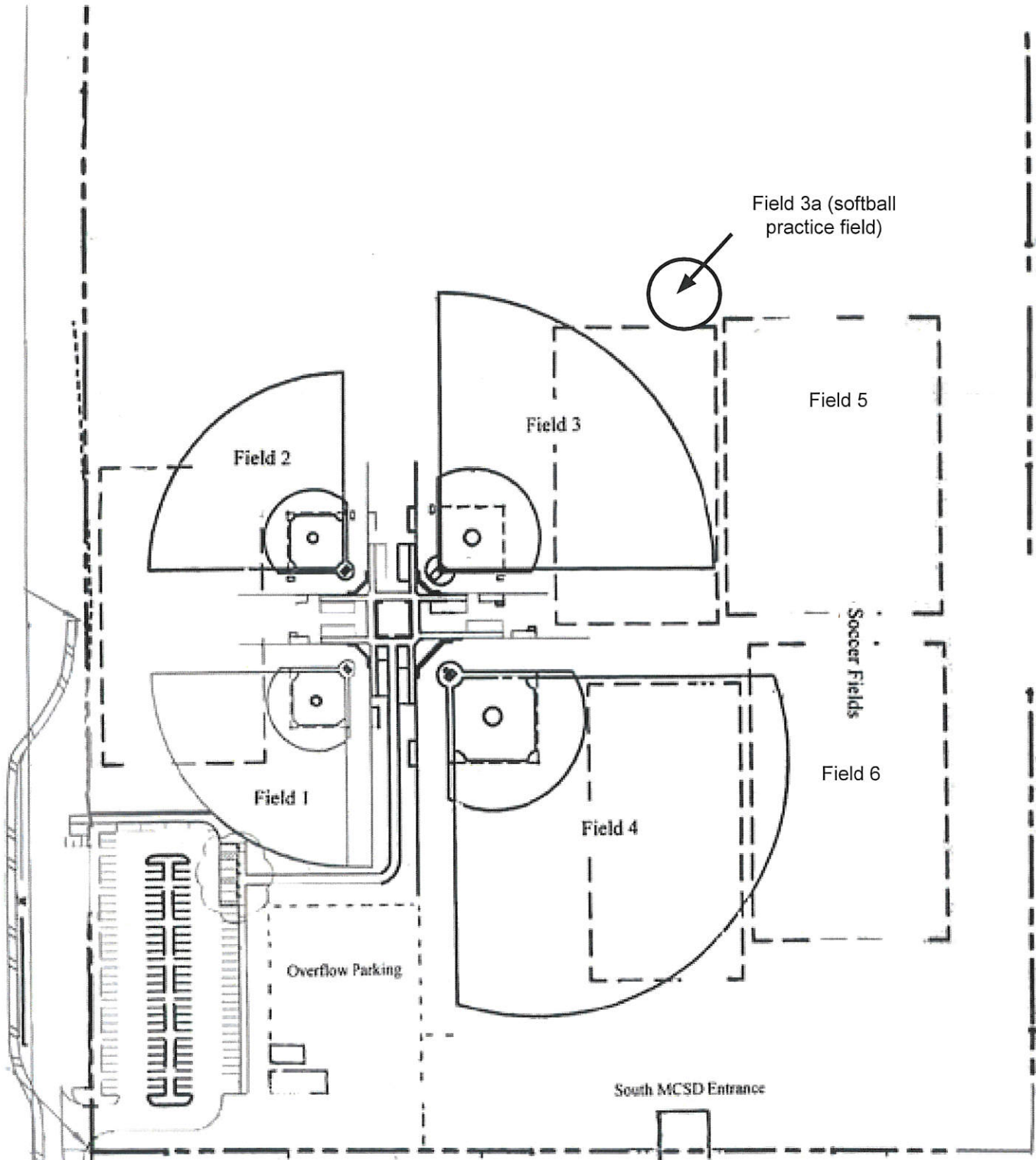
Date:

Mad River Youth Soccer League

Tim Canning
President, Mad River Youth Soccer League

Date:

McKINLEYVILLE COMMUNITY SERVICES DISTRICT
Hiller Sports Complex - Site Map



ARTICLE IV - PARKS AND RECREATION

REGULATION 40 - RECREATION AND PARKS ADVISORY COMMITTEE

Rule 40.01. MEMBERSHIP - the McKinleyville Community Services District Recreation and Parks Advisory Committee shall consist of eleven (11) members and two (2) alternate members who shall serve without compensation selected as follows:

- (a) One (1) non-voting member shall be a member of the District Board.
- (b) The remaining ten (10) members will be regular voting members. Of the ten (10) regular voting members, one (1) will be a member of the McKinleyville Area Fund Board of Directors nominated by the McKinleyville Area Fund Board of Directors.
- (c) When possible two (2) of the ten (10) regular voting members shall be High School students, nominated by the McKinleyville High School Principal.
- (d) The two (2) alternate members will not become voting members unless a regular voting member is absent. In the event that both alternates are present when only one regular member is absent, the alternates will decide upon which of the two (2) will fill the absent chair by a mutually agreed upon method. In the event the alternates cannot determine a method of decision, the committee chair will choose an appropriate decision making method.
- (e) All members of the Recreation Advisory Committee will represent to the extent possible various recreational interests of the community including but not limited to business, environmental, equestrian, sports, seniors, trails and youth. Recommendations for appointment may be made by the then current members of the committee.
- (f) Any citizen, residing in the service area of the McKinleyville Community Services District may apply to the District Board for appointment to fill vacant seats on the Recreation Advisory Committee.

Rule 40.02. APPOINTMENT - the committee members shall be appointed as follows:

- (a) The Board of Directors shall announce each vacancy and shall state they are seeking applicants, setting forth the qualifications, if any required.
- (b) The Board of Directors shall interview each applicant, after which a majority of the Board of Directors, may select the most qualified to fill the vacancy.

Rule 40.03. MEMBER QUALIFICATIONS - all members, other than the high school member, shall be resident electors of the McKinleyville Community Services District; the student members shall be a resident of McKinleyville. No members of the Recreation Advisory Committee shall be a family member or related to a full-time MCSD employee.

Rule 40.04. TERMS OF OFFICE -the committee members shall serve terms as follows:

- (a) Appointment of District Board Members shall be for a term of one (1) year. Such member shall be a non-voting member.
- (b) Appointment of McKinleyville Area Fund members and non-student community members shall be for a term of four (4) years. The term for student members shall be up to 4 years, limited by their High School graduation date.
- (c) Terms of the other non-Board of Director committee members shall be staggered so that no more than two (2) terms shall expire in any given year.
- (d) The annual expiration date of appointment shall be January 31st.

Rule 40.05. REMOVAL - members of the Committee may be removed by a majority vote of the District Board of Directors.

Rule 40.06. ABSENCES - if any member of the Committee is absent without prior notification to the Recreation Director for three (3) regular consecutive meetings, the Recreation Director shall certify that fact to the Board of Directors and the Board of Directors shall thereafter declare the position on the Committee to be vacant and proceed to fill the position by appointment.

Rule 40.07. ELECTION OF OFFICERS - the Committee shall, as soon as practicable, after the time of the annual appointment of a member or members to such Committee, elect its' officers. No member shall hold the same office for more than two (2) consecutive years.

Rule 40.08. OFFICERS - the Committee shall elect a Chairperson and Vice-Chairperson from among its members.

Rule 40.09. MEETINGS - the Committee shall hold regularly scheduled meetings in the Board of Directors Chambers of the District Office, or at such other place within the District as may be designated by the Committee, and may hold such additional meetings as it may deem necessary or expedient. All meetings must be noticed in compliance with state and federal laws.

Rule 40.10. TIME/LOCATION OF MEETINGS - the time of the regular meetings shall be as established from time to time by the committee members.

Rule 40.11. QUORUM - a majority of the Committee shall constitute a quorum for the purpose of transacting business of the Committee.

Rule 40.12. RECORDS - written records of all the proceedings, findings, determinations and transactions of the Committee shall be kept, which record shall be a public record and a copy of which record shall be filed with the District Secretary.

Rule 40.13. POWERS AND DUTIES - the Recreation and Parks Advisory Committee shall have the following powers and duties:

- (a) To serve in an advisory capacity to the Board of Directors and District Staff in all matters pertaining to public recreation, parks, and their respective facilities;

- (b) To make recommendations to the Board of Directors and District Staff with respect to the provisions of the annual budget for recreation and parks purposes;
- (c) To recommend to the Board of Directors acceptance or rejection of offers of donations of money, personal property and real property to be used for recreation and parks purposes;
- (d) To recommend to the Board of Directors a comprehensive recreation and park services program for the inhabitants of the District, to promote and stimulate public interest therein, and to solicit to the fullest extent the cooperation of school authorities and other public and private agencies interested therein;
- (e) To recommend for adoption by the Board of Directors rules and regulations for the use and improvement of the District's recreation services and parks and their respective facilities;
- (f) To recommend to the Board of Directors and District staff policies for the acquisition, development and improvement of recreation and parks areas; and
- (g) To perform such other duties relating to recreation and park matters as may be prescribed by the Board of Directors.

REGULATION 41 - RECREATION AND PARK SYSTEM

Rule 41.01. INJURY TO OR MISUSE OF RECREATION AND PARKS SYSTEM PROPERTY - NO PERSON SHALL:

- (a) Willfully mark, deface, injure, tamper with, or displace or remove any buildings, bridges, tables, benches, fireplaces, railings, bleachers, ball fields, water lines, paving or paving materials or other public utilities or parts thereof, signs, notices or placards, whether temporary or permanent, monuments, stakes, posts or other boundary markers, or other structures or equipment, or recreation and parks system property or appurtenances whatsoever, either real or personal.
- (b) Litter, soil or defile buildings, structures, grounds, equipment or other recreation and parks system property or appurtenances whatsoever. Trash, litter and other debris must be deposited into the proper receptacles.
- (c) Remove any soil, rock, stones, turf, trees, shrubs, or plants, down timber or other wood or materials or make any excavations by tool, equipment or any other means or agency.
- (d) Construct or erect any building or structure of whatever kind, whether permanent or temporary in character, or run or string any public utility into, upon or across such land except by District permit.
- (e) Trespass upon any area where prohibited.
- (f) Hunt, molest, or otherwise harm wildlife and plant life within the recreation and parks system.
- (g) Announce, advertise or call the public attention in any way to any article or service for sale or hire, except by District permit.
- (h) Paste, glue, tack or otherwise post any sign, placard, advertisement, or inscription whatever, nor shall any person erect or cause to be erected any sign whatever within the recreation and parks system without permission from the District.

- (i) Use any system for amplifying sounds, whether for speech or music or otherwise within the recreation and parks system unless a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit is first secured from the District.
- (j) Discharge any weapon of any type within the recreation and park system boundaries for any reason.
- (k) Make fires of any type for any reason in any area that is not properly equipped and designated to contain a fire.
- (l) Use model rockets and remote control model airplanes in McKinleyville Parks and Open Space without prior written approval from the District's General Manager.

Rule 41.02. POLLUTING WATERS OR DUMPING REFUSE PROHIBITED - NO PERSON SHALL:

- (a) Throw, discharge, or otherwise place or cause to be placed in the waters of any fountain, pond, stream or any other body of water in or adjacent to any component of the recreation and park system or any tributary, stream, storm sewer or drain flowing into such waters any substance, matter or things, liquid or solid, which will or may result in the pollution of said waters.
- (b) Dump, deposit, or leave any trash not created within the boundaries of the recreation and park system.

Rule 41.03. OPERATION OF MOTORIZED VEHICLES--PROHIBITED ACTS - NO PERSON SHALL:

- (a) Fail to comply with all applicable provisions of the Vehicle Code of the State of California in regard to equipment and operation of motorized vehicles together with such regulations as are contained in this ordinance.
- (b) Fail to obey all law enforcement officers and District employees who are hereafter authorized and instructed to require persons within the boundaries of the recreation and park system to adhere to the provisions of these regulations.
- (c) Fail to observe carefully all traffic signs, parking signs, and all other signs posted for the proper control of traffic and to safe guard life and property.
- (d) Operate a motorized vehicle, other than MCSD-authorized vehicles, within the boundaries of the facility except in those areas designated as driveways.

Rule 41.04. OPERATION OF NON-MOTORIZED VEHICLES--PROHIBITED ACTS - NO PERSON SHALL:

- (a) Non-motorized vehicles shall be defined as any form of transportation in which human or gravitational energy powers the source of transportation. Examples of such transportation are defined as bicycles, skateboards, roller blades, roller skates, etc.
- (b) Fail to comply with all applicable provisions of the Vehicle Code of the State of California in regard to equipment and operation of non-motorized vehicles together with such regulations as are contained in this ordinance.
- (c) Fail to obey all law enforcement officers and District employees who are hereafter authorized and instructed to require persons within the boundaries of the recreation and park system to adhere to the provisions of these regulations.

- (d) Fail to observe carefully all traffic signs, parking signs, and all other signs posted for the proper control of traffic and to safe guard life and property.
- (e) Operate non-motorized vehicles on any sidewalks, on pathways designated for pedestrian traffic only, and within turf and landscaped areas.

Rule 41.05. CONDUCT - ALCOHOLIC BEVERAGES

- (a) Patrons may use alcoholic beverages with meals in designated areas at recreation and parks system facilities, provided they conduct themselves in an orderly manner;
- (b) Alcoholic beverages may be served or may be sold by permit only at designated recreation and parks system facilities where sales are not prohibited and provided a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit have been secured;
- (c) No person shall be under the influence of intoxicating substances as provided in Section 647 (f) of the California Penal Code;
- (d) The District may withdraw the privilege to use alcoholic beverages at anytime if the rules and regulations as are contained in this ordinance are not abided by;
- (e) Use of intoxicating substances other than alcohol is prohibited.

Rule 41.06. PETS - pets may be off leash at outdoor facilities in designated areas and facilities only and must be under voice control at all times. Animal owners are responsible for removal of animal excrement from the facility.

Rule 41.07. OVERNIGHT USE PROHIBITED - there is to be no camping or loitering on the grounds or in public buildings or structures between sunset and sunrise unless a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit are first obtained from the District.

Rule 41.08. FIRES - fires will be allowed on grounds only in those areas equipped with District provided equipment designated for the containment of fires.

REGULATION 42 - OPERATION OF PIERSON PARK

Rule 42.01. GAZEBO BARBECUE COMPLEX - the gazebo barbecue complex is defined as the area encompassed by the gazebo located in the central portion of the park. Individuals or organizations desiring organized use of any portion of the gazebo barbecue complex for an organized function may do so by obtaining a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit only..

Rule 42.02. HORSESHOE PITS - the public may use the horseshoe pits on a first come basis. Any individual or organization desiring to use the horseshoe pits for an organized function may do so by obtaining a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit only.

Rule 42.03. WESTERLY PICNIC TABLES/BARBECUES - the public may use the picnic tables and barbecues located along the western park perimeter on a first-come basis only.

Rule 42.04. PICNIC PAVILION AND BARBECUE - the picnic pavilion is defined as the large covered picnic area to the west of the playground and east of the horseshoe pits. Individuals or organizations desiring organized use of any portion of the picnic pavilion and barbecue may do so by obtaining a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit only.

Rule 42.05. OVERNIGHT USE PROHIBITED - All events shall conclude at 10:00 p.m. Sunday-Thursday and at Midnight on Friday and Saturday. Overnight use is prohibited unless a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit are first obtained from the District.

Rule 42.06. FIRES - fires will be allowed on grounds only in those areas equipped with District provided equipment designated and in portable barbecues designated for the containment of fires.

Rule 42.07. PETS - the designated off leash area is defined as the area of the park east of Azalea Hall's Hewitt Room and north of the gazebo. Horses are not allowed.

REGULATION 43 - OPERATION OF HILLER PARK

Rule 43.01. PICNIC AREA USE - the picnic area is defined as the area of the park east of the western perimeter of the volleyball court. Individuals or organizations desiring organized use of any portion of the picnic area in Hiller Park for the purpose of holding organized functions may do so by obtaining a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit only.

Rule 43.02. PETS - the designated off leash area is defined as the area of the park west of the westerly perimeter of the volleyball court. Horses are prohibited in the picnic area.

Rule 43.03. FIRES - fires will be allowed on grounds only in those areas equipped with District provided equipment designated and in portable barbecues designed for the containment of fires.

Rule 43.04. OVERNIGHT USE PROHIBITED - all events shall conclude at 10:00 p.m. Sunday-Thursday and at Midnight on Friday and Saturday. Overnight use is prohibited unless a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit are first obtained from the District.

REGULATION 44 - OPERATION OF LARISSA PARK

Rule 44.01. PETS - pets must be on leash at all times.

REGULATION 45 - PERMITS, FEES AND DEPOSITS

Rule 45.01. FACILITY USAGE PERMITS REQUIRED – a valid facility usage permit is required for individuals or organizations to use any indoor facility or any outdoor facility for organized functions, to use any system for amplifying sounds, or to sell or serve alcoholic beverages at an organized function.

Rule 45.01.a. PERMIT TYPE DEFINITIONS - the District shall issue permits based on the following definition of use:

- (a) A "Special Event" shall be defined as use deemed to be non-programmatic with estimated attendance of less than 500 persons and no more than posted capacities at indoor facilities; for which off road and facility parking space is adequate; for which street closures are not required; and for which cancellation of approved vendor programs is not required.
- (b) A "Large Scale Community Event" shall be defined as use deemed to be non-programmatic with estimated attendance of more than 500 persons but no more than posted capacities at indoor facilities or for which off-road and facility parking space is adequate; or for which street closures may be required; or for which cancellation of an approved vendor program is required.
- (c) A "Vendor Contract" shall be defined as use by those individuals approved by the District Board of Directors, offering ongoing programs on a regular basis for no more than twelve months.

Rule 45.02. FACILITY USAGE PERMIT PROCESS - any individuals or organizations seeking issuance of a facility usage permit hereunder shall file a request for permit to use District facilities on the appropriate reservation form provided by the District. All requests must be filed with the District along with the required facility usage deposit, usage fees, proof of appropriate insurance coverage, and fees for other services at least (10) working days prior to the actual event date. The Recreation Director, under direction of the Board, may impose additional conditions for approval.

Rule 45.03. FACILITY USAGE FEES - facility usage fees, as established and adopted by the District Board shall be charged for and must accompany each facility usage permit request required hereunder for said facility usage permit request to be fully and properly executed by the District.

Rule 45.03.a. FEE STRUCTURE DEFINITIONS - the District shall identify the following fee structure definitions when charging customers for use of facilities:

- (a) A "Non-Profit Group" shall be defined as any group or organization which can supply proof of non-profit status via the Internal Revenue Service code. Other Governmental entities shall be considered as falling within the guidelines of this definition.
- (b) A "Vendor" shall be defined as an individual or organization, approved by the District Board of Directors that has a fully executed vendor contract for use of District facilities.

- (c) A "Private Citizen/Business" shall be defined as other potential users not fitting within the "non-profit group" or "vendor" definition.
- (d) A "Commercial Event" shall be defined as an event being held for the purpose of private financial gain for an individual or organization.
- (e) An "Event Host" shall be defined as a District employee who has received training regarding use of District facilities for outside events. Event hosts are required for all events except those taking place at Azalea Hall concurrently with McKinleyville Senior Center events or at District facilities for those events sponsored by a District approved vendor.
- (f) The "All Day Rate" shall be defined as a fee charged specifically for use of the Hewitt Room at Azalea Hall and which includes access to the facility for a maximum of twelve continuous hours.
- (g) The "Half-Day Rate" shall be defined as a fee charged specifically for use of the Hewitt Room at Azalea Hall and which includes access to the facility for a maximum of six continuous hours.
- (h) The "Off-Peak Use Discount" shall be defined as a 25% discount on hourly rates only which can be applied to the following facilities and hours only: Activity Center-Monday through Friday before 3:00p.m; Azalea Hall-Sundays and Monday through Thursday after 4:00p.m.

Rule 45.03.b. FACILITY USE FEES - the District shall charge the following rates for use of a District-owned facility for each use specified below:

ACTIVITY CENTER

Non-Profit Groups/Vendors	\$33.00/hour
Private Citizen/Business	\$48.00/hour

AZALEA HALL-ENTIRE FACILITY

Non-Profit Groups/Vendors	\$58.00/hour
Private Citizen/Business	\$77.00/hour

AZALEA HALL-HEWITT ROOM

Non-Profit Groups/Vendors	\$45.00/hour
Private Citizen/Business	\$55.00/hour
All Day Rate	\$486.00
Half Day Rate	\$288.00

AZALEA HALL-MEETING ROOM

Non-Profit Groups/Vendors	\$16.00/hour
Private Citizen/Business	\$22.00/hour

LIBRARY CONFERENCE ROOM

Non-Profit Groups/Vendors	\$24.00/hour
Private Citizen/Business	\$27.00/hour

PARKS

Gazebo Picnic Area	\$50.00/4 hrs
Picnic Pavilion	\$100.00/4 hrs
Special Event	\$150.00/day
*Commercial Events	\$250.00/day
*Requires Facility Host @ \$35.00 per hour unless overtime wages apply	

SPECIAL EVENT SERVICES

Event Setup	
Events with less than 100 persons	\$77.00
Events with 101-200 persons	\$107.00
Events with more than 200 persons	\$135.00

Event Cleanup

Events with less than 100 persons	\$135.00
Events with 101-200 persons	\$165.00
Events with more than 200 persons	\$200.00

Rule 45.03.c. EVENT SERVICES FEES - the District shall charge a fee of \$18 per hour for an event host for those events requiring such a host. The minimum charge shall be two hours. Other events service fees shall be determined each year and are based on the direct expense associated with providing said service. Such event fees shall be established and adopted by the Board.

Rule 45.03.d. RECREATION PROGRAM FEES - the District shall charge participants program fees based on the direct expenses associated with each individual program. Program fees shall be determined each year and as programs are added to the Department's current services index. Program fees shall be adopted by the Board within two months of the inception or change of fees.

