

**NOTICE IS HEREBY GIVEN THAT A REGULAR MEETING OF THE
MCKINLEYVILLE COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS
WILL BE HELD AT:**

**Azalea Hall
1620 Pickett Road
McKinleyville, California**

**Wednesday, June 16, 2010
7:00 P.M.**

AGENDA

A. CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

ADDITIONS TO 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.

B. APPROVAL OF THE AGENDA

C. PUBLIC HEARINGS

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

NO PUBLIC HEARING SCHEDULED

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 minutes of the Board of Directors' Regular Meeting of May 19, 2010 **P.4**
- D.2 Consider approval of May 2010 Treasurer's Report **P.9**
- D.3 No DCV Violations this month.

- D.4 Consider authorizing General Manager to sign and execute an Owner-Contractor Agreement with DCI Builders for the construction of the McKinleyville Library Expansion Project. P.23
- D.5 Consider Approval of a Facilities Extension Agreement for Central Estates Subdivision Phase 2A and 2B. **P. 24**

E. CONTINUED AND NEW BUSINESS

- E.1 Adopt Resolution of Intent to collect FY2010/2011 Measure B Assessments **P. 28**
- E.2 Consider approval of Right of Entry agreement with McKinleyville Skate Park Organization **P. 34**
- E.3 Consider Adoption of Resolution 2010-08 *Authorization to Apply for an Energy Efficiency Loan from the California Energy Commission* and Authorization to Execute Loan Documents **P. 42**
- E.4 Consider Approval of Study to Modify Copper Effluent Limits **P. 44**
- E.5 Consider approval of letter prepared by the Recreation Advisory Committee to the State of California and the McKinleyville Press in support of Proposition 84 Parks and Recreation Grant Funding application **P. 47**
- E.6 Consider approval of Fiscal Year 2010/2011 Budget **P. 50**

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 (Couch/Mayo (alternate))
- b. Area Fund (John Kulstad)
- c. Redwood Region Economic Development Commission ((Edwards, Wennerholm (alternate))
- d. McKinleyville Senior Center (Wennerholm)
- e. Audit (Corbett, Edwards)
- f. Water Task Force ((Mayo, Corbett (alternate))
- g. AdHoc No Drugs & Toxics Down the Drain (Mayo)

F.2. STAFF REPORTS

- a. Support Services Department (Steve Edmiston) **P. 81**
- b. Operations Department (Greg Orsini) **P. 82**
- c. Parks and Recreation Department (Jason Sehon) **P. 86**
- d. General Manager (Norman Shopay) **P. 88**

F.3. CHAIRMAN'S REPORT

F.4. BOARD MEMBERS' COMMENTS, ANNOUNCEMENTS, REPORTS

G. 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.*

H. 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

I. ADJOURNMENT

Posted 5:00 pm on Friday June 11, 2010

EXHIBIT D.1

**MINUTES OF THE REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
HELD ON WEDNESDAY, MAY 19, 2010 AT 7:00PM AT AZALEA HALL,
1620 PICKETT ROAD, MCKINLEYVILLE**

The regular meeting of the Board of Directors of McKinleyville Community Services District convened at 7:00pm with the following Directors and staff in attendance:

Helen Edwards, Board President
Dennis Mayo, Vice President
John Corbett, Director
David Couch, Director
Bill Wennerholm, director

Norman Shopay, General Manager
Gregory Orsini, Operations Director
Jason Sehon, Park & Recreation Director
Steve Edmiston, Finance Director
Sharon Denison, Board Secretary

AGENDA ITEM A-CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE AND ADDITIONS TO THE

AGENDA: At 7:00pm President Edwards called the meeting to order with all Directors present and asked Director Couch to lead the pledge of allegiance. There were no additions to the agenda.

AGENDA ITEM B-APPROVAL OF THE AGENDA:

MOTION: It was moved to approve the agenda as presented. Motion by Corbett, second by Mayo.