Rule 45.04. DEPOSIT - a facility usage deposit, as established and adopted by the District Board must accompany each facility usage permit request for any facility usage permit required hereunder. The facility usage deposit shall be refunded to the applicant within fifteen working days if the facility is restored to pre-use conditions. If District clean-up is required to restore the facility to pre-use conditions or damage is noted to the facility, any refund will be less the expense associated with returning the facility to pre-use conditions.

Rule 45.04.a. FACILITY USE DEPOSIT FEES - the District shall charge a \$100 deposit for events which qualify and are defined as special events. The District shall charge a \$200 deposit for events which qualify and are defined as large-scale community events.

Rule 45.05. INSURANCE - a facility usage permit request shall not be considered fully executed unless the individual or organization seeking issuance of a facility usage permit obtains and furnishes liability coverage for the event which is acceptable to the District. The Recreation Director may impose additional conditions for approval.

Rule 45.06. PERMITS FOR USE OF FACILITIES - the District shall only grant a facility usage permit for organized use of a facility when each of the following findings can be made:

- (a) The requested area of the recreation and parks system for which the facility is located within is available during the period for which the facility usage permit is requested;
- (b) The expected attendance does not exceed the capacity of the facility or area.
- (c) The use for which the facility usage permit is sought complies with the use established for the facility or area requested.

Rule 45.07. USE OF SOUND AMPLIFICATION SYSTEM - the District shall only grant permission for use of any sound amplification system when each of the following findings can be made:

- (a) The individual or organization seeking permission for use of a sound amplification system must file, with the District, a facility usage permit request for the facility in which use of the sound amplification system is requested.
- (b) The sound amplification system proposed will not unduly inconvenience or disturb neighboring properties or other recreation and parks system facility users.
- (c) The maximum noise from use of the sound amplification system complies with Humboldt County's Noise Regulations.
- (d) The use for which permission is sought complies with the use established for the facility or area requested.

For those events at which sound amplification systems are utilized, the following requirements shall also be required:

- (a) A District supervisor will be assigned to be present throughout the event.

Rule 45.08. SALE OR SERVICE OF ALCOHOLIC BEVERAGES - the District shall only grant permission for sale or service of alcoholic beverages when each of the following findings can be made:

- (a) The individual or organization seeking permission for sale or service of alcoholic beverages must file, with the District, a facility usage permit request for the facility in which the sale of alcoholic beverages is requested;
- (b) If applicable, the individual or organization seeking permission has a valid permit from the Alcohol Beverages Commission to sell alcohol;
- (c) If applicable, the individual or organization seeking permission has secured outside security services;
- (d) The use for which permission is sought complies with the use established for the facility or area requested.

For those events at which alcohol is served or sold, the following requirements shall also be required:

- (a) A District supervisor will be assigned to be present throughout the event;
- (b) Facilities will not be rented for events at which the consumption of alcoholic beverages will be a principal activity.

The Recreation Director has the authority to impose additional conditions as a requirement for issuance of a fully executed Special Event Reservation Form and Permit or Community Event Reservation Application and Permit.

Rule 45.09. USE OF DISTRICT-OWNED EQUIPMENT - the District shall make available to individuals or organizations recreation-related equipment, which can be utilized for outdoor use. District shall only grant permission for use of District-owned equipment when each of the following findings can be made:

- (a) The individual or organization seeking permission for use of District-owned equipment must be requesting said equipment in conjunction with an event at a District facility which is being sponsored by the individual or organization;
- (b) The Individual or organization must file, with the District, a facility usage permit request for the facility in which the equipment will be utilized;
- (c) The requested equipment is available during the period for which use of the equipment is requested;
- (d) The individual or organization requesting use of MCSD-owned equipment furnishes the District with appropriate liability coverage.

Rule 45.10. APPEALS - an appeal of the action of District staff on any Facility Use Permit pursuant to this regulation must be in writing and filed by or on behalf of the individual or organization seeking the facility usage permit, within (10) days after the action of District staff on the facility usage permit request. The appeal shall set forth in detail the factual and legal basis of the appeal. The Board of Directors shall consider and act on the appeal within forty-five (45) days after the appeal is filed. The individual or organization filing the appeal shall be entitled to submit oral or written evidence to the Board in support of the appeal. Action of the Board of Directors on the appeal shall be final.

REGULATION 46 - ENFORCEMENT

Rule 46.01. VIOLATIONS - any violation of these rules and regulations relating to the use of District facilities located within the recreation and parks system is a misdemeanor, punishable by law.

REGULATION 47 - HILLER SPORTS SITE DEVELOPMENT, MANAGEMENT AND SCHEDULING COMMITTEE

Rule 47.01. MEMBERSHIP - the McKinleyville Community Services District Hiller Sports Site Development, Management and Scheduling Committee shall consist of members described below whom shall serve without compensation selected as follows:

- (a) Committee size shall be determined by the number of local sports organizations having and maintaining a current Hiller Sports Site Development, Funding, Maintenance, and Use Agreement with District who nominate a member to the

Committee and an additional member shall be from the District's Recreation Advisory Committee and an additional member shall be appointed to the Committee by the Board which member shall be of the general public.

Rule 47.02. APPOINTMENT - the committee members shall be appointed as follows:

- (a) All local sports organizations with a valid and current IRS non-profit identification number and who have and maintain a current Hiller Sports Site Development, Funding, Maintenance and Use Agreement with District are invited to nominate one member and one alternate member to the Committee. Such nominations shall be made in writing to the Director of Parks and Recreation. Recommendations for appointment shall be made by the Committee to the Recreation Advisory Committee who shall in turn recommend nominees to the District's Board of Directors. Appointment shall be made by the District's Board of Directors.
- (b) One member shall be a member of the Recreation Advisory Committee. Recommendations for appointment shall be made by the Recreation Advisory Committee. Appointment shall be made by the District's Board of Directors.
- (c) One member shall be a member of the general public who is a resident elector of the District and who shall hold no official office with any local sports organization desiring to offer programs at the Hiller Sports Site. Such member shall be nominated by the Committee who shall forward a recommendation to the Recreation Advisory Committee who shall in turn forward a recommendation to the District's Board of Directors. Appointment shall be made by the District's Board of Directors.

Rule 47.03. MEMBER QUALIFICATIONS - each member shall meet one of the criteria named above in Rule 47.02.

Rule 47.04. TERMS OF OFFICE - the Committee members shall serve terms as follows:

- (a) Appointment of the Recreation Advisory Committee member representative of Committee and member of the general public to the Committee shall be for a term of two (2) years. Such members may be re-appointed to successive terms.
- (b) Terms of other members shall be for a term of one (1) year. Such members may be re-appointed to successive terms.
- (c) The annual expiration date of each term shall be January 31st.

Rule 47.05. REMOVAL - members of the Committee may be removed by a majority vote of the District Board of Directors.

Rule 47.06. ABSENCES - if any member of the Committee is absent without prior notification to the Director of Parks and Recreation for two (2) regular consecutive meetings, the Director of Parks and Recreation shall certify that fact to the organization for whom the individual is a representative and to the District's Board of Directors. The District's Board of Directors shall thereafter declare the position on the Committee to be vacant and proceed to fill the position as outlined in 47.02. Should the vacated position

have a designated alternate, said alternate shall be appointed to full membership status. The organization of which the alternate is a member shall be authorized to nominate a designated alternate.

Rule 47.07. ELECTION OF OFFICERS - the Committee shall, as soon as practicable, after the time of the annual appointment of a member or members to such Committee, elect its' officers. No member shall hold the same office for more than two (2) consecutive years.

Rule 47.08. OFFICERS - the member of the Committee who is a representative of the District's Recreation Advisory Committee shall be designated as Chairperson of the Committee. The member of the Committee who is a representative of the general public shall be designated as Vice-Chairperson.

Rule 47.09. RECORDS - written records of all proceedings, findings, determinations, and transactions shall be kept, which record shall be a public record and a copy of which record shall be filed with the District's secretary.

Rule 47.10. POWERS AND DUTIES - the Committee shall have the power and duty to serve in an advisory capacity to the District's Recreation Advisory Committee and the Board of Directors in all matters pertaining to the development, scheduling, maintenance, and use of the Hiller Sports site.

MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
Hiller Sports Site Master Facility Fee Schedule

Facility Use Fees

<u>Turf Field Use</u>	\$22/hour per field
<u>Baseball Field Use</u>	\$25/hour per field
<u>Baseball Field Use</u> (Youth groups).....	\$7/hour per field
<u>Softball Field Use</u>	\$25/hour per field
<u>Softball Field Use</u> (Youth groups).....	\$7/hour per field

Baseball/Softball Tournament Use

50% reduction from regular hourly rates. Tournaments must have a minimum of 4 teams and 8 hours of continuous play per day.

Additional Fees

<u>Field Preparation- Ballfields</u>	\$22/hour per field
<u>Field Preparation- Turf Areas</u>	\$22/hour per field
<u>Concession Stand Use- Regular weekdays</u>	\$10/day
<u>Concession Stand Use- Regular weekends</u>	\$25/day
<u>Concession Stand Use- Tournaments</u>	\$25/day
<u>Insurance (if provided by District)</u>	Variable
<u>Facility Usage Deposit</u>	Variable

MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

Department of Parks & Recreation Department

OPERATION & MAINTENANCE RESPONSIBILITIES HILLER SPORTS COMPLEX

The following information specifies Operation & Maintenance responsibilities performed by McKinleyville Babe Ruth (ORGANIZATION) for the season as defined by the McKinleyville Community Services District's (MCSD) Facility Use Agreement Contract:

1. **Optional Field Maintenance:**
 - a. Any field maintenance desired by ORGANIZATION must be pre-approved by the DISTRICT. Credit toward use fees will be granted at the sole discretion of the DISTRICT.
 - i. Any maintenance done without pre-approval from the DISTRICT will not be eligible for credit.
2. **Field Preparation:**
 - a. All field preparation will be the responsibility of ORGANIZATION.
 - b. If necessary ORGANIZATION may request MCSD to prep ball fields for a fee.
3. **Field Repairs:** (See section 9.2. of the Facility Use Agreement.)
 - a. ORGANIZATION shall be held responsible for all damage or vandalism to District facilities occurring during ORGANIZATION's use of the facilities.
 - b. Upon notification by MCSD, ORGANIZATION is responsible to repair all damages immediately, or within a schedule approved by MCSD.
 - c. If ORGANIZATION is unable or unwilling to repair the damages, MCSD reserves the right to make the necessary repairs and bill ORGANIZATION for all costs.
 - d. Damaged or unsafe fields shall be unavailable for use until repairs are completed.
4. **Grounds Cleanup:**
 - a. ORGANIZATION agrees to clean grounds daily to include the sports fields, sidewalks surrounding the concession area, under the bleachers, and the sidewalk pathway leading to the parking lot.
 - b. Should MCSD be required to clean after ORGANIZATION usage, MCSD shall bill ORGANIZATION for the cost of labor.
5. **Daily Bathroom & Parking Lot Cleanup:**
 - a. ORGANIZATION agrees to monitor, patrol, and keep the bathrooms and parking lot clean during their usage. ORGANIZATION agrees to reimburse MCSD for the actual labor cost regarding any required cleaning of the restrooms and parking lot by MCSD. This reimbursement will be based upon the actual labor cost to MCSD.
6. **General Cleanup of the Concession Stand (if used):**
 - a. ORGANIZATION agrees to keep the Concession Stands clean, sanitary, and up to the County Health Department standards at all times.
 - b. MCSD reserves the right to inspect the Concession Stands without notice.
7. **Overflow Parking:**
 - a. ORGANIZATION agrees to notify MCSD of any events requiring usage of the overflow parking area.

8. Trash Disposal (If applicable):

- a. ORGANIZATION agrees to place a dumpster at the southeast corner of the parking lot.
- b. ORGANIZATION agrees to keep the dumpster locked at all times not in use.
- c. ORGANIZATION agrees to remove all trash bags from inside the sports complex each night after play, and place them in the dumpster.
- d. No trash bags shall be left in any portion of the Concessions/Storage/Restrooms building.

9. Supervision of Children:

- a. ORGANIZATION agrees to notify all coaches and parents and require proper supervision at all times of all children (players and spectators) inside Hiller Sports Complex.
- b. ORGANIZATION agrees to pay for all damages and vandalism caused from unsupervised children during ORGANIZATION field usage.

10. Rain Cancellations:

- a. ORGANIZATION agrees to comply with MCSD guidelines regarding cancellation of fields due to unsafe conditions and/or inclement weather. (See exhibit E in the Facility Use Agreement Contract.)

MCKINLEYVILLE COMMUNITY SERVICES DISTRICT Parks & Recreation Department

Guidelines for Cancellation of Activity on MCSD Athletic Fields

Due to inclement weather and poor field conditions, the McKinleyville Parks & Recreation Department reserves the right to deny an athletic activity or event from playing on an MCSD field. The two (2) main purposes of these guidelines are to ensure the safety of the participants and to prevent MCSD fields from getting abused and destroyed when the turf is vulnerable. Any MCSD employee or designated person may deny use of a field and/or require an activity to stop.

Examples of conditions that require cancellation of an athletic activity:

- Standing puddles of water on the field
- Footing is unsure and slippery
- Ground is water logged and “squishy”
- Grass can be pulled out of ground easily
- Lightning
- Severe weather storms

When games are played on fields with poor and/or unsafe conditions, it often causes irreversible damages to the field. If this occurs, it can take months and in some cases years to get the field back into quality playing condition.

Teams and/or leagues that refuse to follow these MCSD guidelines on Field Cancellations will be subject to the following disciplinary action:

1. **First Offense:**
Written warning to team and President of the Organization.
2. **Second Offense:**
One week suspension of the team or organization from practicing on fields.
3. **Third Offense:**
Forfeiture of a team’s privilege to either practice or play games on MCSD fields for the remainder of the season.

HILLER SPORTS SITE
"In Kind Work" & Field Modification Request Form

This form must be submitted and approved by an authorized MCSD representative prior to any projects being completed by any user group at Hiller Sports Complex.

ORGANIZATION: _____

NAME OF REPRESENTATIVE: _____

PHONE: _____ DATE OF REQUEST: _____

PROJECT: _____

PROJECT TIMELINE: _____

SIGNATURE OF ORG. REPRESENTATIVE: _____

FOR DISTRICT USE ONLY

PROJECT APPROVED: _____	PROJECT DENIED: _____
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MCSD REPRESENTATIVE: _____ DATE: _____

NOTES FROM MCSD: _____

SIGNATURE OF MCSD REPRESENTATIVE: _____

McKinleyville Community Services District

BOARD OF DIRECTORS

April 6, 2016

TYPE OF ITEM: **ACTION**

ITEM: D.5 **Approve and authorize Board President to sign and execute the approval of Senior Center Management Services and Usage Agreement**

PRESENTED BY: **Lesley Frisbee, Recreation Supervisor**

TYPE OF ACTION: **Voice Vote – Consent Calendar**

Recommendation:

Staff recommends that the Board approve and authorize the Board President to sign and authorize the Senior Center Management Services and Usage Agreement for a term of One (1) year and authorize the Board President to execute the Agreement.

Discussion:

For the past several years, the District and the McKinleyville Senior Center (MSC) have worked under a Management Services and Usage Agreement for the MSC use of Azalea Hall and the Meeting Room.

Within the last year the Board of Directors have eliminated the position of the Executive Director. The Senior Center Board has assumed all administrative duties for the operation of the McKinleyville Senior Center non-profit organization. The usage agreement has been edited to reflect this change in management.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

MSC shall pay to DISTRICT an amount, agreed upon by both parties, of \$450.00 per month, for utilities and janitorial supplies as provided in Section 4. The utility and janitorial supplies charge may be adjusted by DISTRICT, on an annual basis, in consultation with MSC.

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 - Senior Center Management Services and Usage Agreement

McKINLEYVILLE COMMUNITY SERVICES DISTRICT

Azalea Hall – Senior Center

Management Services and Usage Agreement

This AGREEMENT made and entered into this 6th day of April, 2016 by and between the McKinleyville Community Services District, a California Community Services District, and the McKinleyville Senior Center, a non-profit organization, with reference to the following facts, which are acknowledged as true and correct by each of the parties:

- (a) As used in this AGREEMENT, the following terms shall have the following definitions:
1. "AGREEMENT" shall mean the Management Services and Usage Agreement.
 2. "DISTRICT" shall mean the McKinleyville Community Services District.
 3. "MSC" shall mean the McKinleyville Senior Center.
 4. "Azalea Hall" shall mean the DISTRICT owned facility located at 1620 Pickett Road.
 5. "General Manager" shall mean the employee of the DISTRICT serving in said capacity.
 6. "BOARD OF DIRECTORS" shall mean the five elected members of the McKinleyville Community Services District Board of Directors.
 7. "Facility Use Guidelines" shall mean those guidelines established in Article IV of the McKinleyville Community Services District Rules and Regulations, contained in the District Facility Use Handbook, and attached as Exhibit A, as well as any amendments to said documents, DISTRICT may adopt during the term of this Agreement.
 8. "Article IV of the McKinleyville Community Services District Rules and Regulations" shall mean the then current portion of the document containing the Rules and Regulations of the DISTRICT as adopted by the Board of Directors.
- (b) DISTRICT is the owner of Azalea Hall located at 1620 Pickett Road in McKinleyville.

- (c) MSC desires to occupy and use the Meeting Room at Azalea Hall as its primary base of operations and is willing to provide certain services to DISTRICT in consideration of said use and occupancy; and
- (d) MSC and DISTRICT each desires to secure and enter into an AGREEMENT in accordance with the foregoing; and
- (e) The documents which are part of the AGREEMENT, and each of which are incorporated herein by this reference as though set forth in full, are the following:
 - 1. Exhibit A: Article IV of the McKinleyville Community Services District Rules and Regulations
 - 2. Exhibit B: McKinleyville Senior Center Schedule for Use of Azalea Hall

NOW, THEREFORE, in consideration of their mutual covenants and promises set forth herein, the parties hereto agree to as follows:

Section 1. Grant of Facility Use

- 1.01. DISTRICT grants MSC use of Azalea Hall as specifically described in Exhibit B. Facility use is subject to modification as a result of the provisions described in Section 20 of this AGREEMENT.
- 1.02. MSC shall adhere to the most current facility usage guidelines as adopted by DISTRICT and attached as Exhibit A. DISTRICT Board of Directors shall have the right to modify the guidelines, from time to time, in its sole discretion and any modifications shall become binding on MSC immediately after adoption.

Section 2. Required MSC Services

- 2.01. During the term of this Agreement, DISTRICT may request MSC to provide certain services to DISTRICT. Tours of the facility for prospective renters are required by DISTRICT. Such other tasks as agreed upon in writing by both parties. MSC will not assume any obligation to provide any services in excess of those stated in this Agreement unless a written amendment to this Agreement is executed by both parties.

Section 3. Maintenance

- 3.01. DISTRICT shall maintain Azalea Hall and provide repairs as needed.
- 3.02. MSC shall insure that any portion of Azalea Hall used by MSC shall be kept clean and well maintained on a daily basis, so that Azalea Hall is, at all times, in suitable condition for use by others.

Section 4. Utilities

- 4.01. MSC shall be responsible for the payment of telephone charges incurred by MSC in its usage of Azalea Hall.
- 4.02. DISTRICT shall pay all utility charges incurred to provide heat, water, electricity, and telephone services to Azalea Hall except those utilities specifically agreed to be paid by MSC as outlined in this section.
- 4.03. MSC and DISTRICT shall each pay 50% of the cost of maintaining internet services at the facility.

Section 5. Equipment and Supplies Storage

- 5.01. Storage of MSC's equipment at Azalea Hall shall be at MSC's sole risk and DISTRICT shall not warrant security of stored materials.
- 5.02. Storage of MSC's equipment must not interfere or compromise access to facility amenities available to other facility users.

Section 6. Facility Use and Access

- 6.01. MSC agrees to comply with DISTRICT's established facility use guidelines, as defined in Article IV of the McKinleyville Community Services District Rules and Regulations, and attached as Exhibit A and incorporated by reference herein.
- 6.02. MSC will sign for facility access keys; maintain custody of all keys during the term of this AGREEMENT; and return all keys upon completion of the term of this AGREEMENT. MSC shall not duplicate any keys or provide security codes to any other party. MSC will follow the procedures established by DISTRICT in opening building and closing building including activation and deactivation of alarm system. MSC will pay any charges levied resulting from false alarms caused by MSC's failure to comply with DISTRICT's security procedures. MSC will pay DISTRICT's actual cost to re-key Azalea Hall should MSC lose any key.
- 6.03. Should this AGREEMENT be terminated, MSC will surrender to DISTRICT, MSC's keys on or before the last day the AGREEMENT is still valid. Should this AGREEMENT be terminated, MSC also acknowledges that MSC's security codes will expire at Midnight on the last full day the Agreement is valid.

Section 7. Use of Equipment

- 7.01. MSC agrees not to use equipment owned by those other than MSC and DISTRICT and stored at Azalea Hall without first obtaining written

approval from the owner of said equipment. A copy of written approval must be provided to the DISTRICT.

Section 8. Entry by DISTRICT

- 8.01. MSC shall permit DISTRICT, and DISTRICT's agents and assigns, at all reasonable times, to enter Azalea Hall (and those portions occupied by MSC), for the purposes of inspection, compliance with the terms of this AGREEMENT, exercise of all rights under this AGREEMENT, posting notices, and all other lawful purposes.

Section 9. Use Compatibility

- 9.01. MSC agrees that all use of Azalea Hall by MSC shall be conducted in a manner within the intended use of Azalea Hall and compatible with respect to the surrounding neighborhood and community.

Section 10. Site Improvements

- 10.01. Should MSC desire to have specific site improvements installed at Azalea Hall, MSC must first obtain written approval from the DISTRICT for such improvements and pay for all costs related to any pre-approved improvements.
- 10.02. It is understood and agreed between the parties that all installations, additions, and improvements constructed or installed at any time at Azalea Hall during the term of this AGREEMENT shall immediately become the property of and belong to the DISTRICT upon such construction or installation.

Section 11. Prohibited Actions

- 11.01. MSC shall not:
- 11.01.a. Use Azalea Hall for any purpose other than as authorized in this AGREEMENT and described in Exhibit B and authorized by DISTRICT; and
- 11.01.b. Perform or permit to be done anything which may interfere with the effectiveness and accessibility of Azalea Hall; nor perform or permit to be done anything which may interfere with free access and passage in Azalea Hall or the public areas adjacent thereto; or hinder police, fire fighting, or other emergency personnel in the discharge of their duties; and

- 11.01.c. Rent, sell, lease, or offer any space for any articles whatsoever within or on Azalea Hall without the prior written consent of the DISTRICT; and
- 11.01.d. Place any additional lock of any kind upon any door, cabinet, or storage space, unless a key therefore is provided to the DISTRICT, and, upon expiration or termination of this AGREEMENT, to surrender to DISTRICT any and all keys, and in the event of loss of any keys furnished by DISTRICT, MSC shall pay DISTRICT the cost for replacement thereof; and
- 11.01.e. Use or allow Azalea Hall to be used for any improper purposes or for purposes in violation of Article IV of the McKinleyville Community Services District Rules and Regulations, as the same may be modified from time to time by DISTRICT.

Section 12. Equal Opportunity and Non-Discrimination Clause

- 12.01. MSC shall not discriminate in its offering of programs and use of Azalea Hall and all duties related to such offering and use on the basis of race, color, national origin, religious creed, ancestry, sex, age, or physical handicap and shall comply with all applicable state and federal statutes and regulations pertaining to such matters.

Section 13. Americans with Disabilities Act Compliance

- 13.01. DISTRICT shall indemnify, defend, and hold harmless MSC from any fines or penalties which may be imposed on MSC pursuant to the Americans with Disabilities Act as a result of DISTRICT's failure to make any required improvements to the premises as required by the Americans with Disabilities Act.
- 13.02. MSC shall be responsible for compliance with any and all requirements of the Americans with Disabilities Act with respect to the operation of MSC programs and use of Azalea Hall for which MSC is responsible. MSC shall indemnify, defend, and hold harmless DISTRICT from any fines or penalties which may be imposed upon it pursuant to the Americans with Disabilities Act as a result of MSC's failure to comply with any requirement of the Americans with Disabilities Act with respect to the operation of MSC programs and use of Azalea Hall for which MSC is responsible.

Section 14. Compliance with Law

- 14.01. MSC shall comply with and conform to all laws and regulations, state, and federal and any and all requirements and orders of any state, or federal board or authority, present or future, in any way relating to the condition or use of Azalea Hall throughout the entire term of this AGREEMENT.

Section 15. Coordination, MSC Board and Staffing Requirements

15.01. DISTRICT Coordination and Staffing

15.01.a. DISTRICT shall designate a Parks & Recreation employee who shall be the primary contact person with the MSC.

15.02. MSC Meeting and Coordination Requirements

15.02.a. During the term of this Agreement the MSC shall maintain an active Advisory Board of Directors which shall meet quarterly or as needed during each year this AGREEMENT is in effect.

15.02.b. DISTRICT General Manager shall be invited to each MSC Executive Meeting, Advisory Board Meeting and Regular meeting of the MSC Board of Directors, and an item shall be included at the beginning of each MSC meeting agenda to address Azalea Hall and issues pertinent to this AGREEMENT

15.03. DISTRICT Board of Directors shall maintain a standing committee, McKinleyville Senior Center Advisory Committee, chaired by a DISTRICT Board Member. This advisory position will attend all MSC executive and regular board meetings and report back to DISTRICT's Board of Directors to facilitate communications between the two entities.

Section 16. Compensation

16.01. MSC shall pay to DISTRICT an amount, agreed upon by both parties, of \$450.00 per month, for utilities and janitorial supplies as provided in Section 4. The utility and janitorial supplies charge may be adjusted by DISTRICT, on an annual basis, in consultation with MSC.

16.02. Additional facility use fees to be paid by MSC shall be outlined in Exhibit B.

16.03. Payment Procedure

16.03.a. MSC shall pay DISTRICT all sums required under this Agreement within thirty (30) days after receipt by MSC of payment statement for each month (or partial month) for which payments are due.

16.04. Delinquent Payment

16.04.a. In the event MSC shall be delinquent by more than fifteen (15) days in the payment of any sums due under the terms of this

Section, such delinquencies shall be considered to be a breach of this AGREEMENT.

Section 17. Insurance

17.01. Minimum Scope

17.01.a. At MSC's cost, MSC shall obtain and maintain throughout the term of this AGREEMENT, comprehensive general public liability insurance, issued by an admitted carrier with a Best Company Rating of no less than "A" and acceptable to DISTRICT. Such insurance shall provide coverage for MSC's actions in performing this AGREEMENT and use of Azalea Hall and insuring DISTRICT against loss or liability caused by or connected with MSC's occupation and use of Azalea Hall under this AGREEMENT. Insured amounts shall be not less than \$1,000,000.00 per occurrence and DISTRICT, its officers, agents, assigns, and employees shall be designated as additional insured pursuant to said policy.

17.02. Proof of Insurance

17.02.a. Prior to the commencement of this AGREEMENT and the inception of the term, MSC shall provide DISTRICT written notification from the insurance carrier, of the existence of such policies and shall also provide a certificate of insurance and separate endorsement in the amounts listed in 17.01. Coverage provided by the policy shall not be canceled or amended until the DISTRICT is first provided with at least thirty (30) days written notice concerning such cancellation or notice.

Section 18. Indemnity

18.01. Hold Harmless

Except for the active negligence or willful misconduct of DISTRICT, MSC undertakes and agrees to defend, indemnify, and hold harmless DISTRICT and all its officers, agents, assigns, and employees from and against any and all suits, actions, and causes of action, claims, liens, demands, obligations, proceedings, loss or liability of every kind and nature in connection with or arising directly or indirectly out of this AGREEMENT whatsoever, for death or injury to any person including DISTRICT's officers, agents, assigns, and employees, or damage or destruction of any property of either party hereto or of third parties, arising out of or in any manner by reason of, or incident to, the performance of this AGREEMENT, on part of MSC, its officers, agents, assigns, and employees of any tier.

Section 19. Unavoidable Delays

19.01. The provisions of this Section shall be applicable if there shall occur, during the term of this AGREEMENT, any (a) inability to obtain labor or materials, or reasonable substitutes (other than lack of funds); or (b) acts of God, governmental restriction, regulations or controls, enemy or hostile government, civil commotion, fire, or other casualty; or (c) other conditions similar to those enumerated in this Section beyond reasonable control of the party obligated to perform (other than lack of funds). If DISTRICT or MSC shall, as the result of any of the above-described events, fail to provide or perform any obligation on its part under this AGREEMENT, then upon written notification to the other within ten (10) days of such event, such failure shall be excused and not be a breach of this AGREEMENT by the party claiming unavoidable delay, but only to the extent occasioned by such event. Notwithstanding anything contained herein to the contrary, this Section shall not be applicable to the obligation of the DISTRICT or MSC to pay any sums, monies, costs, charges, or expenses required paid pursuant to the terms of this AGREEMENT.

Section 20. Amendments and Assignments

20.01. This AGREEMENT contains the complete and final AGREEMENT between DISTRICT and MSC. No AGREEMENT or other understanding in any way purporting to modify, add to, or supersede the terms and conditions hereof, shall be binding upon either party unless made in writing and duly executed by authorized representatives. This provision shall not limit or restrict DISTRICT's right to modify the Facility Use Guidelines, during the term of this Agreement.

20.02. This AGREEMENT may not be assigned or transferred, in whole or in part, by MSC without first obtaining the written consent of DISTRICT. Consent may be withheld, for any reason, in the DISTRICT's sole discretion.

20.03. This AGREEMENT may not be assigned or transferred, in whole or in part, by DISTRICT without first obtaining written consent of MSC and approval by MSC's Executive Board of Directors. Consent may be withheld, for any reason, in the MSC's sole discretion.

20.04. Furthermore, the DISTRICT agrees that proposals for amendments and assignments to this AGREEMENT shall not be submitted in any DISTRICT Board or Committee meeting packet, given to any Board or Committee member, or otherwise posted unless such amendments and assignments have been presented in writing to MSC's Executive Board of Directors.

Section 21. Taxes

- 21.01. MSC shall be solely responsible for the payment, when due, for any possessory interest or other unsecured tax levied by any governmental authority with respect to the use and occupancy of Azalea Hall by MSC.

Section 22. Resolution of Disputes

22.01. Process for Resolution

- 22.01.a. Any dispute arising under the terms of this AGREEMENT, which is not resolved within a reasonable period of time by authorized representatives of the DISTRICT and the MSC shall be brought to the attention of DISTRICT General Manager (or designated representative of the DISTRICT) and the Chair of the MSC Board of Directors (or designated representative) of the MSC for joint resolution of the dispute. If these means are pursued without success, either party may seek resolution employing whatever remedies exist in law or equity beyond this AGREEMENT. Despite an unresolved dispute, the DISTRICT and MSC hereto shall continue without delay to perform its obligations under this AGREEMENT.

22.02. Attorney's Fee's

- 22.02.a. In the event of any litigation arising between the parties regarding the terms of this AGREEMENT, the prevailing party shall be entitled to recover reasonable attorney's fees in addition to other relief provided by law.

Section 23. Law Governing

- 23.01 The AGREEMENT shall be governed exclusively by the provisions hereof and by the laws of the State of California.

Section 24. Notices

- 24.01 Any notice, demand, communication under or in connection with this AGREEMENT, may be served upon DISTRICT by personal service, or by mailing the same by certified mail in the United States Post Office, postage prepaid, and directed to the DISTRICT as follows:

General Manager
McKinleyville Community Services District
1656 Sutter Road / P.O. Box 2037
McKinleyville CA 95519

And may likewise be served on MSC by personal service or by so mailing the same addressed to MSC as follows:

Board Chair
McKinleyville Senior Center
1620 Pickett Road
McKinleyville CA 95519

Either DISTRICT or MSC may change such address by notifying the other party in writing as to such new address as DISTRICT or MSC may desire used and which address shall continue as the address until further written notice.

Section 25. Term and Extensions

25.01 Term and Extensions

25.01.a. Subject to the provisions of this AGREEMENT, the term of this AGREEMENT shall be for one (1) year, commencing on the date herein and shall continue through and including the 30th day of April, 2017.

Opportunities shall be made for DISTRICT and MSC to review this AGREEMENT on a yearly basis to enact amendments and assignments to this AGREEMENT as provided in Section 20 of this AGREEMENT.

25.02. Termination by DISTRICT

25.02.a. Notwithstanding the foregoing, DISTRICT, in the case of MSC's breaches, may terminate this AGREEMENT by giving MSC written notice, to the address herein set forth, which notice shall identify MSC's deficiencies in performance of this AGREEMENT. If, within thirty (30) days of the date of said notice, MSC has not cured the deficiency in performance, DISTRICT may, by further written notice, terminate this AGREEMENT to be effective sixty (60) days following the date of said second written notice.

In the event this AGREEMENT is so terminated, it shall be lawful for DISTRICT immediately hereafter to remove all persons and property from the premises.

25.03. Termination by MSC

25.03.a. Notwithstanding the foregoing, MSC, in the case of DISTRICT's breaches, may terminate this AGREEMENT by giving DISTRICT written notice to the address herein set forth which notice shall

identify DISTRICT's deficiencies in performance of this AGREEMENT. If, within thirty (30) days of the date of said notice, DISTRICT has not cured the deficiency in performance, MSC may, by further written notice, terminate this AGREEMENT to be effective sixty (60) days following the date of said second written notice.

25.04. Obligations Upon Expiration or Termination

25.04.a. Upon the expiration or termination of this AGREEMENT, for any reason whatsoever, MSC shall promptly deliver the following to the DISTRICT's appointed agent:

All access keys and codes to Azalea Hall.

25.05. Disposition of Certain Property

25.05.a. MSC hereby acknowledges and agrees that any and all equipment not directly owned by MSC and all DISTRICT-owned equipment and materials used in connection with Azalea Hall shall remain the property of the DISTRICT, and MSC acknowledges that it shall not be entitled to remove such property from Azalea Hall upon the expiration or termination of this AGREEMENT, regardless of reason.

IN WITNESS WHEREOF, the parties have executed this AGREEMENT as of the day and year first above written.

McKinleyville Community Services District

McKinleyville Senior Center

By: _____

By: _____

George Wheeler, President
MCSD Board of Directors

Chairman, MSC Board of Directors

Date: _____

Date: _____

Attest:

By: _____

Becky Schuette, Secretary to the Board of Directors

ARTICLE IV - PARKS AND RECREATION

REGULATION 40 - RECREATION AND PARKS ADVISORY COMMITTEE

Rule 40.01. MEMBERSHIP - the McKinleyville Community Services District Recreation and Parks Advisory Committee shall consist of eleven (11) members and two (2) alternate members who shall serve without compensation selected as follows:

- (a) One (1) non-voting member shall be a member of the District Board.
- (b) The remaining ten (10) members will be regular voting members. Of the ten (10) regular voting members, one (1) will be a member of the McKinleyville Area Fund Board of Directors nominated by the McKinleyville Area Fund Board of Directors.
- (c) When possible two (2) of the ten (10) regular voting members shall be High School students, nominated by the McKinleyville High School Principal.
- (d) The two (2) alternate members will not become voting members unless a regular voting member is absent. In the event that both alternates are present when only one regular member is absent, the alternates will decide upon which of the two (2) will fill the absent chair by a mutually agreed upon method. In the event the alternates cannot determine a method of decision, the committee chair will choose an appropriate decision making method.
- (e) All members of the Recreation Advisory Committee will represent to the extent possible various recreational interests of the community including but not limited to business, environmental, equestrian, sports, seniors, trails and youth. Recommendations for appointment may be made by the then current members of the committee.
- (f) Any citizen, residing in the service area of the McKinleyville Community Services District may apply to the District Board for appointment to fill vacant seats on the Recreation Advisory Committee.

Rule 40.02. APPOINTMENT - the committee members shall be appointed as follows:

- (a) The Board of Directors shall announce each vacancy and shall state they are seeking applicants, setting forth the qualifications, if any required.
- (b) The Board of Directors shall interview each applicant, after which a majority of the Board of Directors, may select the most qualified to fill the vacancy.

Rule 40.03. MEMBER QUALIFICATIONS - all members, other than the high school member, shall be resident electors of the McKinleyville Community Services District; the student members shall be a resident of McKinleyville. No members of the Recreation Advisory Committee shall be a family member or related to a full-time MCSD employee.

Rule 40.04. TERMS OF OFFICE -the committee members shall serve terms as follows:

- (a) Appointment of District Board Members shall be for a term of one (1) year. Such member shall be a non-voting member.
- (b) Appointment of McKinleyville Area Fund members and non-student community members shall be for a term of four (4) years. The term for student members shall be up to 4 years, limited by their High School graduation date.
- (c) Terms of the other non-Board of Director committee members shall be staggered so that no more than two (2) terms shall expire in any given year.
- (d) The annual expiration date of appointment shall be January 31st.

Rule 40.05. REMOVAL - members of the Committee may be removed by a majority vote of the District Board of Directors.

Rule 40.06. ABSENCES - if any member of the Committee is absent without prior notification to the Recreation Director for three (3) regular consecutive meetings, the Recreation Director shall certify that fact to the Board of Directors and the Board of Directors shall thereafter declare the position on the Committee to be vacant and proceed to fill the position by appointment.

Rule 40.07. ELECTION OF OFFICERS - the Committee shall, as soon as practicable, after the time of the annual appointment of a member or members to such Committee, elect its' officers. No member shall hold the same office for more than two (2) consecutive years.

Rule 40.08. OFFICERS - the Committee shall elect a Chairperson and Vice-Chairperson from among its members.

Rule 40.09. MEETINGS - the Committee shall hold regularly scheduled meetings in the Board of Directors Chambers of the District Office, or at such other place within the District as may be designated by the Committee, and may hold such additional meetings as it may deem necessary or expedient. All meetings must be noticed in compliance with state and federal laws.

Rule 40.10. TIME/LOCATION OF MEETINGS - the time of the regular meetings shall be as established from time to time by the committee members.

Rule 40.11. QUORUM - a majority of the Committee shall constitute a quorum for the purpose of transacting business of the Committee.

Rule 40.12. RECORDS - written records of all the proceedings, findings, determinations and transactions of the Committee shall be kept, which record shall be a public record and a copy of which record shall be filed with the District Secretary.

Rule 40.13. POWERS AND DUTIES - the Recreation and Parks Advisory Committee shall have the following powers and duties:

- (a) To serve in an advisory capacity to the Board of Directors and District Staff in all matters pertaining to public recreation, parks, and their respective facilities;

- (b) To make recommendations to the Board of Directors and District Staff with respect to the provisions of the annual budget for recreation and parks purposes;
- (c) To recommend to the Board of Directors acceptance or rejection of offers of donations of money, personal property and real property to be used for recreation and parks purposes;
- (d) To recommend to the Board of Directors a comprehensive recreation and park services program for the inhabitants of the District, to promote and stimulate public interest therein, and to solicit to the fullest extent the cooperation of school authorities and other public and private agencies interested therein;
- (e) To recommend for adoption by the Board of Directors rules and regulations for the use and improvement of the District's recreation services and parks and their respective facilities;
- (f) To recommend to the Board of Directors and District staff policies for the acquisition, development and improvement of recreation and parks areas; and
- (g) To perform such other duties relating to recreation and park matters as may be prescribed by the Board of Directors.

REGULATION 41 - RECREATION AND PARK SYSTEM

Rule 41.01. INJURY TO OR MISUSE OF RECREATION AND PARKS SYSTEM PROPERTY - NO PERSON SHALL:

- (a) Willfully mark, deface, injure, tamper with, or displace or remove any buildings, bridges, tables, benches, fireplaces, railings, bleachers, ball fields, water lines, paving or paving materials or other public utilities or parts thereof, signs, notices or placards, whether temporary or permanent, monuments, stakes, posts or other boundary markers, or other structures or equipment, or recreation and parks system property or appurtenances whatsoever, either real or personal.
- (b) Litter, soil or defile buildings, structures, grounds, equipment or other recreation and parks system property or appurtenances whatsoever. Trash, litter and other debris must be deposited into the proper receptacles.
- (c) Remove any soil, rock, stones, turf, trees, shrubs, or plants, down timber or other wood or materials or make any excavations by tool, equipment or any other means or agency.
- (d) Construct or erect any building or structure of whatever kind, whether permanent or temporary in character, or run or string any public utility into, upon or across such land except by District permit.
- (e) Trespass upon any area where prohibited.
- (f) Hunt, molest, or otherwise harm wildlife and plant life within the recreation and parks system.
- (g) Announce, advertise or call the public attention in any way to any article or service for sale or hire, except by District permit.
- (h) Paste, glue, tack or otherwise post any sign, placard, advertisement, or inscription whatever, nor shall any person erect or cause to be erected any sign whatever within the recreation and parks system without permission from the District.

- (i) Use any system for amplifying sounds, whether for speech or music or otherwise within the recreation and parks system unless a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit is first secured from the District.
- (j) Discharge any weapon of any type within the recreation and park system boundaries for any reason.
- (k) Make fires of any type for any reason in any area that is not properly equipped and designated to contain a fire.
- (l) Use model rockets and remote control model airplanes in McKinleyville Parks and Open Space without prior written approval from the District's General Manager.

Rule 41.02. POLLUTING WATERS OR DUMPING REFUSE PROHIBITED - NO PERSON SHALL:

- (a) Throw, discharge, or otherwise place or cause to be placed in the waters of any fountain, pond, stream or any other body of water in or adjacent to any component of the recreation and park system or any tributary, stream, storm sewer or drain flowing into such waters any substance, matter or things, liquid or solid, which will or may result in the pollution of said waters.
- (b) Dump, deposit, or leave any trash not created within the boundaries of the recreation and park system.

Rule 41.03. OPERATION OF MOTORIZED VEHICLES--PROHIBITED ACTS - NO PERSON SHALL:

- (a) Fail to comply with all applicable provisions of the Vehicle Code of the State of California in regard to equipment and operation of motorized vehicles together with such regulations as are contained in this ordinance.
- (b) Fail to obey all law enforcement officers and District employees who are hereafter authorized and instructed to require persons within the boundaries of the recreation and park system to adhere to the provisions of these regulations.
- (c) Fail to observe carefully all traffic signs, parking signs, and all other signs posted for the proper control of traffic and to safe guard life and property.
- (d) Operate a motorized vehicle, other than MCSD-authorized vehicles, within the boundaries of the facility except in those areas designated as driveways.

Rule 41.04. OPERATION OF NON-MOTORIZED VEHICLES--PROHIBITED ACTS - NO PERSON SHALL:

- (a) Non-motorized vehicles shall be defined as any form of transportation in which human or gravitational energy powers the source of transportation. Examples of such transportation are defined as bicycles, skateboards, roller blades, roller skates, etc.
- (b) Fail to comply with all applicable provisions of the Vehicle Code of the State of California in regard to equipment and operation of non-motorized vehicles together with such regulations as are contained in this ordinance.
- (c) Fail to obey all law enforcement officers and District employees who are hereafter authorized and instructed to require persons within the boundaries of the recreation and park system to adhere to the provisions of these regulations.

- (d) Fail to observe carefully all traffic signs, parking signs, and all other signs posted for the proper control of traffic and to safe guard life and property.
- (e) Operate non-motorized vehicles on any sidewalks, on pathways designated for pedestrian traffic only, and within turf and landscaped areas.

Rule 41.05. CONDUCT - ALCOHOLIC BEVERAGES

- (a) Patrons may use alcoholic beverages with meals in designated areas at recreation and parks system facilities, provided they conduct themselves in an orderly manner;
- (b) Alcoholic beverages may be served or may be sold by permit only at designated recreation and parks system facilities where sales are not prohibited and provided a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit have been secured;
- (c) No person shall be under the influence of intoxicating substances as provided in Section 647 (f) of the California Penal Code;
- (d) The District may withdraw the privilege to use alcoholic beverages at anytime if the rules and regulations as are contained in this ordinance are not abided by;
- (e) Use of intoxicating substances other than alcohol is prohibited.