MOTION VOTE: Ayes: Corbett, Couch, Mayo, Wennerholm, Edwards

MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

AGENDA ITEM C-PUBLIC HEARINGS-none

AGENDA ITEM D-CONSENT CALENDAR:

1. Consider approval of minutes of the Board of Directors Regular Meeting of April 21, 2010.
2. Consider approval of April 2010 Treasurer's Report.
3. DCV Violations this month.
4. Approval of McKinleyville Newsletter & Recreation Activity Guide.

David Elsebusch requested that D.4 be pulled from the consent calendar.

MOTION: It was moved to approve consent calendar items 1, 2 and 3. Motion by Wennerholm; second by Corbett.

MOTION VOTE: Ayes: Corbett, Couch, Mayo, Wennerholm, Edwards

MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

Consent Calendar Item D.4: David Elsebusch expressed concern with the McK Chamber's planned move to Azalea Hall and did not support the idea. The Directors had no comments.

MOTION: It was moved to approve consent calendar item D.4. Motion by Corbett; second by Mayo.

MOTION VOTE: Ayes: Corbett, Couch, Mayo, Wennerholm, Edwards

MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

(In accordance w/Robert's Rules of Order, 10th edition, Pg. 451, Section 48: "Unless the minutes are to be published, they should contain mainly a record of what was done at the meeting, not what was said by the members".)

AGENDA ITEM E.1-PURCHASE OF LAND FROM JL FURTADO INC. ADJACENT TO MCKINLEYVILLE

ACTIVITY CENTER (APN510-401-025) 1665 GWIN ROAD: After a brief Board discussion President Edwards opened public input and two people spoke against purchasing this property. President Edwards closed public input.

MOTION: It was moved to approve staff recommendations:

1. Authorize the Board President and General Manager to execute the Exclusive Offer to enter Real Estate purchase contract with JL Furtado, Inc to purchase the property in an amount not to exceed \$125,000, located adjacent to the McKinleyville Activity Center (APN 510-401-25).
2. Conduct additional inspections and investigations as needed during the 40 day inspection period.
3. Approve a revision to the Parks and Recreation 2009/2010 budget in the amount of \$130,000 to cover the cost of the property acquisition, property appraisal, legal review fees, inspections, title report, closing fees, and transfer of funds from the Parks and Recreation reserve account.

Motion by Corbett; second by Mayo.

MOTION VOTE: Ayes: Corbett, Couch, Mayo, Wennerholm, Edwards

MOTION SUMMARY: Motion passed-5 AYES; 0 NAYS

AGENDA ITEM E.6-CONSIDER APPROVAL OF RIGHT OF ENTRY AGREEMENT WITH MCKINLEYVILLE

SKATE PARK COMMITTEE: Board President Edwards requested this item be delayed until next month's Board meeting to allow time for referral to the Recreation Advisory Committee for a recommendation. It was Board consensus to allow public input on this item prior to the delay. Park & Recreation Director Sehon reviewed the timeline, history of Board support, prior Board action and staff recommendations which included a 12 month right of entry agreement. President Edwards opened public input and five people addressed the Board in support of the project. Director Mayo thanked the public for their comments. The Board supported staff recommendations, but it was consensus to refer this to the Recreation Advisory Committee for their recommendation and direct staff to bring this back to the Board next month for consideration of design approval and Quimby funding.

AGENDA ITEM E.5-CONSIDER AWARD OF BID FOR CONSTRUCTION OF MCKINLEYVILLE LIBRARY

ADDITION TO LOW BIDDER DELBIAGIO CONSTRUCTION: Park and Recreation Director Sehon explained that the Friends of the McKinleyville Library had been fund raising for about ten years to make this addition a reality and had even scaled back the size due to costs. There was no public input.

MOTION: It was moved to award the bid for construction of the McKinleyville Library Expansion in the amount of \$105,730.00, including the Additive Alternate No. 3 (locking cabinets). Motion by Corbett, second by Wennerholm.