Rule 41.06. PETS - pets may be off leash at outdoor facilities in designated areas and facilities only and must be under voice control at all times. Animal owners are responsible for removal of animal excrement from the facility.

Rule 41.07. OVERNIGHT USE PROHIBITED - there is to be no camping or loitering on the grounds or in public buildings or structures between sunset and sunrise unless a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit are first obtained from the District.

Rule 41.08. FIRES - fires will be allowed on grounds only in those areas equipped with District provided equipment designated for the containment of fires.

REGULATION 42 - OPERATION OF PIERSON PARK

Rule 42.01. GAZEBO BARBECUE COMPLEX - the gazebo barbecue complex is defined as the area encompassed by the gazebo located in the central portion of the park. Individuals or organizations desiring organized use of any portion of the gazebo barbecue complex for an organized function may do so by obtaining a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit only..

Rule 42.02. HORSESHOE PITS - the public may use the horseshoe pits on a first come basis. Any individual or organization desiring to use the horseshoe pits for an organized function may do so by obtaining a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit only.

Rule 42.03. WESTERLY PICNIC TABLES/BARBECUES - the public may use the picnic tables and barbecues located along the western park perimeter on a first-come basis only.

Rule 42.04. PICNIC PAVILION AND BARBECUE - the picnic pavilion is defined as the large covered picnic area to the west of the playground and east of the horseshoe pits. Individuals or organizations desiring organized use of any portion of the picnic pavilion and barbecue may do so by obtaining a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit only.

Rule 42.05. OVERNIGHT USE PROHIBITED - All events shall conclude at 10:00 p.m. Sunday-Thursday and at Midnight on Friday and Saturday. Overnight use is prohibited unless a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit are first obtained from the District.

Rule 42.06. FIRES - fires will be allowed on grounds only in those areas equipped with District provided equipment designated and in portable barbecues designated for the containment of fires.

Rule 42.07. PETS - the designated off leash area is defined as the area of the park east of Azalea Hall's Hewitt Room and north of the gazebo. Horses are not allowed.

REGULATION 43 - OPERATION OF HILLER PARK

Rule 43.01. PICNIC AREA USE - the picnic area is defined as the area of the park east of the western perimeter of the volleyball court. Individuals or organizations desiring organized use of any portion of the picnic area in Hiller Park for the purpose of holding organized functions may do so by obtaining a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit only.

Rule 43.02. PETS - the designated off leash area is defined as the area of the park west of the westerly perimeter of the volleyball court. Horses are prohibited in the picnic area.

Rule 43.03. FIRES - fires will be allowed on grounds only in those areas equipped with District provided equipment designated and in portable barbecues designed for the containment of fires.

Rule 43.04. OVERNIGHT USE PROHIBITED - all events shall conclude at 10:00 p.m. Sunday-Thursday and at Midnight on Friday and Saturday. Overnight use is prohibited unless a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit are first obtained from the District.

REGULATION 44 - OPERATION OF LARISSA PARK

Rule 44.01. PETS - pets must be on leash at all times.

REGULATION 45 - PERMITS, FEES AND DEPOSITS

Rule 45.01. FACILITY USAGE PERMITS REQUIRED – a valid facility usage permit is required for individuals or organizations to use any indoor facility or any outdoor facility for organized functions, to use any system for amplifying sounds, or to sell or serve alcoholic beverages at an organized function.

Rule 45.01.a. PERMIT TYPE DEFINITIONS - the District shall issue permits based on the following definition of use:

- (a) A "Special Event" shall be defined as use deemed to be non-programmatic with estimated attendance of less than 500 persons and no more than posted capacities at indoor facilities; for which off road and facility parking space is adequate; for which street closures are not required; and for which cancellation of approved vendor programs is not required.
- (b) A "Large Scale Community Event" shall be defined as use deemed to be non-programmatic with estimated attendance of more than 500 persons but no more than posted capacities at indoor facilities or for which off-road and facility parking space is adequate; or for which street closures may be required; or for which cancellation of an approved vendor program is required.
- (c) A "Vendor Contract" shall be defined as use by those individuals approved by the District Board of Directors, offering ongoing programs on a regular basis for no more than twelve months.

Rule 45.02. FACILITY USAGE PERMIT PROCESS - any individuals or organizations seeking issuance of a facility usage permit hereunder shall file a request for permit to use District facilities on the appropriate reservation form provided by the District. All requests must be filed with the District along with the required facility usage deposit, usage fees, proof of appropriate insurance coverage, and fees for other services at least (10) working days prior to the actual event date. The Recreation Director, under direction of the Board, may impose additional conditions for approval.

Rule 45.03. FACILITY USAGE FEES - facility usage fees, as established and adopted by the District Board shall be charged for and must accompany each facility usage permit request required hereunder for said facility usage permit request to be fully and properly executed by the District.

Rule 45.03.a. FEE STRUCTURE DEFINITIONS - the District shall identify the following fee structure definitions when charging customers for use of facilities:

- (a) A "Non-Profit Group" shall be defined as any group or organization which can supply proof of non-profit status via the Internal Revenue Service code. Other Governmental entities shall be considered as falling within the guidelines of this definition.
- (b) A "Vendor" shall be defined as an individual or organization, approved by the District Board of Directors that has a fully executed vendor contract for use of District facilities.

- (c) A "Private Citizen/Business" shall be defined as other potential users not fitting within the "non-profit group" or "vendor" definition.
- (d) A "Commercial Event" shall be defined as an event being held for the purpose of private financial gain for an individual or organization.
- (e) An "Event Host" shall be defined as a District employee who has received training regarding use of District facilities for outside events. Event hosts are required for all events except those taking place at Azalea Hall concurrently with McKinleyville Senior Center events or at District facilities for those events sponsored by a District approved vendor.
- (f) The "All Day Rate" shall be defined as a fee charged specifically for use of the Hewitt Room at Azalea Hall and which includes access to the facility for a maximum of twelve continuous hours.
- (g) The "Half-Day Rate" shall be defined as a fee charged specifically for use of the Hewitt Room at Azalea Hall and which includes access to the facility for a maximum of six continuous hours.
- (h) The "Off-Peak Use Discount" shall be defined as a 25% discount on hourly rates only which can be applied to the following facilities and hours only: Activity Center-Monday through Friday before 3:00p.m; Azalea Hall-Sundays and Monday through Thursday after 4:00p.m.

Rule 45.03.b. FACILITY USE FEES - the District shall charge the following rates for use of a District-owned facility for each use specified below:

ACTIVITY CENTER

Non-Profit Groups/Vendors	\$33.00/hour
Private Citizen/Business	\$48.00/hour

AZALEA HALL-ENTIRE FACILITY

Non-Profit Groups/Vendors	\$58.00/hour
Private Citizen/Business	\$77.00/hour

AZALEA HALL-HEWITT ROOM

Non-Profit Groups/Vendors	\$45.00/hour
Private Citizen/Business	\$55.00/hour
All Day Rate	\$486.00
Half Day Rate	\$288.00

AZALEA HALL-MEETING ROOM

Non-Profit Groups/Vendors	\$16.00/hour
Private Citizen/Business	\$22.00/hour

LIBRARY CONFERENCE ROOM

Non-Profit Groups/Vendors	\$24.00/hour
Private Citizen/Business	\$27.00/hour

PARKS

Gazebo Picnic Area	\$50.00/4 hrs
Picnic Pavilion	\$100.00/4 hrs
Special Event	\$150.00/day
*Commercial Events	\$250.00/day
*Requires Facility Host @ \$35.00 per hour unless overtime wages apply	

SPECIAL EVENT SERVICES

Event Setup	
Events with less than 100 persons	\$77.00
Events with 101-200 persons	\$107.00
Events with more than 200 persons	\$135.00

Event Cleanup

Events with less than 100 persons	\$135.00
Events with 101-200 persons	\$165.00
Events with more than 200 persons	\$200.00

Rule 45.03.c. EVENT SERVICES FEES - the District shall charge a fee of \$18 per hour for an event host for those events requiring such a host. The minimum charge shall be two hours. Other events service fees shall be determined each year and are based on the direct expense associated with providing said service. Such event fees shall be established and adopted by the Board.

Rule 45.03.d. RECREATION PROGRAM FEES - the District shall charge participants program fees based on the direct expenses associated with each individual program. Program fees shall be determined each year and as programs are added to the Department's current services index. Program fees shall be adopted by the Board within two months of the inception or change of fees.

Rule 45.04. DEPOSIT - a facility usage deposit, as established and adopted by the District Board must accompany each facility usage permit request for any facility usage permit required hereunder. The facility usage deposit shall be refunded to the applicant within fifteen working days if the facility is restored to pre-use conditions. If District clean-up is required to restore the facility to pre-use conditions or damage is noted to the facility, any refund will be less the expense associated with returning the facility to pre-use conditions.

Rule 45.04.a. FACILITY USE DEPOSIT FEES - the District shall charge a \$100 deposit for events which qualify and are defined as special events. The District shall charge a \$200 deposit for events which qualify and are defined as large-scale community events.

Rule 45.05. INSURANCE - a facility usage permit request shall not be considered fully executed unless the individual or organization seeking issuance of a facility usage permit obtains and furnishes liability coverage for the event which is acceptable to the District. The Recreation Director may impose additional conditions for approval.

Rule 45.06. PERMITS FOR USE OF FACILITIES - the District shall only grant a facility usage permit for organized use of a facility when each of the following findings can be made:

- (a) The requested area of the recreation and parks system for which the facility is located within is available during the period for which the facility usage permit is requested;
- (b) The expected attendance does not exceed the capacity of the facility or area.
- (c) The use for which the facility usage permit is sought complies with the use established for the facility or area requested.

Rule 45.07. USE OF SOUND AMPLIFICATION SYSTEM - the District shall only grant permission for use of any sound amplification system when each of the following findings can be made:

- (a) The individual or organization seeking permission for use of a sound amplification system must file, with the District, a facility usage permit request for the facility in which use of the sound amplification system is requested.
- (b) The sound amplification system proposed will not unduly inconvenience or disturb neighboring properties or other recreation and parks system facility users.
- (c) The maximum noise from use of the sound amplification system complies with Humboldt County's Noise Regulations.
- (d) The use for which permission is sought complies with the use established for the facility or area requested.

For those events at which sound amplification systems are utilized, the following requirements shall also be required:

- (a) A District supervisor will be assigned to be present throughout the event.

Rule 45.08. SALE OR SERVICE OF ALCOHOLIC BEVERAGES - the District shall only grant permission for sale or service of alcoholic beverages when each of the following findings can be made:

- (a) The individual or organization seeking permission for sale or service of alcoholic beverages must file, with the District, a facility usage permit request for the facility in which the sale of alcoholic beverages is requested;
- (b) If applicable, the individual or organization seeking permission has a valid permit from the Alcohol Beverages Commission to sell alcohol;
- (c) If applicable, the individual or organization seeking permission has secured outside security services;
- (d) The use for which permission is sought complies with the use established for the facility or area requested.

For those events at which alcohol is served or sold, the following requirements shall also be required:

- (a) A District supervisor will be assigned to be present throughout the event;
- (b) Facilities will not be rented for events at which the consumption of alcoholic beverages will be a principal activity.

The Recreation Director has the authority to impose additional conditions as a requirement for issuance of a fully executed Special Event Reservation Form and Permit or Community Event Reservation Application and Permit.

Rule 45.09. USE OF DISTRICT-OWNED EQUIPMENT - the District shall make available to individuals or organizations recreation-related equipment, which can be utilized for outdoor use. District shall only grant permission for use of District-owned equipment when each of the following findings can be made:

- (a) The individual or organization seeking permission for use of District-owned equipment must be requesting said equipment in conjunction with an event at a District facility which is being sponsored by the individual or organization;
- (b) The Individual or organization must file, with the District, a facility usage permit request for the facility in which the equipment will be utilized;
- (c) The requested equipment is available during the period for which use of the equipment is requested;
- (d) The individual or organization requesting use of MCSD-owned equipment furnishes the District with appropriate liability coverage.

Rule 45.10. APPEALS - an appeal of the action of District staff on any Facility Use Permit pursuant to this regulation must be in writing and filed by or on behalf of the individual or organization seeking the facility usage permit, within (10) days after the action of District staff on the facility usage permit request. The appeal shall set forth in detail the factual and legal basis of the appeal. The Board of Directors shall consider and act on the appeal within forty-five (45) days after the appeal is filed. The individual or organization filing the appeal shall be entitled to submit oral or written evidence to the Board in support of the appeal. Action of the Board of Directors on the appeal shall be final.

REGULATION 46 - ENFORCEMENT

Rule 46.01. VIOLATIONS - any violation of these rules and regulations relating to the use of District facilities located within the recreation and parks system is a misdemeanor, punishable by law.

REGULATION 47 - HILLER SPORTS SITE DEVELOPMENT, MANAGEMENT AND SCHEDULING COMMITTEE

Rule 47.01. MEMBERSHIP - the McKinleyville Community Services District Hiller Sports Site Development, Management and Scheduling Committee shall consist of members described below whom shall serve without compensation selected as follows:

- (a) Committee size shall be determined by the number of local sports organizations having and maintaining a current Hiller Sports Site Development, Funding, Maintenance, and Use Agreement with District who nominate a member to the

Committee and an additional member shall be from the District's Recreation Advisory Committee and an additional member shall be appointed to the Committee by the Board which member shall be of the general public.

Rule 47.02. APPOINTMENT - the committee members shall be appointed as follows:

- (a) All local sports organizations with a valid and current IRS non-profit identification number and who have and maintain a current Hiller Sports Site Development, Funding, Maintenance and Use Agreement with District are invited to nominate one member and one alternate member to the Committee. Such nominations shall be made in writing to the Director of Parks and Recreation. Recommendations for appointment shall be made by the Committee to the Recreation Advisory Committee who shall in turn recommend nominees to the District's Board of Directors. Appointment shall be made by the District's Board of Directors.
- (b) One member shall be a member of the Recreation Advisory Committee. Recommendations for appointment shall be made by the Recreation Advisory Committee. Appointment shall be made by the District's Board of Directors.
- (c) One member shall be a member of the general public who is a resident elector of the District and who shall hold no official office with any local sports organization desiring to offer programs at the Hiller Sports Site. Such member shall be nominated by the Committee who shall forward a recommendation to the Recreation Advisory Committee who shall in turn forward a recommendation to the District's Board of Directors. Appointment shall be made by the District's Board of Directors.

Rule 47.03. MEMBER QUALIFICATIONS - each member shall meet one of the criteria named above in Rule 47.02.

Rule 47.04. TERMS OF OFFICE - the Committee members shall serve terms as follows:

- (a) Appointment of the Recreation Advisory Committee member representative of Committee and member of the general public to the Committee shall be for a term of two (2) years. Such members may be re-appointed to successive terms.
- (b) Terms of other members shall be for a term of one (1) year. Such members may be re-appointed to successive terms.
- (c) The annual expiration date of each term shall be January 31st.

Rule 47.05. REMOVAL - members of the Committee may be removed by a majority vote of the District Board of Directors.

Rule 47.06. ABSENCES - if any member of the Committee is absent without prior notification to the Director of Parks and Recreation for two (2) regular consecutive meetings, the Director of Parks and Recreation shall certify that fact to the organization for whom the individual is a representative and to the District's Board of Directors. The District's Board of Directors shall thereafter declare the position on the Committee to be vacant and proceed to fill the position as outlined in 47.02. Should the vacated position

have a designated alternate, said alternate shall be appointed to full membership status. The organization of which the alternate is a member shall be authorized to nominate a designated alternate.

Rule 47.07. ELECTION OF OFFICERS - the Committee shall, as soon as practicable, after the time of the annual appointment of a member or members to such Committee, elect its' officers. No member shall hold the same office for more than two (2) consecutive years.

Rule 47.08. OFFICERS - the member of the Committee who is a representative of the District's Recreation Advisory Committee shall be designated as Chairperson of the Committee. The member of the Committee who is a representative of the general public shall be designated as Vice-Chairperson.

Rule 47.09. RECORDS - written records of all proceedings, findings, determinations, and transactions shall be kept, which record shall be a public record and a copy of which record shall be filed with the District's secretary.

Rule 47.10. POWERS AND DUTIES - the Committee shall have the power and duty to serve in an advisory capacity to the District's Recreation Advisory Committee and the Board of Directors in all matters pertaining to the development, scheduling, maintenance, and use of the Hiller Sports site.

McKINLEYVILLE SENIOR CENTER Schedule for Use of Azalea Hall

1. The McKinleyville Senior Center (MSC) shall have exclusive use of the Meeting Room located in Azalea Hall as follows:

Monday through Friday 8:00 am – 4:00 pm
Saturdays 12:30 pm – 3:30 pm

Additional Use: MSC shall have exclusive use on the evening of Friday, June 3, 2016 and all day Saturday, June 4, 2016 for participation in the Pony Express Days Festival
2. MSC shall have exclusive use of the Hewitt Room and Kitchen in Azalea Hall for nine (9) hours per month as scheduled and approved by the General Manager. Furthermore, the MSC agrees to pay DISTRICT \$16.00 per hour for any use in the Azalea Hall Kitchen that exceeds nine (9) hours per month. MSC will also have exclusive use of the Hewitt Room and Kitchen for two (2) evenings a year from 4:00 pm – 9:00 pm. The specific dates will be set by mutual agreement at least two (2) months in advance.
3. MSC may use Azalea Hall during other unreserved times for any normal operation or activity; whether spontaneous, scheduled, or ongoing at no charge to MSC.
4. MSC shall have exclusive use of the Azalea Hall Office.
5. MSC agrees to inform DISTRICT of scheduled or ongoing use so DISTRICT may include such events on the Azalea Hall facility use calendar. However, if DISTRICT, a DISTRICT-approved vendor, special event, or recreation program, require use of the Hewitt Room during those times, except times granted to MSC in numbers one (1) and two (2) above, such use shall have priority over use of the Hewitt Room by MSC. Furthermore, MSC agrees to reschedule, move, or make alternative arrangements for any cancellation resulting from such use at no cost to DISTRICT.
6. Acknowledging that the participants in MSC programs are a viable and important part of the community, DISTRICT shall consider, respect, and adhere to MSC's scheduled and ongoing use of the Hewitt Room when scheduling and planning recreation programs for the community. Furthermore, DISTRICT agrees that all such scheduling of the Hewitt Room for DISTRICT's recreation programs shall result in consultation with the Board of the MSC and DISTRICT's General Manager. The DISTRICT shall notify the MSC of scheduling changes well in advance.
7. MSC shall not charge a usage fee to any group or organization for the use of Azalea Hall Kitchen or Hewitt Room without gaining prior authorization from the General Manager.
8. MSC shall pay for the use of Azalea Hall Hewitt Room and/or Kitchen for any profitable fee based class or event held outside of the allotted times listed in #1 & #2 above.

McKinleyville Community Services District

BOARD OF DIRECTORS

April 6, 2016

TYPE OF ITEM: **ACTION**

ITEM: D.6 **Approve and authorize Board President to sign and execute the Lease Extension Agreement for Fischer Ranch**

PRESENTED BY: **Greg Orsini, General Manager**

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

Recommendation:

Consider approval of the Second Lease Extension Agreement for Fischer Ranch, and authorize the Board President to execute the Lease Extension Agreement.

Discussion:

The approximately 100 acre Fischer Ranch property is currently leased to Marvin Peachey. The original term of Lease was to terminate on January 31, 2014. The Lease Term was extended for a period of three (3) years commencing on February 1, 2014 and ending on January 31, 2017 ("Extension Term"), unless sooner terminated pursuant to the terms and conditions of the Lease or this Lease Extension Agreement.

The Lease Extension Agreement contained a provision of extension for a period of three (3) years if the renewal notice was received on or before January 31, 2016. The new extension was brought back to the Board for consideration of approval, since the notice of extension was not received prior to January 31, 2016. Due to the continuing stewardship of the Fischer Ranch by the Lessee, management highly recommends this action.

In the proposed extension, the lessee shall have the option to extend the term of the Lease for an additional three (3) year period following the expiration of the Extension Term with all of the same terms and conditions of the Lease, except that rent shall be adjusted annually as set forth in Section 4 of the Lease Extension Agreement, listed as Attachment 1. Lessee must provide Lessor written notice of exercise of the option ("Option Notice") no later than January 31, 2018.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

Consistent with the terms of Section 2.2 of the Lease, and Section 4 of the Lease Extension, rent for the years 2016-2019 of the Extension Term shall be as follows:

\$1,020 per month, commencing on February 1, 2016 through January 31, 2017;

\$1,040 per month, commencing on February 1, 2017 through January 31, 2018;

\$1,060 per month, commencing on February 1, 2018 through January 31, 2019.

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Second Lease Extension Agreement
- Attachment 2 – Request for Lease Extension by Marvin Peachey

SECOND LEASE EXTENSION AGREEMENT

This SECOND LEASE EXTENSION AGREEMENT (hereinafter referred to by full title or as this "Agreement") is made on April 6, 2016, by and between the McKinleyville Community Services District ("Lessor"), and Marvin Peachey ("Lessee"). Where collective reference is intended, Lessor and Lessee are hereinafter referred to as the "Parties."

RECITALS

A. WHEREAS, Lessor and Lessee entered into that certain Lease dated February 19, 2011, a copy of which is attached hereto as **Exhibit "A"** (the "Lease"), pursuant to which Lessor leased that certain described Premises located in the unincorporated area of McKinleyville, Humboldt County, California, to Lessee.

B. WHEREAS, Lessor and Lessee entered into that certain Lease Extension Agreement with an effective date of February 1, 2014, a copy of which is attached hereto as **Exhibit "B"** (the "Lease Extension"), which extended the term of the lease through January 31, 2017.

C. WHEREAS, pursuant to Section 3 of the Lease Extension, entitled "Option to Further Extend Lease" Lessee had the option to renew the Lease for an additional three (3) years by giving Notice to Lessor on or before January 31, 2016.

D. WHEREAS, Lessee provided written notice of Lessee's desire to exercise its option to extend the Lease on February 27, 2016. Both Lessor and Lessee desire to waive the lack of timely notice and extend the term of the Lease for an additional three (3) years.

NOW, THEREFORE, in consideration of the mutual covenants of the Parties herein, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

AGREEMENT

Section 1. Waiver of Lack of Notice to Extend Lease and Continuation of Lease

The Parties agree to waive any lack of written notice to extend the term of the Lease, as required in Section 3 of the Lease Extension. The Lease is hereby deemed to have never lapsed, and to have continued without interruption and shall continue in accord with the original terms and conditions of the Lease, as supplemented and partially modified by this Agreement.

Lessee's Initials: _____; Lessor's Initials: _____

Section 2. Extension of Lease Term

The Lease Term shall be extended for a period of three (3) years commencing on February 1, 2016, and ending on January 31, 2019 ("Extension Term"), unless sooner terminated pursuant to the terms and conditions of the Lease or this Lease Extension Agreement.

Section 3. Option to Further Extend Lease

Lessee shall have the option to extend the term of the Lease for an additional three (3) year period following the expiration of the Extension Term on all of the same terms and conditions of the Lease, except that rent shall be adjusted annually as set forth in Section 4, below. Lessee must provide Lessor written notice of exercise of the option ("Option Notice") no later than January 31, 2018.

Section 4. Base Rent Adjustment for the Extension Term

Consistent with the terms of Section 2.2 of the Lease, and Section 4 of the Lease Extension, rent for the years 2016-2019 of the Extension Term shall be as follows:

\$1,020 per month, commencing on February 1, 2016 through January 31, 2017;

\$1,040 per month, commencing on February 1, 2017 through January 31, 2018;

\$1,060 per month, commencing on February 1, 2018 through January 31, 2019.

Additionally, the parties agree that the Rent for any further extension term exercised pursuant to Section 3, above shall be as follows:

\$1,080 per month, commencing on February 1, 2019 through January 31, 2020;

\$2,000 per month, commencing on February 1, 2020 through January 31, 2021;

\$2,020 per month, commencing on February 1, 2021 through January 31, 2022;

\$2,040 per month, commencing on February 1, 2022 through January 31, 2023.

Lessee's Initials: _____; Lessor's Initials: _____

Section 5. Early Termination by Lessee

In the event that the Premises are deemed unsuitable for Lessee's continued harvesting and marketing of crops during the Extension Term, Lessee may terminate the Lease prior to Expiration of the Extension Term by giving Lessor a written notice of early termination at least six (6) months in advance of the early termination date.

Section 6. Continuation of Terms and Conditions of Lease

All terms and conditions of the Lease and Lease Extension Agreement shall continue, in full force and effect, subject to the limited changes recited in this Agreement and the exhibits attached hereto (which are collectively deemed incorporated by reference). The Lease, as extended by the Lease Extension Agreement shall be deemed continuous since its inception on February 19, 2011, without interruption.

Section 7. Agreement Execution

This Agreement may be executed in counterparts, the separately executed parts of which shall be considered one whole. Facsimile and/or scanned signature copies shall be deemed to constitute original signatures.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Agreement as of the date first above written.

"LESSOR":

McKinleyville Community Services District

By: _____

George Wheeler, Board President

"LESSEE":

By: _____

Marvin Peachey

Lessee's Initials: _____; Lessor's Initials: _____

LEASE AGREEMENT

MCKINLEYVILLE COMMUNITY SERVICES DISTRICT, herein called "Lessor", hereby leases to, Marvin Peachey herein called "Lessee", those certain premises, herein called "Premises", in the County of Humboldt, State of California, described as follows: The real property in the unincorporated area of McKinleyville, Humboldt County, California described in Exhibit A, attached hereto, including all improvements thereon, on the terms and conditions set forth herein.

ARTICLE 1. TERM OF LEASE

1.1 Original Term. This initial lease shall be for a term of three (3) years commencing on approximately February 19, 2011 ("Commencement Date") and ending on January 31, 2014, unless the District at its sole discretion, decides to sell the property, thereby vacating the Lease. In the event Lessor sells and/or conveys the Premises, this lease shall automatically terminate effective immediately at the close of escrow. The actual final commencement date and the date the lessee will be established upon Board approval of this lease and a 30-day notification to the current lessee has been provided.

1.2 Extension of Term. The Term of this Lease can be extended as provided in Article 11 hereof.

1.3 Hold over. Should Lessee hold over and continue in possession of said Premises after expiration of the term of this lease or any extension thereof, Lessee's continued

Lease Agreement

occupancy of said Premises shall be considered a month-to-month tenancy subject to all terms and conditions of this Lease.

ARTICLE 2. RENT

2.1 Rent. Lessee agrees to pay Lessor \$800.00 per month for the initial term of the Lease commencing on June 1, 2011. For the period from February 19, 2011 to May 31, 2011 no rent will be due. Rent shall be prorated on a 30-day month for any portion of a month included in the term. However, rent shall be adjusted upon renewal of the Lease in accordance with Section 2.2.

2.2 Rent Adjustment. Rent for the period of February 1, 2012 through January 31, 2013 shall be \$825.00 per month. Rent for the period of February 1, 2013, through January 31, 2014 shall be \$960.00 per month. The amount of the monthly rent for any extended term of the Lease pursuant to Article 11 herein shall be adjusted to \$980.00 per month commencing on February 1, 2014 through January 31, 2015; and \$1000.00 per month for the period of February 15, 2015 through January 31, 2016.

2.3 Rent Payments. Rent shall be payable on the first day of the month, at the office of Lessor at 1656 Sutter Road, McKinleyville, California, or at such other place or places as Lessor may from time to time designate by written notice delivered to Lessee. Should rent payment be five or more days late, a late payment in the amount of three percent (3%) of the rent payment shall be due and payable in addition to the month's rent. Should any rent payment be ten (10) or more days late, interest at the rate of ten percent (10%) per annum or the maximum amount allowed by law if said rate is higher than the maximum amount allowed by law, shall accrue and be payable on all amounts due.

Lease Agreement

2.4 Deposit. Lessee shall place a deposit equal to the first and last month's Lease amount (\$1,600) to Lessor at start of Lease. This Deposit will be returned to Lessee at end of lease period subject to the terms stated in Article 10 for defaults and remedies.

ARTICLE 3. USE OF PREMISES

3.1 Uses. Said Premises shall, during the term of this Lease and any extensions thereof, be used for the purpose of growing fodder crop for baling or to process as silage for uses normally incident to such purposes. Within six months start of lease, lessee shall disk and/or plow and reseed half the farmable acreage, then the remainder within eight months of the first seeding. The lessee shall reseed with a mix of grasses such as annual rye, perennial rye, and orchard grass. The lessee has the option to plant corn on a portion of the farmable acreage if the market will support it. If corn is planted a suitable grass mixture will replace it at the time the corn is harvested. Said use(s) shall comply with all applicable zoning requirements and permit procedures. In conducting the business specified in this section and on said Premises, Lessee shall be entitled to sell such merchandise and render such services, as are customarily sold and rendered by the operators of businesses of the same type in the county and state where said Premises are located. Lessor makes no representation concerning the Premises' suitability for such use.

3.2. Restrictions on Use. Use of the Premises shall be restricted as set forth below.

3.2.1. Irrigation Set Backs. No irrigation is to occur within 100' of the perimeter fences or within 200' of the bottom of the slope between the lower and upper pastures.

Lease Agreement

3.2.2. Discharge Permit Compliance. Lessee shall not operate in any manner to cause a waste discharge violation or violation of any state, federal or local law or regulation affecting the environment or the storage, handling, use or discharge of any hazardous material, pollutant or substance.

3.2.3. Storage of Equipment or Materials. Lessee is only to store those pieces of equipment or materials owned or leased by Lessee and needed as part of the agricultural operation. Equipment is to be stored only within the two hay barns, the milk barns and the area designated on Attachment 2. The grounds and buildings are to be kept clean and free of debris and non operational equipment.

3.2.4. Livestock and Animals. No livestock or animals of any sort are to be brought onto the Premises at any time.

3.2.5. Burning. No burning of any type is to be done on the Premises. All trash and vegetation is to be removed from the Premises by the Lessee for disposal.

3.2.6. Residence. The Lessee shall not reside nor allow any employee to reside upon the Premises.

3.3. Insurance Hazards. Lessee shall not commit or permit the commission of any acts on said Premises nor use or permit the use of said Premises in any manner that will increase the existing rates for or cause the cancellation of any fire, liability, or other insurance policy insuring said Premises or the improvements on said Premises. Lessee shall, at its own cost and expense, comply with any and all reasonable requirements of

Lease Agreement

Lessor's insurance carriers necessary for the continued maintenance at reasonable rates of fire and liability insurance policies on said Premises and the improvement on said Premises; provided, however that in the event Lessee believes the requirements are unreasonable, Lessor shall seek coverage with other reputable carrier which may or may not have such unreasonable requirements. Requirements which are imposed on an industry-wide basis shall be complied with by Lessee regardless of Lessee's assessment of reasonableness.

3.4. Waste or Nuisance. Lessee shall not commit or permit the commission by others of any waste on said Premises; Lessee shall not maintain, commit, or permit the maintenance of commission of any nuisance as defined in Section 3479 et seq. of the California Civil Code on said Premises; and Lessee shall not use or permit the use of said Premises for an unlawful purpose.

3.5. Compliance With Law. Lessee shall at Lessee's own cost and expense comply with all statutes, ordinances, regulations, and requirements of all governmental entities, federal, state, county or municipal, relating to Lessee's use and occupancy of said premises whether such statutes, ordinances, regulations, and requirements be now in force or hereinafter enacted. This shall include, but not be limited to, compliance with ADA requirements, obligations regarding workers' compensation insurance and employers' liability insurance as set forth in the Labor Code, and all laws relating to sanitation and odor abatement, as well as any state, federal or local law or regulation affecting the environment or the storage, handling, use or discharge of any hazardous material, pollutant or substance. The judgment of any court of competent jurisdiction, or the admission by Lessee in a proceeding brought against Lessee by a government

entity, that Lessee has violated any such statute, ordinance, regulation, or requirement shall be conclusive as between Lessor and Lessee and shall be grounds for termination of the Lease by Lessor. Lessee shall be deemed in violation of this provision if Lessee's activities are the cause of Lessor being found in violation of any statutes, ordinances, waste discharge regulation, and requirements of any governmental entities, including federal, state, county or municipal.

3.6. Weed Abatement. Lessee shall be responsible to keep Premises free of invasive weeds such as Canadian Thistle, Baltic Grass and other invasive plants deemed detrimental to the grass crop. Invasive weeds shall not be allowed to go to seed and must be removed or cut down by mechanical means.

ARTICLE 4. TAXES AND UTILITIES

4.1 Payment of Utility Charges. Lessee shall pay, and hold Lessor and the property of Lessor free and harmless from all charges for the furnishing of gas, water, electricity, telephone service, and other public utilities to said Premises during the term of the Lease or any extension thereof and for the removal of garbage and rubbish from said premises during the term of this Lease or any extension thereof, except as expressly provided for herein.

4.1.1. Irrigation Water. Lessor will provide treated wastewater for irrigation to those areas south of the flood irrigation cells and not closer than 100 feet from the nearest property boundary, and 200' from the bottom of the slope, except as set forth below. Lessee may purchase water from Lessor to irrigate those portions of the Premises not irrigated with

Lease Agreement

treated wastewater for the period between October 1 and May 15, when Lessor is not irrigating with treated wastewater.

4.1.2. All Other Water. Lessee may purchase water from Lessor for all other uses at the prevailing rates and charges.

4.1.3. Irrigation Power. Lessee shall be responsible for all electric power costs.

4.2. Personal Property Taxes. Lessee shall pay before they become delinquent all taxes, assessments, or other charges levied or imposed by any governmental entity on the furniture, trade fixtures, appliances, and other personal property placed by Lessee in, on, or about said Premises including, without limiting the generality of the other terms used in this section, any fixtures, machinery, plant equipment or office equipment brought on said Premises by Lessee.

4.3. Real Property Taxes. Subject to Lessee's obligation to reimburse Lessor as hereinafter provided, all real property taxes and assessments levied or assessed against said Premises by any governmental entity, including any special assessment imposed on or against said Premises for the construction or improvement of public works in, on, or about said Premises, shall be paid by Lessor before they become delinquent. Lessee shall promptly reimburse Lessor, within fifteen (15) days of the date of receipt of a request for reimbursement, for all real property taxes and assessments paid by Lessor during the term of the Lease, or any extension thereof. In the event that a portion of the Premises are later developed by Lessor for use by other tenants, the real property taxes and assessments levied against the Premises will be prorated in an

equitable manner based upon the value and size of the improvements and ground area occupied by each Lessee.

ARTICLE 5. ALTERATIONS, REPAIRS AND MAINTENANCE

5.1 Conditions of Premises. Lessee acknowledges herein that he has inspected and approved the condition of the Premises. Lessor makes no warranties of any kind or nature, express or implied, regarding the condition of the Premises or any improvements located thereon, or the suitability of the Premises and improvements thereon for Lessee's intended use. Lessee assumes occupancy of the Premises based solely on Lessee's inspection and assessment of the Premises, and assumes occupancy of the Premises in its existing condition, with all faults and defects present, both patent and latent.

5.2 Maintenance by Lessor. Lessor shall have no maintenance obligation whatsoever, except being responsible for normal wear and tear of buildings, roofs and wiring. Notwithstanding the above, if this Lease through extension pursuant to Section 1.2 continues in effect for more than 15 years, Lessee shall be solely responsible for maintaining and restoring all improvements and facilities, including but not limited to all fencing, so that they are in the condition they were in at the commencement of this Lease. Lessor shall cooperate, at Lessee's expense, with any reasonable demand of Lessee in arranging repairs or maintenance. Capital improvements required by governmental mandate shall be the responsibility of Lessor.

5.3 Maintenance by Lessee. Except as otherwise expressly provided in Section 5.2 of this Lease, Lessee shall at his own cost and expense keep and maintain all portions of said Premises as well as improvements of said Premises and all facilities appurtenant

Lease Agreement

to said Premises in good order and repair and in as safe and clean a condition as they were when received by Lessee from Lessor. Without limiting the foregoing, Lessee is responsible for damages directly attributed to the hay operation such as broken pipes, damages to buildings, fences or structures or other damages associated with the operation and use of the Premises.

5.3.1. Harvesting. Lessee may harvest at his discretion however, Lessor may advise Lessee when the Premises must be harvested. Lessee agrees to cut and remove crop using commercially reasonable methods from the areas designated for harvesting by Lessor within twenty (20) calendars days of notice to harvest by Lessor.

5.4. Alterations and Liens. Lessee shall not make or permit any other person to make any alterations to said Premises or to any improvement thereon to the facilities appurtenant thereto without first obtaining the written consent of Lessor. Lessee shall keep the Premises free and clear from any and all liens, claims, and demands for work performed, materials furnished, or operations conducted on said Premises at the instance or request of Lessee. Furthermore, any and all alterations, additions, and improvements, except furniture and trade fixtures, made or placed in or on said Premises by Lessee or any other person shall on expiration or sooner termination of this lease become the property of the Lessor and remain in said premises; provided, however, that Lessor shall have the option on expiration or sooner termination of the Lease of requiring Lessee, at Lessee's sole cost and expenses, to remove any or all such alterations, additions and improvements from said Premises and restore the Premises to its original condition.

Lease Agreement

5.5. Inspection by Lessor. Lessee shall permit Lessor or Lessor's agents, representatives, or employees to enter said Premises at all reasonable times for the purpose of inspecting said Premises to determine whether Lessee is complying with the terms of this Lease and for the purpose of doing other lawful acts that may be necessary to protect Lessor's interest in said Premises under this Lease or to perform Lessor's duties under this Lease.

5.6. Surrender of Premises. On expiration or sooner termination of this Lease, or any extensions or renewals of this Lease, Lessee shall promptly surrender and deliver said Premises to Lessor in as good condition as they were at the commencement of this Lease in accordance with Section 5.2 and 5.3 herein. Lessee shall remove all equipment and supplies from the Premises prior to the end of the term. Should Lessee fail to remove any equipment or supplies, Lessor may, at its own discretion remove equipment or supplies and bill Lessee for actual costs of removal. Lessee agrees to pay Lessor's actual costs of removal. Lessee acknowledges that all equipment and supplies left on the Premises may become the property of Lessor at Lessor's discretion.

ARTICLE 6. INDEMNITY AND INSURANCE

6.1. Hold Harmless Clause. Lessee agrees to defend, indemnify and hold Lessor and the property of Lessor, including, without limitation, the Premises, free and harmless from any and all claims, liability, loss, damage, penalties, fees and expenses of any kind resulting from or arising out of Lessee's occupation and use of the Premises, and all improvements thereon, specifically including, without limitation, any claim, liability loss, or damage arising by reason of:

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- 6.1.1. The death of injury of any person or persons, including Lessee or any person who is an employee of agent of Lessee, or by reason of damage to or destruction of any property, including property owned by Lessee or any person who is an employee or agent of Lessee, and caused or allegedly caused by either the condition of said Premises or some act or omission of Lessee or of some agent, contractor, employee, servant or sublessee or licensee on said Premises;
 - 6.1.2. Any work performed on said Premises or materials furnished to said Premises at the instance or request of Lessee or any agent or employee of Lessee;
 - 6.1.3. Lessee's failure to perform any provision of this Lease or to comply with any provision of law or any requirement imposed on Lessee or the leased Premises by any duly authorized governmental agency or political subdivision; and
 - 6.1.4. Any death, damage or injury occurring to any person arising out of any use, act, omission or other occurrence relating to or arising out of Lessee's use of the Premises.
- 6.2 Liability Insurance. Lessee shall obtain, prior to commencement of the term of this Lease, comprehensive general public liability insurance issued by carriers acceptable to Lessor insuring the performance by Lessee of all obligations set forth in this Lease including all contractually assumed liability which insurance shall insure the Lessor, its officers, agents, employee and Lessee in the amount of not less than \$1,000,000 for any individual claimant and \$1,000,000 in the aggregate. A certificate of

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insurance shall be provided to Lessor prior to the inception of the term which shall provide that coverage provided by the policy shall not be canceled or amended until the Lessor is first provided with at least thirty (30) days written notice concerning such cancellation notice, and naming Lessor as an additional named insured. Failure of Lessee to maintain insurance pursuant to this section for a period longer than four (4) days shall be grounds for immediate termination of the Lease.

6.3 Waiver of Subrogation. The parties agree to release each other, and their respective authorized representatives, from any claims for damage to any person, the Premises or any improvements on the Premises, or Lessee's trade fixtures, equipment, merchandise, or personal property located on the premises, caused by or resulting from risks insured against under any insurance policies carried by the parties pursuant to this Lease that are in force at the time of any such damage to the extent of the available insurance proceeds. Each party shall cause each insurance policy carried pursuant to this Lease by that party to be written to provide that the insurance company waives all right of recovery by way of subrogation against either party in connection with any damage covered by the policy.

ARTICLE 7. SIGNS AND TRADE FIXTURES

7.1 Installation and Removal of Trade Fixtures. Lessee shall have the right at any time and from time to time during the term of this lease and any renewal or extension of such term, at Lessee's sole cost and expense, to install and affix in, to, or on said Premises such items, herein called "trade fixtures" for use in Lessee's trade or business as Lessee may, in his sole discretion, deem advisable. Any and all such trade fixtures

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that cannot be removed without structural damage to said Premises or any building or improvements on said Premises shall remain the property of Lessor and may not be removed by Lessee at any time or times prior to the expiration or sooner termination of this Lease.

7.2 Unremoved Trade Fixtures. Any trade fixtures described in this Article that are not removed from said Premises by Lessee within thirty (30) days after the expiration or sooner termination, regardless of cause, of this Lease shall be deemed abandoned by Lessee and shall automatically become the property of Lessor as owner of the real property to which they are affixed. However, Lessor may demand that Lessee remove said fixtures and restore Premises to original condition, all at Lessee's expense.

7.3 Signs. Lessee may install such signs as Lessee requires for its business operations, subject to the laws of any governmental agency having jurisdiction. On the expiration or sooner termination of this Lease, or any extension thereof, Lessee shall remove all such signs and shall repair any damage to the Premises caused by the removal.

ARTICLE 8. DESTRUCTION AND CONDEMNATION

8.1 Partial Destruction. If, during the term, the Premises are totally or partially destroyed from any cause, rendering the Premises totally or partially inaccessible or unusable, Lessor shall restore the Premises to substantially the same condition it was immediately before destruction, if the restoration can be made under the existing laws and can be completed within one hundred eighty (180) days after the date of the destruction. Such destruction shall not terminate this Lease. If the restoration cannot

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be made in the time stated in this section, then within fifteen days after the parties determine that the restoration cannot be made in the time stated in this paragraph Lessee can terminate this Lease immediately by giving written notice to Lessor. If Lessee fails to terminate this Lease and if restoration is permitted under the existing laws, Lessor shall restore the Premises within a reasonable time and this Lease shall continue in full force and effect. If the existing laws do not permit the restoration, or cannot be achieved at a reasonable cost to Lessor, either party can terminate this Lease immediately by giving notice to the other party.

8.2 Insurance Proceeds. Any insurance proceeds received by Lessor because of the total or partial destruction of said Premises or any building on said Premises shall be the sole property of Lessor, free from any claims of Lessee, and may be used by Lessor for whatever purpose Lessor may desire.

8.3 Abatement of Rent. Should Lessor be required under Section 8.1 of this Lease to repair and restore said Premises to their former condition following partial or full destruction of said Premises.