MOTION VOTE: Ayes: Corbett, Couch, Mayo, Wennerholm, Edwards.

MOTION SUMMARY: Motion passed-5 AYES; 0 NAYS

AGENDA ITEM E.2-RELEASE OF DRAFT WEBSITE AND LOGO UPDATE: Recreation Supervisor Lesley Frisbee explained how the new logo concept was designed following staff and public input and much consideration of the best design to represent the McKinleyville Community. Park and Recreation

(In accordance w/Robert's Rules of Order, 10th edition, Pg. 451, Section 48: "Unless the minutes are to be published, they should contain mainly a record of what was done at the meeting, not what was said by the members".)

Director Sehon gave a PowerPoint presentation to show the draft logo design and a tour of the new District website. President Edwards opened public input and David and Penny Elsebusch expressed their concerns with both the logo and new website. Jeff Dunk supported both the logo and website and credited staff for the improvement.

MOTION: It was moved to approve the release of the MCSD Website and approve the new logo design as the official logo for the M.C.S.D. Motion by Corbett; second by Mayo.

MOTION VOTE: Ayes: Corbett, Couch, Mayo, Wennerholm, Edwards.

MOTION SUMMARY: Motion passed-5 AYES; 0 NAYS.

AGENDA ITEM E.3-EMPLOYEE NEGOTIATIONS REGARDING PROPOSED THREE (3) YEAR CONTRACT

WITH EMPLOYEES: General Manager Shopay reviewed the offer presented to MCSD employees following a series of meetings and discussion between the Board appointed negotiation committee and MCSD employee negotiation committee. Director Corbett thanked both the Board committee and employees for being very practical in these hard times. President Edwards opened public input and David and Penny Elsebusch both expressed their concern with the length of the contract and the PERS retirement program. Jeff Dunk supported the three year contract and the incentive savings program.

MOTION: It was moved to approve a three year contract with the employees as follows:

1. Maintain the current benefit package in terms of holidays, vacation, sick time, life, medical and dental insurance in addition to other current general employee benefits
2. Maintain the current longevity pay increase of a 2.5% salary increase at 10, 15 and 20 years of full time (40 hours per week). This would continue to be calculated based on full time employment working 40 hours per week. Persons 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 with the District.
3. This year's negative 0.2% (zero point two percent) CPI average will be deducted from a future COLA increase. The COLA will continue to use the same indices for the average of the West City CPI-W and the SF/Oakland CPI-W CPI indices.
4. The PERS 457 Plan relate to the District matching contribution will continue as previously approved with the following changes:

Fiscal Year 10/11	A total District match of 1.0% (The existing current rate)
Fiscal Year 11/12	A total District match of 1.5%
Fiscal Year 12/13	A total District match of 2.0%

Motion by Corbett; second by Mayo.

MOTION VOTE: Ayes: Corbett, Couch, Mayo, Wennerholm, Edwards

MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

AGENDA ITEM E.4-ORDINANCE CHANGE RELATED TO WATER RATES AND WATER METER SET FEES:

After a brief Board discussion President Edwards opened public comment and David Elsebusch expressed his concern with rate increase.

(In accordance w/Robert's Rules of Order, 10th edition, Pg. 451, Section 48: "Unless the minutes are to be published, they should contain mainly a record of what was done at the meeting, not what was said by the members".)

MOTION: It was moved to approve Resolution 2010-06 to amend Rules and Regulations to increase water rates by 3% as approved at the April 21, 2010 Board meeting; increase Water Meter Set Fees, Water Service Installation fees and Backflow Testing Fees. Motion by Corbett; second by Mayo.

MOTION VOTE: ROLL CALL VOTE: Ayes: Corbett, Couch, Mayo, Wennerholm, Edwards

MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

AGENDA ITEM E.7-FISCAL YEAR 2010/2011 DRAFT BUDGET: Financial Director Edmiston briefly reviewed the Draft Operating and Capital budget for the fiscal year ending June 30th 2011 and asked for Board questions and comments. Director Corbett requested information on capital reserve trends and an analysis of potential cash flows moving forward to be included as part of the budget document when this comes back to the Board next month. There was no public input on this item.