8.3.1 Lessee shall not be entitled to any damages for any loss or inconvenience sustained by Lessee by reason of the making of such repairs and restoration;

8.3.2. Lessor shall have full right to enter said premises and take possession of so much of said Premises, including the whole of said Premises as may be reasonably necessary to enable Lessor promptly and efficiently to carry out the work of repair and restoration; and

8.3.3 The rent payable by Lessee to Lessor pursuant to Section 2.1 of the Lease shall be abated to the extent that the Lessee shall be prevented from using the whole of said Premises. The extent of abatement of rent shall be calculated as the percentage reduction in the useable area of the Premises.

8.4. Condemnation. Should, during the term of this Lease or any renewal or extension thereof, title and possession of all or portions of said Premises be taken under the power of eminent domain by any public or quasi-public agency or entity, this Lease shall terminate as of the date actual physical possession of said Premises is taken by the agency or entity exercising the power of eminent domain and both Lessor and Lessee shall thereafter be released from all obligations herein. If a lesser portion of the Premises is taken, the Lease will terminate as to the part taken, except that if the remaining portion is not reasonably suitable for Lessee's continuing use, then Lessee shall have the option to terminate the Lease in its entirety. In the event of such partial taking which does not result in termination of the Lease, an equitable reduction in the rent shall be made.

ARTICLE 9. ASSIGNMENT AND SUBLEASES

9.1. Subleasing or Assigning as Breach. Lessee shall not encumber, assign, or otherwise transfer this Lease, any right or interest in this Lease, or any right or interest in said Premises or any of the improvements that may now or hereafter be constructed or installed on said Premises without the express prior written consent of Lessor, which shall be given or refused in Lessor's sole discretion. Neither shall

Lessee sublet said Premises or any part thereof without the prior express written consent of Lessor. Under no circumstance shall any sublessee use the Premises for grazing or raising of livestock. A consent by Lessor to one assignment, one subletting, or one occupation of said Premises by a person shall not constitute consent to any such action involving others. Any encumbrance, assignment, subletting, or transfer without the prior express written consent of Lessor, whether it be voluntary or involuntary, by operation of law or otherwise, is void and shall, at the option of Lessor, terminate this Lease.

ARTICLE 10. DEFAULT AND REMEDIES

10.1. Default by Lessee. Lessee shall be in default hereunder if (i) Lessee fails to timely pay rent or other charges due hereunder, or (ii) Lessee fails to perform any other obligation of Lessee under this Lease within fourteen (14) days after written notice from Lessor specifying the failure and stating that it is a "notice of default", provided that if the nature of the obligation is such that more than 14 days is reasonably required for its cure, then within such longer period as is reasonably necessary for the cure, as long as the cure is begun during the 14 day period and prosecuted with diligence to completion. Notwithstanding the above, failure of Lessee to perform an obligation under this Lease which is expressly stated to be grounds for termination of the Lease shall result in immediate default by Lessee and is grounds for immediate termination of the Lease unless an express cure period is specified, in which case such cure period will control notwithstanding Section 10.2 below.

10.2. Lessor's Cure Right. Upon a default by Lessee pursuant to clause (ii) of Section 10.1 above, Lessor, without prejudice to its other remedies, shall have the right to notify Lessee that if Lessee fails to cure the default within fourteen (14) days, then Lessor may cure the default and the cost of the cure shall immediately be deducted from the Lessee's Deposit held by the Lessor. Upon notice, Lessee must reinstate the Deposit to the full amount within 14 days. In addition, in the event of an emergency risking injury to persons or immediate damage to property, Lessor shall have the right to cure the default after giving telephone notice to Lessee and allowing such time for Lessee to cure the default as is reasonable in the circumstances.

10.3. Lessor's Remedies. Following a default by Lessee pursuant to Section 10.1, Lessor shall have the option to either (i) cure the default pursuant to Section 10.2 , or (ii) terminate this Lease by notice to Lessee and recover the difference between the rent due hereunder and the fair rental value of the Premises for the remainder of the then unexpired Lease Term, together with reletting costs including necessary Lease improvements and leasing commissions, or (iii) re-enter and re-take possession of the Premises without terminating this Lease and re-let them in a commercially reasonable manner to a substitute Lessee and Lessor may continue to collect the difference, if any, between the rent and other charges payable under this Lease and the lower rent collected from Lessor's substitute Lessee.

10.4. Waiver of Breach. The waiver by Lessor or Lessee of any breach by the other party of any of the provisions of this Lease shall not constitute a continuing waiver or a waiver of any subsequent breach by either party.

ARTICLE 11. EXTENSION OF TERM

11.1. Option for Lease Renewal. Provided that Lessee is not in default of any term of this Lease, no later than January 13, 2013 the Lessee shall have the option or an extended term of this Lease, for three (3) years, however, that the rent shall be subject to adjustment at the commencement of each extended term as provided in Section 2.2. Such extension of the Lease shall not occur if written notice is not received by the District by January 13, 2013. If proper notice not to extend has occurred, at the end of the Lease Term, Lessor may consider a month-to-month tenancy of the Premises to Lessee as described in Section 1.3. Furthermore, this lease shall terminate automatically in the event Lessor sells or conveys the Premises as stated in Section 1.1, above.

ARTICLE 12. MISCELLANEOUS

12.1. Force Majeure - Unavoidable Delays. Should the performance of any act required by this Lease to be performed by either Lessor or Lessee be prevented or delayed by reason of an act of God, strike, lockout, labor troubles, inability to secure materials, restrictive governmental laws or regulation, or any other cause except financial inability not the fault of the party required to perform the act, the time for performance of the act will be extended for a period equivalent to the period of delay and performance of the act during the period of delay will be excused; provided, however, that nothing contained in this section shall excuse the prompt payment of rent by Lessee as required by this Lease or the performance of any act rendered difficult solely because of the financial condition of the party, Lessor or Lessee, required to perform the act.

Lease Agreement

12.2. Attorney's Fees. Should any litigation be commenced between the parties to this Lease concerning said Premises, this Lease or the rights and duties of either in relation thereto, the prevailing party in such litigation shall be entitled, in addition to such other relief as may be granted in the litigation, to a reasonable sum for costs and attorney's fees in such litigation which shall be determined by the court in such litigation or in a separate action brought for that purpose.

12.3. Notice. Except as otherwise expressly provided by law, any and all notices or other communications required by this Lease or by law to be served on or given to either party hereto by the other party hereto shall be in writing and shall be deemed duly served and given when personally delivered to the party to whom they are directed, or in lieu of such personal service, when deposited in the United States mail, first class postage prepaid, addressed as follows:

To Lessee: Marvin Peachy
567 Singley Road
Loleta, CA 95551
707-601-8776

To Lessor: McKinleyville Community Services District
P.O. Box 2037
McKinleyville, CA 95519
707-839-3251 707-839-8456 (fax)

Either party, Lessee or Lessor, may change its address for the purpose of this section giving written notice of such change to the other party in the manner provided in this section.

12.4. Binding on Heirs and Successors. This Lease shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto, Lessor and Lessee, but nothing in this section contained shall be

Lease Agreement

construed as a consent by the Lessor to any assignment of the Lease or any interest herein by Lessee.

12.5. Partial Invalidity. Should any provision of this Lease be held by a court of competent jurisdiction to be either invalid, void, or unenforceable, the remaining provisions of this Lease shall remain in full force and effect unimpaired by the holding.

12.6. Sole and Only Agreement. This instrument constitutes the sole and only agreement between Lessor and Lessee respecting said Premises, the leasing of said Premises to Lessee, or the Lease Term herein specified, and correctly sets forth the obligations of Lessor and Lessee to each other as of its date. Any agreements or representations respecting said Premises or their leasing by Lessor to Lessee not expressly set forth in this instrument are null and void.

12.7. Time of Essence. Time is expressly declared to be of the essence for this Lease.

12.8. Transfers by Lessor. Lessor shall have the right to transfer and assign, in whole or in part, all of the Lessor's rights and obligations under this Lease and on the Premises, and in such event and on assumption by Lessor's transferee of Lessor's obligation under this Lease, no further liability or obligation shall accrue against Lessor under this Lease, and Lessor shall be entirely relieved of all agreements and conditions of this Lease to be performed by Lessor. Lessee agrees to consent to any such transferee or assignee.

12.9. Modification. This Lease may not be altered, changed, or amended except by an instrument in writing signed by Lessee and Lessor.

LESSOR:

McKinleyville Community Services District

Dated: 2-16-2011

By: Helen J Edwards

Helen Edwards, Board President

LESSEE:

Dated: 2-16-11

By: Marvin D Peachey

Marvin Peachey

Exhibit A Property Description

Exhibit B Use of Property

RECEIVED

MAR - 2 2012

McK. C.S.D.

FIRST ADDENDUM TO LEASE

This "First Addendum to Lease" (this "First Addendum") is entered into as of February 2, 2012, between McKINLEYVILLE COMMUNITY SERVICES DISTRICT ("Lessor") and MARVIN PEACHEY ("Lessee").

Recitals

A. WHEREAS, Lessor and Lessee entered and executed that certain written "Lease Agreement" dated February 19, 2011 (the "Lease"); and

B. WHEREAS, Lessor and Lessee desire to supplement their respective rights and obligations under the Lease, as stated in this First Addendum.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

Agreement

The following provision shall be added to the Lease and shall hereafter be deemed a material provision of said Lease:

Section 1. Herbicide/Pesticide Application Restrictions. The Lessee shall not apply any pesticides or herbicides on the Premises. The Lessor reserves the right to apply herbicides or pesticides on the Premises or to instruct a third party to apply herbicides or pesticides on the Premises after the McKinleyville Community Services District Board of Directors declares an emergency requiring such an application.

Section 2. Continuation of Lease. In all other respects, the Lease is confirmed on the same terms and conditions as set forth therein. All capitalized terms used in this First Addendum shall have the same meaning(s) assigned to them in the Lease, unless assigned a specific meaning in this First Amendment.

IN WITNESS WHEREOF the parties have executed this First Addendum to Lease Agreement on the date first written above.

Signatures

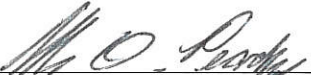
Lessor:

Lessee:

McKINLEYVILLE COMMUNITY
SERVICE DISTRICT:

MARVIN PEACHEY:

By: 
Dennis Mayo, Board President

By: 
Marvin Peachey

RECEIVED

Exhibit B

MAR 04 2014

McK. C.S.D.

LEASE EXTENSION AGREEMENT

This LEASE EXTENSION AGREEMENT (hereinafter referred by full title or as this "Agreement") is made on February __, 2014, by and between the McKinleyville Community Services District ("Lessor"), and Marvin Peachy ("Lessee"). Where collective reference is intended, Lessor and Lessee are hereinafter referred to as the "Parties."

RECITALS

A. WHEREAS, Lessor and Lessee entered into that certain Lease dated February 19, 2011, a copy of which is attached hereto as **Exhibit "A"** (the "Lease"), pursuant to which Lessor leased that certain described Premises located in the unincorporated area of McKinleyville, Humboldt County, California, to Lessee.

B. WHEREAS, the term of the Lease terminated on January 31, 2014.

C. WHEREAS, pursuant to Section 11 of the Lease, entitled "Extension of Term" Lessee had the option to renew the Lease for an additional three (3) years by giving Notice to Lessor on or before January 13, 2013.

D. WHEREAS, Lessee provided written notice of Lessee's desire to exercise its option to extend the Lease on February 5, 2014. Both Lessor and Lessee desire to waive the lack of timely notice and extend the term of the Lease for an additional three (3) years.

NOW, THEREFORE, in consideration of the mutual covenants of the Parties herein, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

AGREEMENT

Section 1. Waiver of Lack of Notice to Extend Lease and Continuation of Lease

The Parties agree to waive any lack of written notice to extend the term of the Lease, as required in Section 11.1 of the Lease. The Lease is hereby deemed to have never lapsed, and to have continued without interruption and shall continue in accord with the original terms and conditions of the Lease, as supplemented and partially modified by this Agreement.

Section 2. Extension of Lease Term

The Lease Term shall be extended for a period of three (3) years commencing on February 1, 2014, and ending on January 31, 2017 ("Extension Term"), unless sooner terminated pursuant to the terms and conditions of the Lease or this Lease Extension Agreement.

Section 3. Option to Further Extend Lease

Lessee shall have the option to extend the term of the Lease for an additional three (3) year period following the expiration of the Extension Term on all of the same terms and conditions of the Lease, except that rent shall be adjusted annually as set forth in Section 4, below. Lessee must provide Lessor written notice of exercise of the option ("Option Notice") no later than January 31, 2016.

Section 4. Base Rent Adjustment for the Extension Term

Consistent with the terms of Section 2.2 of the Lease, Rent for the years 2014-2016 of the Extension Term shall be as follows:

\$980.00 per month, commencing on February 1, 2014 through January 31, 2015;

\$1,000 per month, commencing on February 1, 2015 through January 31, 2016.

Additionally the parties agree that the Rent for years 2016-2017 of the Extension Term and for any further extension term exercised pursuant to Section 3, above shall be as follows:

\$1,020.00 per month, commencing on February 1, 2016 through January 31, 2017

\$1,040.00 per month, commencing on February 1, 2017 through January 31, 2018

\$1,060.00 per month, commencing on February 1, 2018 through January 31, 2019

\$1,080.00 per month, commencing on February 1, 2019 through January 31, 2020

Section 5. Early Termination by Lessee

In the event that the Premises are deemed unsuitable for Lessee's continued harvesting and marketing of crops during the Extension Term, Lessee may terminate the Lease prior to Expiration of the Extension Term by giving Lessor a written notice of early termination at least six (6) months in advance of the early termination date.

Section 6. Continuation of Terms and Conditions of Lease

All terms and conditions of the Lease and Lease Extension Agreement shall continue, in full force and effect, subject to the limited changes recited in this Agreement and the exhibits attached hereto (which are collectively deemed incorporated by reference). The Lease, as extended by the Lease Extension Agreement shall be deemed continuous since its inception on February 19, 2011, without interruption.

Section 7. Agreement Execution.

This Agreement may be executed in counterparts, the separately executed parts of which shall be considered one whole. Facsimile and/or scanned signature copies shall be deemed to constitute original signatures.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Agreement as of the date first above written.

“LESSOR”:

McKinleyville Community Services District

By: David R. Couch

Name: David R. Couch

Its: MCSD Board President

“LESSEE”:

By: Marvin Peachy
Marvin Peachy

PEACHY AG.

SPECIALIZING IN HAY & FORAGE

PEACHY AG.
PO BOX 715
Fortuna CA 95540
Tel: 707-601-8776
FAX: 707-725-4200
E-mail: Peachyag.mp@gmail.com

RECEIVED

2/27/2016

MAR - 1 2016

McK. C.S.D.

Request Of Lease Renewal:

I Would like to propose a renewal of the Fischer Ranch Lease for another 3 yrs. with option to renew at the end of the 2nd yr. like previous lease agreement.

Feel free to contact me in regards to any questions & thoughts you may have on this request or on our operation practices. 707-601-8776

Sincerely: Marvin Peachy

A handwritten signature in cursive script, appearing to read 'M. D. Peachy', is written over a horizontal line.

McKinleyville Community Services District

BOARD OF DIRECTORS

April 6, 2016

TYPE OF ITEM: **ACTION**

ITEM: D.7 **Approve and authorize Board President to sign and execute the McKinleyville Library Lease Agreement**

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

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

Recommendation:

Staff recommends that the Board approve the McKinleyville Library Lease Agreement and authorize the Board President to sign.

Discussion:

At the March 16, 2011 regular Board meeting the McKinleyville Community Services District Board of Directors approved a five (5) year lease agreement for the McKinleyville Library. The lease agreement was then approved by the Humboldt County Board of Supervisors at their meeting held on April 5, 2011. The current lease agreement terminated at midnight on February 28, 2016.

The contract has been reviewed by counsel and since there are no major changes to the lease agreement it is appearing on the consent calendar for approval.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

Estimated expense operation and maintenance for the McKinleyville Library are as follows:

Annual Cost to MCSD:

Repairs/supply:	\$1300.00
Maintenance (labor):	<u>\$2000.00</u>
Total:	\$3300.00

Annual Cost to Humboldt County Library

Gas & Electric	\$4000.00
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Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – McKinleyville Library Lease Agreement with Exhibits A-D

LEASE

Effective this 6th of April 2016, the McKINLEYVILLE COMMUNITY SERVICES DISTRICT (MCSD), herein called "Lessor," hereby leases to COUNTY OF HUMBOLDT, herein called "Lessee," the Premises located at 1606 Pickett Road, as described herein, on the following terms and conditions:

ARTICLE 1. LEASED PREMISES

- 1.1 Description of Premises. The leased premises (herein "Premises"), is located in McKinleyville, County of Humboldt, State of California, and constitutes the Library site described on Exhibits A & B, attached hereto, and includes that real property and all improvements thereon. Attached, as Exhibit C is a diagram of the Conference Room (the "Conference Room").

ARTICLE 2. PARKING AREA USE

- 2.1 Non-Exclusive Parking Rights. Lessee shall have the non-exclusive right to use, consistent with the defined use of the Premises, the parking area(s), (herein called "Parking Area") described as Library site on Exhibit B, attached hereto.

ARTICLE 3. TERM OF LEASE

- 3.1 Term. This Lease shall be for a term of five (5) years commencing upon approval of both the Board of Directors of Lessor and the Board of Supervisors for Lessee ("Commencement Date"), and ending at midnight on May 31, 2021, ("Termination Date"). This Lease completely replaces and supersedes the current existing lease agreement dated March 16, 2011, in its entirety.
- 3.2 Hold Over. Should Lessee hold over and continue in possession of said Premises after expiration of the term of this Lease, Lessee's continued occupancy of said Premises shall be considered a month-to-month tenancy subject to all terms and conditions of this Lease.

ARTICLE 4. CONSIDERATION

- 4.1 Consideration. In consideration for use of said Premises Lessee shall provide library services to the public. This Lease is contingent upon Lessee obtaining and maintaining funding. In the event Lessee does not receive sufficient funding to operate the library, Lessee may terminate this Lease upon provision of ninety (90) days written notice to Lessor. Lessee's failure to remain open to the public, for a

continuous period of sixty (60) days, shall be deemed an event of default under this Lease.

ARTICLE 5. USE OF PREMISES

- 5.1 Use. Said Premises shall, during the term of this Lease and any extensions thereof, be used to provide public library services to area residents and for no other purpose without the prior written permission from Lessor, which can be freely withheld in Lessor's discretion. Lessee shall be responsible for staffing the library, providing furniture, office equipment and materials, which shall all remain Lessee property. Ownership of all donated furniture, equipment, fixtures and other personal property shall, at all times, remain vested in the party to whom the donation was made (be it Lessor or Lessee) as designated by the donor.

Lessee shall determine the size of the collection and the hours of services offered in said Library at the Premises. The McKinleyville Library shall be treated in the same manner as the other County Library branches, receiving an equitable share of the County library resources based upon population served, resources available, and local demand for service.

Lessee is responsible to comply with all applicable permit requirements. Conditional use of the Conference Room is further described in Exhibit D.

- 5.2 Waste or Nuisance. Lessee shall not commit or permit the commission by others of any waste on said Premises; Lessee shall not maintain, commit, or permit the maintenance or commission of any nuisance as defined in Section 3479 of the California Civil Code on said Premises; and Lessee shall not use or permit the use of said Premises for any unlawful purpose.
- 5.3 Compliance With Law. Lessee shall comply with all statutes, ordinances, regulations, and requirements of all governmental entities, federal, state, county or municipal, relating to Lessee's use and occupancy of said Premises whether such statutes, ordinances, regulations, and requirements be now in force or hereinafter enacted. Lessee's obligations shall include, without limitation, all alterations and modifications of the Premises required to enable Lessee to continue its use thereof for the purposes provided in the Lease. Costs and expenses necessary for such compliance shall be the responsibility of Lessee except for necessary costs or expenses incurred in major alteration or modification of the primary structure of the Premises' building, including ADA compliance issues, foundation, walls, flooring, HVAC system, plumbing, roof, landscaping, and parking lot, which shall be the responsibility of Lessor, and Lessor shall be fully responsible for making alterations and modifications to the Premises which may be required as a result of changes in the law.

ARTICLE 6. UTILITIES

- 6.1 Payment of Utility Charges. Lessee shall pay, and hold Lessor and the property of Lessor free and harmless from all charges for the furnishing of gas, water, electricity, telephone service, internet, and/or other public utilities to said Premises, and for the removal and disposal of garbage and rubbish from said Premises during the term of this Lease or any extension thereof.

ARTICLE 7. ALTERATIONS AND REPAIRS

- 7.1 Condition of Premises at Commencement; Notice to Lessor. Lessee's taking possession of the Premises shall be conclusive evidence as against the Lessee that the Premises was in good order and satisfactory condition when the Lessee took possession. At all times during the term of this Lease or any extension thereof, Lessee agrees to give Lessor prompt notice of any defective condition in or about the Premises.
- 7.2 Maintenance by Lessor. Lessor shall, at its own cost and expense, maintain in good condition and repair the major structural elements of the Premises which are defined to constitute the foundation, walls, windows, flooring, plumbing, HVAC system, roof, landscaping, and parking lot; provided, however, that Lessee shall pay the cost and expense of any structural repairs required because of the negligence or other fault of Lessee or its employees, agents or sublessee (if any sublessee is later permitted pursuant to the terms of this Lease). Lessor shall be responsible for providing limited janitorial services for the Premises not to exceed four (4) hours per week.
- 7.3 Maintenance by Lessee. Except as otherwise expressly provided in Section 7.2 of this Lease, Lessee shall at its own cost and expense keep and maintain all portions of said Premises as well as improvements of said Premises and all facilities appurtenant to said Premises in good order and repair and in as safe and clean a condition as they were when received by Lessee from Lessor, normal wear and tear excepted.
- 7.4 Alterations and Liens. Lessee shall not make or permit any other person to make any alterations to said Premises or to any improvement thereon or facility appurtenant thereto without first obtaining prior written consent of Lessor. Lessee shall keep the Premises free and clear from any and all liens, claims, and demands for work performed, materials furnished, or operations conducted on said Premises at the instance or request of Lessee. Furthermore, any and all alterations, additions, improvements and fixtures, except furniture and trade fixtures, made or placed in or on said Premises by Lessee or any other person shall on expiration or sooner termination of this Lease become the property of the Lessor and remain in said Premises; provided, however, that Lessor shall have the option on

expiration or sooner termination of this Lease of requiring Lessee, at Lessee's sole cost and expense, to remove any or all such alterations, additions, improvements or fixtures from said Premises.

- 7.5 Inspection by Lessor. Lessee shall permit Lessor or Lessor's agents, representatives, or employees to enter said Premises at all reasonable times which do not interfere with the Lessee's operation of a library, for the purpose of inspecting said Premises, to determine whether Lessee is complying with the terms of this Lease and for the purpose of doing other lawful acts that may be necessary to protect Lessor's interest in said Premises under this Lease or to perform Lessor's duties under this Lease.
- 7.6 Surrender of Premises. On expiration or sooner termination of this Lease, or any extensions or renewals of this Lease, Lessee shall promptly surrender and deliver said Premises to Lessor in as good condition as they were at the commencement of this Lease, reasonable wear and tear and repairs herein required to be made by Lessor excepted.

ARTICLE 8. HOLD HARMLESS/INDEMNIFICATION

- 8.1 Lessor's Hold Harmless/Indemnification. Lessor shall indemnify, defend and hold harmless Lessee and Lessee's officers, officials, employees, and volunteers, from any and all claims, demands, losses, damages, and liabilities of any kind or nature, including attorneys' fees, arising out of the negligent or willful acts of misconduct or omissions of Lessor (either directly or through or by Lessor's officers, agents or employees) in connection with Lessor's duties and obligations under this Lease and any amendments hereto, except such loss or damage which was caused by the negligence or willful misconduct of the Lessee (either directly or through or by Lessee's officers, agents or employees).
- 8.2 Lessee's Hold Harmless/Indemnification. Lessee shall indemnify, defend and hold harmless Lessor and Lessor's officers, officials, employees, and volunteers, from any and all claims, demands, losses, damages, and liabilities of any kind or nature, including attorneys' fees, arising out of the negligent or willful acts of misconduct or omissions of Lessee (either directly or through or by Lessee's officers, agents or employees) in connection with Lessee's duties and obligations under this Lease and any amendments hereto, except such loss or damage which was caused by the negligence or willful misconduct of the Lessor (either directly or through or by Lessee's officers, agents or employees).
- 8.3 Acceptance of insurance, if required by this Lease, does not relieve Lessor or Lessee from liability under this indemnification clause. This indemnification clause shall apply to all damages or claims for damages suffered by the parties' operations regardless if any insurance is applicable or not.

ARTICLE 9. LESSOR'S INSURANCE

- 9.1 Lessor's Insurance. This Lease shall not be executed by Lessee unless certificates of insurances, or other sufficient proof that the following provisions have been complied with, and such certificate(s) are filed with the Clerk of the Humboldt County Board of Supervisors.
- 9.1.1 Without limiting Lessor's indemnification provided for herein, during the course of rendering any repairs to the Premises Lessor shall and shall require any of its subcontractors to take out and maintain, throughout the period of this Lease and any extended term thereof, the following policies of insurance placed with insurers authorized to do business in California and with a current A.M. Bests rating of no less than A:VII or its equivalent against injury/death to persons or damage to property which may arise from or in connection with the activities hereunder of Lessor, its agents, officers, directors, employees, licensees, invitees, assignees or subcontractors.
- 9.1.2 Comprehensive or Commercial General Liability Insurance at least as broad as Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001), in an amount of \$1,000,000 for any one incident, including personal injury, death and property damage. If a general aggregate limit is used, either the general aggregate limit shall apply separately to this project or the general aggregate shall be twice the required occurrence limit.
- 9.1.3 Lessor is responsible for providing "All-Risk" Property Insurance for this location.
- 9.1.4 If required by California law, and in accordance with the statutory limits set forth therein. Said policy shall contain or be endorsed to contain a waiver of subrogation against Lessee, its officers, agents, and employees.

ARTICLE 10. LESSEE'S INSURANCE

- 10.1 Lessee's Insurance. Without limiting Lessee's indemnification provided herein, Lessee shall and shall require any of its subcontractors to take out and maintain, throughout the period of this Lease and any extended term thereof, the following policies of insurance placed with insurers authorized to do business in California and with a current A.M. Bests rating of no less than A:VII or its equivalent against injury/death to persons or damage to property which may arise from or in connection with the activities hereunder of Lessee, its agents, officers, directors, employees, licensees, invitees, assignees or subcontractors.

- 10.1.1 Comprehensive or Commercial General Liability Insurance at least as broad as Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001), in an amount of \$1,000,000 per occurrence for any one incident, including personal injury, death and property damage. If a general aggregate limit is used, either the general aggregate limit shall apply separately to this project or the general aggregate shall be twice the required occurrence limit.
- 10.1.2 Lessee is responsible for providing an "All-Risk" Property Insurance for the contents of the property at this location.
- 10.1.3 Lessee certifies that Lessee is aware of the provisions of Section 3700 of the California Labor Code and Lessee will comply with such provisions in connection with any work performed on the premises. Any persons providing services with or on behalf of Lessee shall be covered by workers' compensation (or qualified self-insurance).

ARTICLE 11. SPECIAL INSURANCE REQUIREMENTS

Said policies shall unless otherwise specified herein be endorsed with the following provisions:

11.1 Lessor

- 11.1.1 The Comprehensive General Liability Policy shall provide that the Lessee, its officers, officials, employees, and volunteers are covered as additional insured for liability arising out of the operations performed by or on behalf of Lessee. The coverage shall contain no special limitations on the scope of protection afforded to the Lessee, its officers, officials, employees, and volunteers. Said policy shall also contain a provision stating that such coverage:
- Includes contractual liability
 - Does not contain exclusions as to loss or damage to property caused by explosion or resulting from collapse of buildings or structures or damage to property underground, commonly referred to "XCU Hazards".
 - Is primary insurance as regards to County of Humboldt.
 - Does not contain a pro-rata, excess only, and /or escape clause.
 - Contains a cross liability, severability of interest or separation of insured's clause.
 - Shall not be canceled, non-renewed or materially reduced in coverage without thirty (30) days prior written notice being provided to Lessee and in accordance with the Notice provisions set forth under Section 15.3. It is further understood that Lessor shall not terminate such coverage until it provides Lessee with proof satisfactory to Lessee that equal or better insurance has been secured and is in place.

- g. Is primary coverage to Lessee, and insurance or self-insurance programs maintained by Lessee are excess to Lessor's insurance and will not be called upon to contribute with it.

11.1.2 Lessor shall furnish Lessee with certificates and original endorsements affecting the required coverage prior to execution of this Lease by the Lessee's Risk Manager or County Counsel. Any deductible or self-insured retention over \$100,000 shall be disclosed to and approved by Lessee. If Lessor does not keep all required policies in full force and effect, Lessee may, in addition to other remedies under this Lease, take out the necessary insurance, and Lessor agrees to pay the cost of said insurance. Lessee is also hereby authorized with the discretion to deduct the cost thereof from the monies owed to Lessor under this Lease.

11.1.3 Lessee is to be notified immediately if twenty-five (25%) or more of any required insurance aggregate limit is encumbered and Lessor shall be required to purchase additional coverage to meet the aggregate limits set forth above.

11.2 Lessee

11.2.1 The Comprehensive General Liability Policy shall provide that the Lessor, its officers, officials, employees, and volunteers are covered as additional insured for liability arising out of the operations performed by or on behalf of Lessee. The coverage shall contain no special limitations on the scope of protection afforded to the Lessor, its officers, officials, employees, and volunteers. Said policy shall also contain a provision stating that such coverage:

- a. Includes contractual liability
- b. Does not contain exclusions as to loss or damage to property caused by explosion or resulting from collapse of buildings or structures or damage to property underground, commonly referred to "XCU Hazards".
- c. Contains a cross liability, severability of interest or separation of insured's clause.
- d. The policies shall not be canceled, non-renewed or materially reduced in coverage without thirty (30) days prior written notice being provided to Lessor and in accordance with the Notice provisions set forth under Section 15.3. It is further understood that Lessee shall not terminate such coverage until it provides Lessor with proof satisfactory to Lessor that equal or better insurance has been secured and is in place.
- e. Lessee shall furnish Lessor with certificates and original endorsements affecting the required coverage of this Lease by Lessor.

11.3 Lessee and Lessor

11.3.1 The Lessee and Lessor agree that insurance carried or required to be carried by either of them against loss or damage to property by fire, flood,

earthquake, acts of terrorism, acts of war or other casualty shall contain a clause whereby the insurer waives its right to subrogation against the other party, its elected officials, directors, employees, volunteers, and agents and each party shall indemnify the other against any loss or expense, including reasonable attorneys' fees resulting from the failure to obtain such waiver.

11.3.2 The inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion of more than one insured shall not operate to increase the limits of the insurer's liability.

11.3.3 Any failure to comply with reporting or other provisions of the Parties, including breach of warranties, shall not affect coverage provided to Lessor, Lessee, their officers, officials, employees, and volunteers.

ARTICLE 12. SIGNS AND TRADE FIXTURES

- 12.1 Installation and Removal of Trade Fixtures. Lessee shall have the right at any time and from time to time during the term of this Lease and any renewal or extension of such term, at Lessee's sole cost and expense, to install and affix in, to, or on said Premises such items, herein called "trade fixtures" for use by Lessee as Lessee may, in its sole discretion, deem advisable. Any and all such trade fixtures that may cause structural damage upon removal must be approved by Lessor prior to installation. Any and all trade fixtures that cannot be removed without structural damage to said Premises or any building or improvements on said Premises shall, subject to Section 12.2 of this Lease, remain the property of Lessor and may not be removed by Lessee at any time or times prior to the expiration or sooner termination of this Lease.
- 12.2 Un-removed Trade Fixtures. Any trade fixtures described in this Article that are not removed from said Premises by Lessee within thirty (30) days after the expiration or sooner termination, regardless of cause, of this Lease shall be deemed abandoned by Lessee and shall automatically become the property of Lessor as owner of the real property to which they are affixed.
- 12.3 Signs. Lessee may not install, or permit any other person to install, any sign, awning, canopy, marquee, or other advertising on any exterior wall, door, or window of the Premises without Lessor's (General Manager) prior written consent. On the expiration or sooner termination of this Lease, or any extension thereof, Lessor may remove and destroy any items which were permitted to be installed according to the terms of this section unless removed as set forth in Section 12.1.

ARTICLE 13. DESTRUCTION AND CONDEMNATION

- 13.1 Partial Destruction. If, during the term of this Lease or any renewals or extensions thereof, the Premises are totally or partially destroyed from any cause, rendering the Premises totally or partially inaccessible or unusable, Lessor shall, as conditioned herein, restore the Premises to substantially the same condition as they were in immediately before destruction if the restoration can be made under the existing laws and can be completed within two (2) years after the date of the destruction, except that Lessor shall have no obligation to restore any improvements upon the Premises unless such restoration can be accomplished with the use of insurance proceeds or other funding, not involving use of Lessor's funds or other assets. Such destruction shall not terminate this Lease. If the restoration cannot be made in the time stated in this section, then within fifteen (15) days after the parties determine that the restoration cannot be made in the time stated in this paragraph, either party can terminate this Lease immediately by giving written notice to the other party. If either party fails to terminate this Lease and if restoration is permitted under the existing laws, including any laws limiting use of Lessor's funds to restore the Premises, Lessor shall restore the Premises within a reasonable time and this Lease shall continue in full force and effect as provided herein. If the existing laws do not permit the restoration, either party can terminate this Lease immediately by giving notice to the other party.
- 13.2 Insurance Proceeds. Any insurance proceeds received by Lessor because of the total or partial destruction of said Premises or the building on said Premises shall be utilized by Lessor or Lessee, as the case may be, to restore the Premises.
- 13.3 Lessor's Restoration. Should Lessor be required under Section 13.1 of this Lease to repair and restore said Premises to their former condition following partial or full destruction of said Premises:
- 13.1.1 Lessee shall not be entitled to any damages for any loss or inconvenience sustained by Lessee by reason of the making of such repairs and restoration; and
- 13.1.2 Lessor shall have full right to enter said Premises and take possession of so much of said Premises, including the whole of said Premises, as may be reasonably necessary to enable Lessor promptly and efficiently to carry out the work of repair and restoration.
- 13.4 Condemnation. Should, during the term of this Lease or any renewal or extension thereof, title and possession of all of said Premises be taken under the power of eminent domain by any public or quasi-public agency or entity, this Lease shall terminate as of the date actual physical possession of said Premises is taken by the agency or entity exercising the power of eminent domain and both Lessor and Lessee shall thereafter be released from all obligations. If a lesser portion of the Premises is taken, the Lease will terminate as to the part taken, except that if the

remaining portion is not reasonably suitable for Lessee's continuing use, then Lessee shall have the option to terminate the Lease in its entirety.

- 13.5 Condemnation Award. Should, during the term of this Lease or any renewal or extension thereof, title and possession of all or any portion of said Premises be taken under the power or eminent domain by any public or quasi-public agency or entity, the compensation or damages for the taking shall belong to and be the sole property of the Lessor, except that Lessee shall be entitled to that portion of the compensation which represents the value of Lessee's improvements or alterations made to the Premises by Lessee in accordance with this Lease, which improvements or alterations Lessee has the right to remove from the Premises, but elects not to remove.

ARTICLE 14. DEFAULT, ASSIGNMENT AND TERMINATION

- 14.1 Subleasing or Assigning as Breach. Lessee shall not encumber, assign, or otherwise transfer this Lease, any right or interest in this Lease, or any right or interest in said Premises or any of the improvements that may now or hereafter be constructed or installed on said Premises without the prior express written consent of Lessor, which may be withheld in Lessor's complete and absolute discretion. Neither shall Lessee sublet said Premises or any part thereof without the prior written consent of Lessor, which may be withheld in Lessor's complete and absolute discretion. A consent by Lessor to one assignment, one subletting, or occupation of said Premises by another person shall not constitute consent to any such action involving others. Any encumbrance, assignment, subletting, or transfer without the prior written consent of Lessor, whether it be voluntary or involuntary, by operation of law or otherwise, is void and shall, at the option of Lessor, terminate this Lease.
- 14.2 Default by Lessee. Should Lessee default in the performance of any of the covenants, conditions, or agreements contained in this Lease, then Lessee shall have breached the Lease and shall be in default unless such default is cured within ten (10) days of written notice from Lessor to Lessee. In the event of any default, not cured by Lessee within the time limits herein set forth, Lessor may, reenter and regain possession of said Premises in the manner provided by the laws of unlawful detainer of the State of California then in effect. In addition, Lessor may, in the event of default by Lessee, elect to exercise any of the remedies described in California Civil Code sections 1951.2 and 1951.4.
- 14.3 Cumulative Remedies. The remedies given to Lessor in this Article shall not be exclusive but shall be cumulative and in addition to all remedies now or hereafter allowed by law or elsewhere provided in this Lease.

- 14.4 Waiver of Breach. The waiver by Lessor of any breach by Lessee of any of the provisions of this Lease shall not constitute a continuing waiver or a waiver of any subsequent breach by Lessee either of the same or another provision of this Lease.
- 14.5 Termination by Lessee. Lessee reserves the right to terminate this Lease without cause, upon provision of ninety (90) days written notice to Lessor.

ARTICLE 15. MISCELLANEOUS

- 15.1 Force majeure – Unavoidable Delays. Should the performance of any act required by this Lease to be performed by either Lessor or Lessee be prevented or delayed by reason of an act of God, strike, lockout, labor troubles, inability to secure materials, restrictive governmental laws or regulations, or any other cause except financial inability not the fault of the party required to perform the act, the time for performance of the act will be extended for a period equivalent to the period of delay and performance of the act during the period of delay will be excused.
- 15.2 Attorney's Fees. Should any litigation be commenced between the parties to this Lease concerning said Premises, this Lease or the rights and duties of either in relation thereto, the party, Lessor or Lessee, prevailing in such litigation shall be entitled, in addition to such other relief as may be granted in the litigation, to a reasonable sum for attorney's fees in such litigation which shall be determined by the court in such litigation or in a separate action brought for that purpose.
- 15.3 Notice. Except as otherwise expressly provided by law, any and all notices or other communications required by this Lease or by law to be served on or given to either party hereto by the other party hereto shall be in writing and shall be deemed duly served and given when personally delivered to the party to whom they are directed, or in lieu of such personal service, when deposited in the United States mail, first class postage prepaid, addressed as follows:

To Lessee:

County of Humboldt
Real Property Division
1106 Second Street
Eureka, CA 95501

To Lessor:

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

Insurance Notices:

County of Humboldt
Attn: Risk Manager
825 Fifth Street, Room 131
Eureka, CA 95501

Either party, Lessee, or Lessor, may change its address for the purpose of this section by giving written notice of such change to the other party in the manner provided in this section.

- 15.4 Binding On Successors. This Lease shall be binding on and shall inure to the benefit of the successors and assigns of the parties hereto, Lessor and Lessee, but nothing in this section contained shall be construed as a consent by Lessor to any assignment of this Lease or any interest therein by Lessee except as provided in Article 14 of this Lease.
- 15.5 Partial Invalidity. Should any provision of this Lease be held by a court of competent jurisdiction to be either invalid, void, or unenforceable, the remaining provisions of this Lease shall remain in full force and effect unimpaired by the holding.
- 15.6 Sole and Only Agreement. This instrument constitutes the sole and only agreement between Lessor and Lessee respecting said Premises, the leasing of said Premises to Lessee, or the lease term herein specified, and correctly sets forth the obligations of Lessor and Lessee to each other as of its date. Any agreements or representations respecting said Premises or their leasing by Lessor to Lessee not expressly set forth in this instrument are null and void.
- 15.7 Nuclear Free Contractor. Lessor certifies by its signature below that Lessor is not a Nuclear Weapons contractor, in that Lessor is not knowingly or intentionally engaged in the research, development, production, or testing of nuclear warheads, nuclear weapons systems, or nuclear weapons components as defined by the Nuclear Free Humboldt County Ordinance. Lessor agrees to notify Lessee immediately if it becomes a nuclear weapons contractor, as defined above. Lessee may immediately terminate this Lease if it determines that the foregoing certification is false or if Lessor becomes a nuclear weapons contractor.
- 15.8 Smoking. Pursuant to Humboldt County Code Section No. 971-1 et seq., Lessee owned, leased or occupied premises are smoke free. Lessor shall comply with the ordinance.

15.9 Time of Essence. Time is expressly declared to be of the essence of this Lease.

15.10 Modification. This Lease may not be altered, changed, or amended except by an instrument in writing signed by Lessee and Lessor.

15.11 Lessor Not Officer, Employee, Or Agent of County. While engaged in carrying out and complying with the terms and conditions of this Lease, the relationship of the parties shall be that of independent contractor and neither party shall be considered to be an officer, employee, or agent of the other party.

15.12 Jurisdiction and Applicable Laws. This Lease shall be construed under the laws of the State of California. Any dispute arising hereunder or relating to this Lease shall be litigated in the State of California and venue shall lie in the County of Humboldt unless transferred by court order pursuant to Code of Civil Procedure §§ 394 and 395.

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Executed on _____, 2016, at _____, Humboldt County, California.

LESSOR: MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

George Wheeler, President MCSD Board of Directors

INSURANCE CERTIFICATES REVIEWED AND APPROVED

BY _____

Finance Director

LESSEE: COUNTY OF HUMBOLDT

(SEAL)

ATTEST:

CLERK OF THE BOARD

BY _____

APPROVED AS TO FORM:

COUNTY COUNSEL

BY _____

DEPUTY

COUNTY OF HUMBOLDT

INSURANCE CERTIFICATES
REVIEWED AND APPROVED

BY _____

RISK MANAGER

BY _____

CHAIRPERSON,
BOARD OF SUPERVISORS
COUNTY OF HUMBOLDT
STATE OF CALIFORNIA

LEGAL DESCRIPTION

ALL THAT REAL PROPERTY SITUATED IN THE COUNTY OF HUMBOLDT, STATE OF CALIFORNIA DESCRIBED AS FOLLOWS:

BEING A PORTION OF THE LANDS DEEDED TO THE COUNTY OF HUMBOLDT AS SHOWN ON THE RECORD OF SURVEY DATED AUGUST, 1992 AS RECORDED MARCH 30, 1993 IN BOOK 54 OF SURVEYS AT PAGE 2, HUMBOLDT COUNTY RECORDS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL 'A':

COMMENCING AT THE NORTHEAST CORNER OF SAID LANDS; THENCE SOUTHERLY ALONG THE EAST LINE OF SAID LANDS SOUTH $0^{\circ}09'30''$ WEST 152.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID EAST LINE SOUTH $0^{\circ}09'30''$ WEST 88.00 FEET; THENCE LEAVING SAID EAST LINE NORTH $89^{\circ}50'30''$ WEST 68.00 FEET; THENCE NORTHERLY ALONG A LINE LYING WESTERLY OF, PARALLEL WITH AND 68.00 FEET DISTANT MEASURED AT RIGHT ANGLES FROM SAID EASTERLY LINE NORTH $00^{\circ}09'30''$ EAST 88.00 FEET; THENCE SOUTH $89^{\circ}50'30''$ EAST 68.00 FEET TO THE POINT OF BEGINNING.