AGENDA ITEM F-REPORTS:

F1a-RAC: Director Couch reported that the next RAC meeting would be held on May 27th and both the Skate Park and the Dog Park will be on the agenda. He added that they are in the process of working on the Parks and Recreation Master plan.

F1b-McK Area Fund: There was nothing to report.

F1c-RREDC: President Edwards asked Director Wennerholm to attend Monday's RREDC meeting in her absence and reported that RREDC was still working on issues at the airport.

F1d-McK Senior Center: Director Wennerholm had nothing to report.

F1e-Audit: There was nothing to report.

F1f-Negotiations: There was nothing to add to tonight's report.

F1g-Water Task Force: Director Mayo reported that the task force would be holding more public meetings starting with one on June 1, 2010 at Azalea Hall, inviting all to attend this meeting. He added that they were in the process of evaluating public input. He also announced that an effort to get ACWA Region 1 to come to our area had been successful and was scheduled for June 10th and 11th. He promised to get this information to General Manager Shopay to go out to the Directors.

F1h-AdHoc No Drugs Down the Drain: Director Mayo had nothing to report.

F2a-Support Services Department: Finance Director Edmiston had nothing to add to his written report.

F2b-Operations Department: Operations Director Orsini had nothing to add to his written report.

F2c-Parks and Recreation Department: Park Director Sehon briefly reviewed some of the items in his written report.

F2d-General Manager: General Manager Shopay briefly discussed a few items in his report:

1. Reported that he was pursuing discussion with HBMWD regarding financial support from them for the emergency water line bridge crossing as it contributes to the regional water network and will benefit other Muni's in addition to MCSD.
2. Reported that a Hazardous Waste collection day was scheduled for July 17, 2010.
3. Spoke about his concern with the proposed State budget deficit, referring to his graph in the packet showing the anticipated shortfall.
4. Updated the Board on the status of contract negotiations with HBMWD and the pulp mill.
5. Noted that his reports in the future will include cost savings measures done by staff.

(In accordance w/Robert's Rules of Order, 10th edition, Pg. 451, Section 48: "Unless the minutes are to be published, they should contain mainly a record of what was done at the meeting, not what was said by the members".)

F3-CHAIRMAN'S REPORT: Board President Edwards thanked General Manager Shopay for the weekly update on activities the District is currently working on, projects completed and meeting attended.

F4-BOARD MEMBERS' COMMENTS, ANNOUNCEMENTS AND REPORTS: Director Corbett explained that the \$43,621 deficit in street light fund in the budget is due to the failure to amortize pole replacement and this was a sign of the need to address planning for all costs for long term expenses. He also advised the Board that he would be bringing a proposal to form a liaison with Humboldt County and key agencies as the Citizens Advisory Committee is not moving forward.

AGENDA ITEM G-PUBLIC COMMENT AND WRITTEN COMMUNICATIONS: President Edwards opened public input and the following people addressed the Board:

1. Susan Frank requested that notices be posted at Hiller Park for any changes proposed to the park and was not in favor of a fenced dog area.
2. David Elsebusch cautioned Director Corbett on involvement with County Planning in a liaison capacity. He expressed concern with information included in a recent grant application.
3. Ron Coffman asked the Board to carefully consider the relationship with HBMWD and felt that Director Couch should recuse himself on HBMWD contract discussion due to his employment with the City of Arcata.
4. Penny Elsebusch was concerned with the Managers report on the NPDES permit copper levels.
5. Jeff Dunk expressed concern with a recent copy of a letter in the McK Press that was sent to the State against MCSD's grant application for recreation opportunities.

President Edwards closed public input. Director Couch agreed with Mr. Coffman and promised to recuse himself on future discussion of funding with HBMWD.