CONTAINING 5,984 SQUARE FEET OF LAND, MORE OR LESS

PARCEL 'B'

COMMENCING AT THE AFOREMENTIONED POINT OF BEGINNING OF SAID PARCEL 'A'; THENCE WESTERLY ALONG THE NORTH LINE OF SAID PARCEL 'A' NORTH $89^{\circ}50'30''$ WEST 68.00 FEET TO THE POINT OF BEGINNING, SAID POINT BEING THE NORTHWEST CORNER OF SAID PARCEL 'A'; THENCE SOUTHERLY ALONG THE WEST LINE OF THE SAID PARCEL 'A' SOUTH $00^{\circ}09'30''$ WEST 88.00 FEET TO THE SOUTHWEST CORNER OF SAID PARCEL 'A'; THENCE LEAVING SAID WEST LINE NORTH $89^{\circ}50'30''$ WEST 150.82 FEET TO A POINT LYING ON THE WEST LINE OF SAID LANDS DEEDED TO THE COUNTY OF HUMBOLDT; THENCE NORTHERLY ALONG SAID WEST LINE THE FOLLOWING THREE (3) COURSES:

- 1) NORTH 11.65 FEET;
- 2) THENCE NORTH $89^{\circ}50'30''$ WEST 0.96 FEET;
- 3) THENCE NORTH $00^{\circ}33'20''$ WEST 76.35 FEET;

THENCE LEAVING SAID WEST LINE SOUTH $89^{\circ}50'30''$ EAST 152.77 FEET TO THE POINT OF BEGINNING

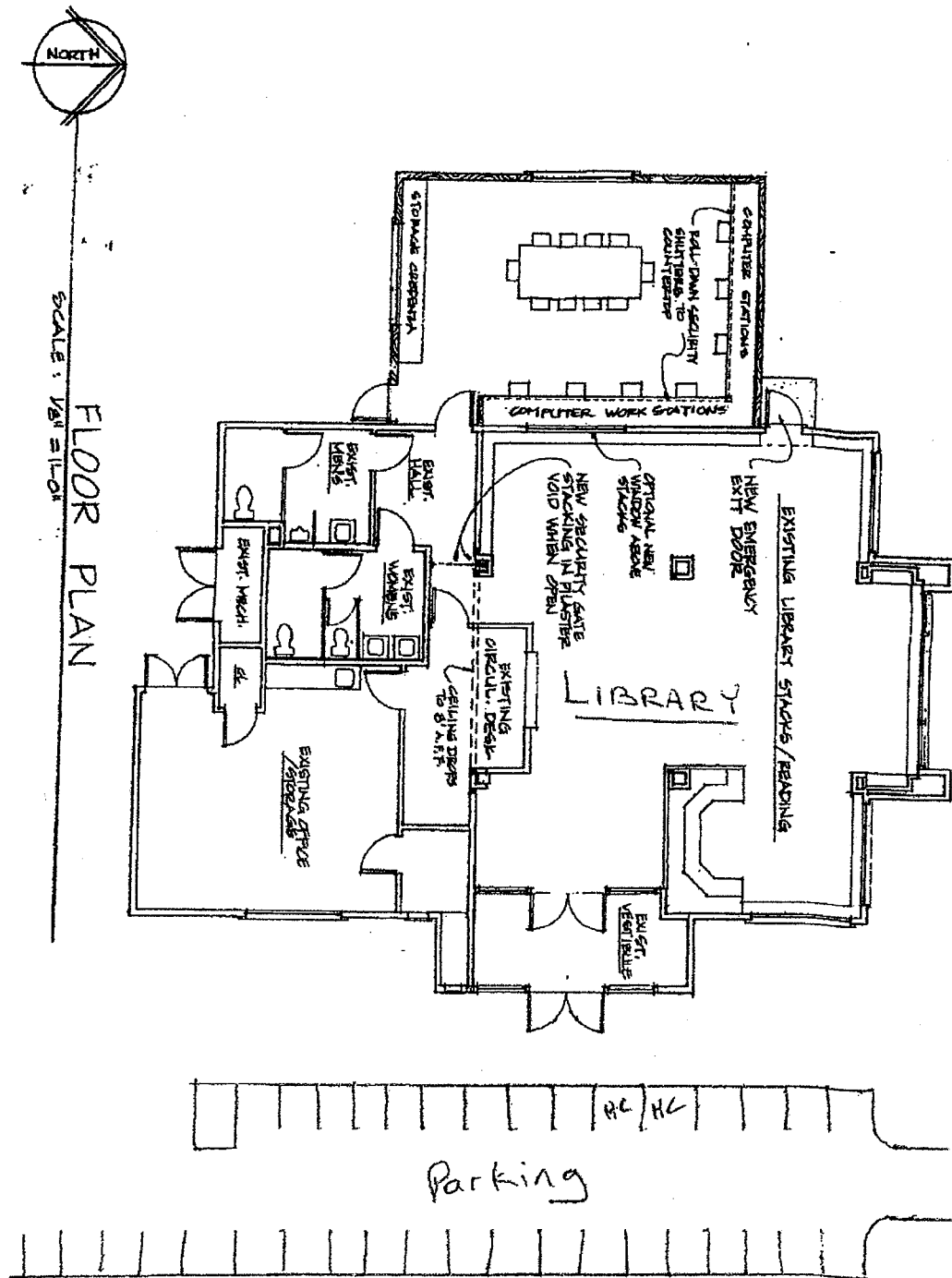
CONTAINING 13,386 SQUARE FEET OF LAND, MORE OR LESS.

LEGAL DESCRIPTION PREPARED BY:

Philip A. Gutierrez Jr.
 PHILIP A. GUTIERREZ JR.
 L.S. 7245



EXHIBIT A 133



720 square foot Conference Room

Computer stations, WiFi, conference table, projector & screen

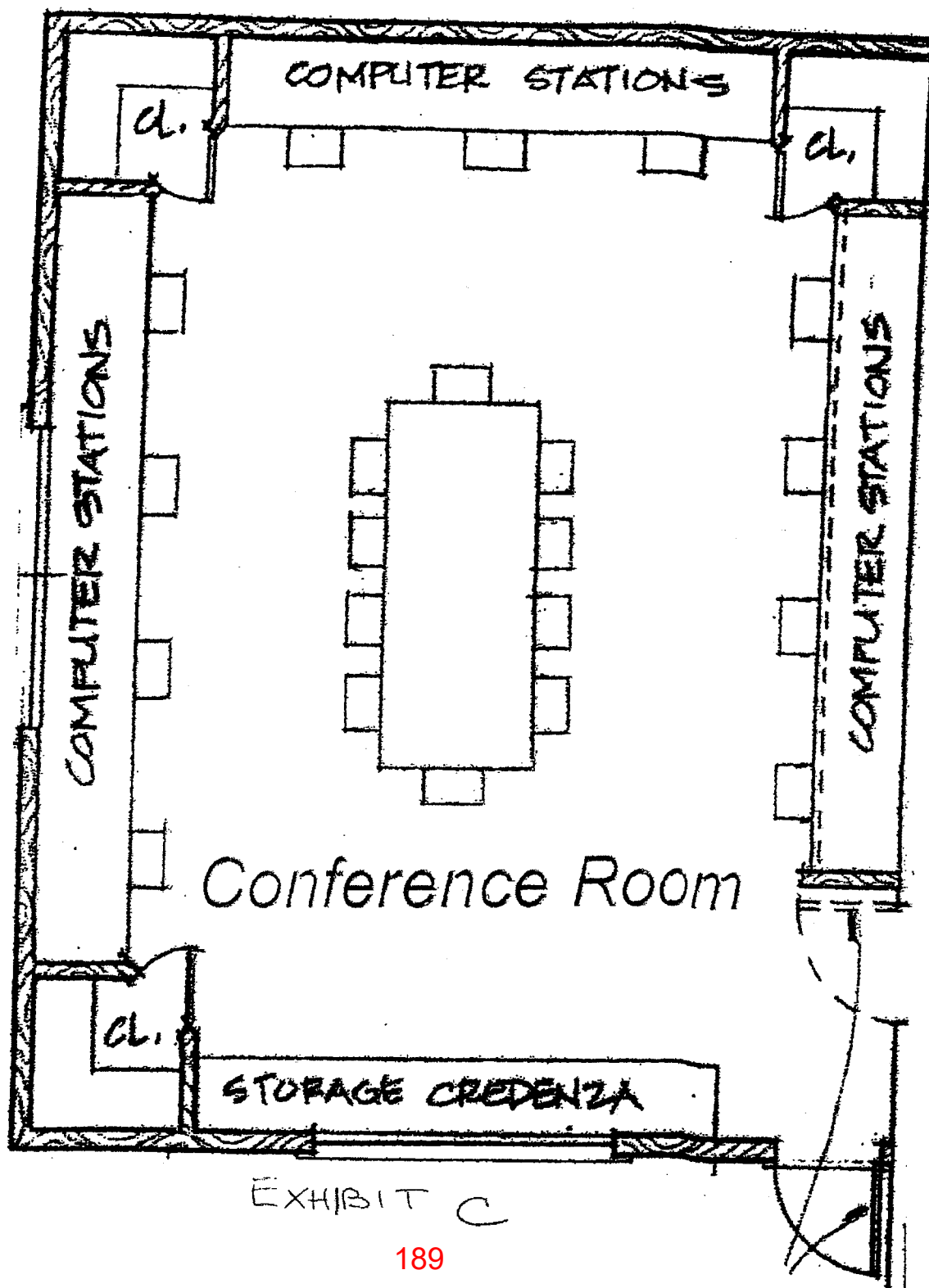


EXHIBIT C

EXHIBIT D

McKINLEYVILLE LIBRARY Schedule for Use of Conference Room

1. The Lessee shall have exclusive use of the Conference Room located in the McKinleyville Library as follows:

Regular Library Hours:

Mondays	No usage		
Tuesdays	12:00 noon	to	5:00 pm
Wednesdays	12:00 noon	to	8:00 pm
Thursdays	10:00 am	to	5:00 pm
Fridays	12:00 noon	to	5:00 pm
Saturdays	10:00 am	to	5:00 pm
Sundays	No usage		

2. Lessor shall have exclusive use during all other times outside of regular library business hours as described in #1 above.
3. Lessor shall be responsible for keeping a schedule in the District Office.
4. Lessee may reserve Conference Room outside of the allotted exclusive use hours as written in #1 above with the following conditions:
 - a. Lessee may not collect fees for use of Conference Room outside of regular business hours. Lessee must gain prior approval from Lessor and agrees to inform Lessor of scheduled or ongoing use so Lessor may include such events on the Conference Room Facility use calendar. However, if Lessor, a Lessor-approved vendor, special event, or recreation program require use of the Conference Room during those times, except times granted to Lessee in #1 above, such use shall have priority over use of the Conference Room. Lessor shall give a minimum of three days notice to Lessee. Furthermore, Lessee agrees to reschedule, move, or make alternative arrangements for any cancellation resulting from such use at no cost to Lessor.
5. Lessor may reserve Conference Room during regular library business hours as written in #1 above with the following conditions:
 - a. Lessor shall give a minimum of three (3) days notice to Lessee
 - b. Lessor's use of Conference Room shall not interfere with Lessee's use of the remainder of the leased premises.
6. Acknowledging that the participants in Lessee's programs are a viable and important part of the community, Lessor shall consider, respect, and adhere to Lessee's scheduled and ongoing use of the Conference Room when scheduling and planning activities for the community. Furthermore, Lessor agrees that all such scheduling of the Conference Room for Lessor's recreation programs shall result in consultation with the McKinleyville Library Branch Manager and District's Parks and Recreation Director.

McKinleyville Community Services District

BOARD OF DIRECTORS

April 6, 2016

TYPE OF ITEM: **ACTION**

ITEM: E.1 **Employee negotiations regarding proposed three (3) year compensation contract with District employees**

PRESENTED BY: **Greg Orsini, General Manager/Helen Edwards, David Couch Directors**

TYPE OF ACTION: **Roll Call Vote**

Recommendation:

Staff recommends the Board review the information presented, discuss and take public comment and consider approval of a three (3) year term agreement with employees as follows:

1. Maintain the current general benefit package in terms of holidays, vacation, sick time, life, medical, Employee Assistance Program (EAP), State Disability Insurance (SDI) and dental insurance in addition to other current general employee benefits.
2. A contract agreement that will be in effect for three fiscal years, 2016/17, 2017/18 and 2018/19.
3. Approve this year's COLA increase of 1.15%. The COLA calculation will continue to utilize the Bureau of Labor Statistics Data website, using the average of the West-Size Class B/C, the SF/Oakland-San Jose, CA; all items; not seasonally adjusted CPI indices. The average of these indices would continue to be used for the duration of the three-year agreement.
4. For employees who were hired prior to January 1, 2016 and elect to switch to the Consumer Driven Health Plan (CDHP) during open enrollment, an annual contribution to a Health Savings Account (HSA) that is 75% of the maximum out of pocket; for Singles, equaling \$1,875; Employee plus 1, equaling \$3,000; and Family, equaling \$3,000. MCSD will also cover the annual service fee for administration of the plan.
5. The PERS 457 Plan Deferred Compensation related to the District matching contribution will be increased from 3% to matching contributions of 3.5% of gross wages.

Discussion:

It has been a tradition of MCSD since the 1990's for staff to negotiate with the MCSD Board of Directors for their benefit package.

The Board appointed negotiating committee consisting of Helen Edwards and David Couch. They met with the MCSD employee negotiating committee consisting of Kirsten Messmer, Brian Anspach and Joseph Blaine to discuss the current employee compensation package that will expire on June 30, 2016.

Historically the Board and Staff considered components of the compensation package including:

1. General benefit package in terms of holidays, vacation, sick time, life, medical and dental insurance in addition to other current general employee benefits.
2. Longevity pay which consists of a 2.5% salary increase at 10, 15, and 20 years of full time (40 hours per week). This is calculated based on full time employment working 40 hours per week. Employees working who have worked less than 40-hours per week are not considered full time employees for purposes of calculating time worked for this benefit. In addition, this will be calculated based on continuous, uninterrupted employment service to the District. We would not use the word "permanent benefit" as this benefit may be subject to negotiations in the future.
3. Cost of Living Allowance (COLA) is an average of the two indices that the Board and the employees have used for the last 15 years in determining a COLA. It is proposed that we continue to use the same indices for the sake of continuity by utilizing the Bureau of Labor Statistics Data website, using the average of the West-Size Class B/C, the SF/Oakland-San Jose, CA; all items; not seasonally adjusted CPI indices.
4. The District matches the employee's contribution to the PERS 457 Plan Deferred Compensation up to a certain percent, currently 3.0%. This benefit has proven beneficial in promoting the employees to participate in their retirement savings and deferring pre-tax dollars.
5. State Disability Insurance (SDI). In 2012 MCSD shifted from self-insured to the State of California System. Currently MCSD covers 100% of this cost of 1.0% of total payroll.

Through a series of discussions and correspondences, the MCSD negotiating committee presented requests to the Board Negotiating Committee as **Attachment 1**. The counter offer from the Board Negotiating Committee appears in blue on **Attachment 2**.

The employees accepted the counter offer and this item is before the Board for approval.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

- Modify the recommendations from the negotiating committee and continue further negotiations with staff.

Fiscal Analysis:

Increase of the 457 from 3% to matching contributions of 3.5% of gross wages would equal \$8,270 per year of total payroll the district if staff are in full participation.

The table below illustrates the cost savings to the District for employee, employee + 1, and family that switch to the Consumer Base Health Plan Plus Health Savings Account from the Cal Care HMO.

Employee	Employee + 1	Family	Grand Total
\$125	\$616	\$2,613	\$3354

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Memo from negotiations committee to the Board
- Attachment 2 – Memo to the negotiations committee from the Board

February 10, 2016

To: Vice President Helen Edwards, Director David Couch

From: MCSD Employee Negotiators
 Brian Anspach, Field Crew
 Kirsten Messmer, Parks and Recreation
 Joseph Blaine, Support Services

First of all, thank you for taking the time to meet with us. We appreciate the time and effort that you invest in serving the community of McKinleyville. We have been appointed by our respective departments to represent them in this process of the Cost of Living Adjustment (COLA)/Negotiation process. We would like to present the following items for your consideration:

1. **We would like to maintain the current benefit package.**
2. **We are hoping to reach an agreement that would be in effect for next three fiscal years, 2016/17, 2017/18 and 2018/19.** This is in light of the impending delay of the Cadillac Tax until 2020.
3. **We are asking the Board to grant us each year's COLA.** This year the COLA is a 1.15% increase. The Board and the employees have used the average of the two indices (West City CPI-W and SF/Oakland CPI-W) for over a decade in determining a COLA. The average of these indices would continue to be used for the duration of the three year agreement.
4. **Currently the employees can elect to switch to Consumer Driven Health Plan (CDHP) during open enrollment. We are requesting that the District contribute to the Health Savings Accounts of those that choose the CDHP. The amount we are requesting is 100% of the annual deductible of the CDHP for "classic" employees (those hired before Jan 1, 2016).** Although the amount differs from single person/couples/ family plans, the overall savings to the District will be substantial. For full disclosure, singles and couples will actually have more contributed to their HSAs than is saved by the District in this plan. The individual District savings for each family far outweighs the additional costs incurred as described above.

As you are aware, the board voted in favor of contributing to the HSAs of any "new hires" (employees hired from Jan 1, 2016 and beyond) that elect to be covered by the CDHP rather than the PPO plan. As these employees are covered by a separate benefit package and already have a mechanism for funding their HSAs in place, they will not be eligible for the plan described above. As such, the contributions made by the District to these employees HSAs are a wash, financially.

If the board elects to pursue the above plan, the District will be providing a popular option to its employees that have the added benefit of saving the District a substantial amount of money each year. This is an opportunity to invest in the employees rather than in an insurance company, and promote active participation by the employees in their healthcare.

5. **We would like to ask the Board to consider an increase to the matching contributions to the PERS 457 from 3% to 4%.** The PERS 457 Plan is a crucial plan to the majority (19 out of 25) of the employees. It lowers our taxable income, allows us the opportunity to save for our retirement and fund "gap" years until Social Security begins. As this plan is optional, the District match is a great incentive for participation.
6. **We would like the Board to consider adding a Holiday.** The employees currently have 13.5 holidays: All of the Federal Holidays (except Martin Luther King, Jr. Day), the Day after Thanksgiving, Christmas Eve, New Year's Eve Afternoon, and two Floating Holidays. When discussing "the ask" of adding Martin

Luther King, Jr. Day as a holiday (due to 5 employees took time off on Martin Luther King, Jr. Day this year), the majority of the employees opted to ask for another Floating Holiday instead. Adding another Floating Holiday will strengthen our benefit package, maintain the days we provide customer service (i.e. no office closures), and allow employees the choice to take Martin Luther King, Jr. Day to be with their families.

Thank you for your consideration of these requests. We appreciate the opportunity to serve the Customers of the District and our fellow employees. We look forward to providing the best service in the most cost effective manner.

February 16, 2016

To: MCSD Employee Negotiators and Staff

From: Vice President Helen Edwards and Director David Couch

We would like to thank you for the opportunity to discuss MCSD the staff compensation package and your proposal to extend/ modify the current agreement. The counter offer is to allow you an opportunity consider our position and to seek direction from MCSD staff with the ultimate goal being an agreement that takes into considers the economic realities for MCSD but still provides compensation to you that is equitable.

If staff is amicable with the proposal, we will enter into closed session at a regularly scheduled board meeting with the remainder of the board to verify we have consensus on this matter.

Below are your requests verbatim with our comments and counter offers.

1. **We would like to maintain the current benefit package.**
This request is acceptable
2. **We are hoping to reach an agreement that would be in effect for next three fiscal years, 2016/17, 2017/18 and 2018/19.** This is in light of the impending delay of the Cadillac Tax until 2020.
This request is acceptable
3. **We are asking the Board to grant us each year's COLA.** This year the COLA is a 1.15% increase. The Board and the employees have used the average of the two indices (West City CPI-W and SF/Oakland CPI-W) for over a decade in determining a COLA. The average of these indices would continue to be used for the duration of the three-year agreement.
This request is acceptable
4. **Currently the employees can elect to switch to Consumer Driven Health Plan (CDHP) during open enrollment. We are requesting that the District contribute to the Health Savings Accounts of those that choose the CDHP. The amount we are requesting is 100% of the annual deductible of the CDHP for "classic" employees (those hired before Jan 1, 2016).**
The Board Negotiating Committee proposes an annual contribution to an HAS that is 75% of the maximum out of pocket for Single equaling, \$1,875; Employee Plus 1, equaling \$3,000 and Family, equaling \$3,000. MCSD would also cover the annual service fee for administration of the plan. The Board's logic for only covering 75% of the maximum out of pocket is twofold. In doing so the employees will have "skin in the game" and should then take an active role in the administration of their health care and number two, having to contribute a portion on the maximum out of pocket will encourage thoughtful use of this benefit thereby helping to stabilize premium costs. To phrase it differently the more claims against the insurance the greater the potential that the insurance administrator will increase the premium costs. This concept is a proven method to control premium cost.
5. **We would like to ask the Board to consider an increase to the matching contributions to the PERS 457 from 3% to 4%.** The PERS 457 Plan is a crucial plan to the majority (19 out of 25) of the employees. It lowers our taxable income, allows us the opportunity to save for our retirement and fund "gap" years until Social Security begins. As this plan is optional, the District match is a great incentive for participation.
The Board Negotiating Committee counters with an offer to increase the employer contribution from 3% to 3.5% match. We feel this is very generous and should maintain MCSD employees above median in this category compared to comparable agencies.
6. **We would like the Board to consider adding a Holiday.** The employees currently have 13.5 holidays: All of the Federal Holidays (except Martin Luther King, Jr. Day), the Day after Thanksgiving, Christmas Eve, New Year's Eve Afternoon, and two Floating Holidays. When discussing "the ask" of adding Martin

Luther King, Jr. Day as a holiday (due to 5 employees took time off on Martin Luther King, Jr. Day this year), the majority of the employees opted to ask for another Floating Holiday instead. Adding another Floating Holiday will strengthen our benefit package, maintain the days we provide customer service (i.e. no office closures), and allow employees the choice to take Martin Luther King, Jr. Day to be with their families.

At this time, dealing with the present demands the Committee is uncomfortable with the potential loss of productivity by increasing paid time off by 190 hours per year. We feel that with the current holidays, personal floating holidays and generous vacation policy, staff is well compensated in paid time off.

The Board Negotiating Committee would request you consider this offer and be prepared to discuss it with us in the near future. Please arrange for a second meeting with us prior to February 24th as we would will need to discuss the outcome in closed session with the board.

Again thank you for participating in the process.