AGENDA ITEM H-CLOSED SESSION DISCUSSION: none

AGENDA ITEM I-ADJOURNMENT: With all business complete President Edwards adjourned the meeting at 9:15pm.

Sincerely,

Sharon L. Denison
Board Secretary

(In accordance w/Robert's Rules of Order, 10th edition, Pg. 451, Section 48: "Unless the minutes are to be published, they should contain mainly a record of what was done at the meeting, not what was said by the members".)

McKinleyville Community Services District

BOARD OF DIRECTORS

June 16, 2010

TYPE OF ITEM: **ACTION**

ITEM: D.2. Consider Approval of May, 2010 Treasurer's Report

PRESENTED BY: Steven Edmiston, Finance Director

TYPE OF ACTION: Voice Vote – Consent Calendar

Recommendation:

Staff Requests the Board approve the May, 2010 Treasurer's Report.

Discussion:

The May, 2010 Treasurer's Report is attached.

Alternatives:

Take no action.

Fiscal Analysis:

See attached May, 2010 Treasurer's Report.

Environmental Requirements:

Not applicable

Exhibits/Attachments

May, 2010 Treasurer's Report.

**McKinleyville Community Services District
Treasurer's Report
May 2010**

Page 2	Investments and Cash Flow Report
Page 3	Capital Expenditure Report
Page 4	Activity Summary by Fund
Page 6	Selected Graphic Comparisons
Page 11	Cash Disbursement Report

McKinleyville Community Services District
Investments and Cash Flow Report
May 2010

General Disbursement and Money Market Account:

Beginning Balance		168,584.46	
Utility Billing (inc. \$33,284.34 in CC, EFT, web pay)	257,086.53		
New Services & Capacity Fees: Water	658.51		
New Services & Capacity Fees: Sewer	3,278.47		
Money Market Account Interest	36.74		
Other Cash Receipts	46,359.87		
Transfer from Humboldt Co. #2560	<u>0.00</u>		
Total Cash Receipts		307,420.12	
Cash Expenditures:			
Payroll, Taxes, etc.	(129,490.21)		
Capital Expenditures	(29,233.42)		
Debt Service	(4,644.48)		
Other Expenditures	<u>(126,581.13)</u>		
Total Cash Expenditures		<u>(289,949.24)</u>	Estimated Annual Interest Rate
Total Cash in Umpqua Bank		186,055.34	0.64%
Investment Funds:			
LAIF	126,442.31		
Interest Income	<u>0.00</u>		
Balance in LAIF		126,442.31	0.59%
Humboldt Co. #2560 - Beginning Balance	1,453,583.68		
Interest Income	2,281.52		
Secured Property Tax & Measure B Assessment	87,143.80		
Transfer to Operating Account	<u>0.00</u>		
Balance in Humboldt Co. #2560		1,543,009.00	1.80%
Humboldt Co. #4240 - Beginning Balance	5,138,063.27		
Interest Income	15,307.12		
Transfer from Fund #2560	<u>0.00</u>		
Balance in Humboldt Co. #4240		5,153,370.39	1.80%
Balance in Humboldt Co. #9390		110,584.48	
USDA Bond Reserve Fund	143,506.26		
Bond Reserve Payment	7,800.00		
Interest Income	83.11		
Debt Service Payment	<u>0.00</u>		
Balance in USDA Reserve Funds		<u>151,389.37</u>	0.61%
Total Investments		7,084,795.55	
Total Cash and Investments		7,270,850.89	
Total Cash and Investments Last Month		<u>7,140,915.76</u>	
Net Change to Cash and Investments This Month		<u>129,935.13</u>	

McKinleyville Community Services District
Capital Expenditure Report
May 2010

	May	YTD Total	FY 10 Budget	Remaining Budget	Budget %
Water Department					
Pump Upgrades	8,852	153,687	1,000,000	846,313	85%
Radio Telemetry Upgrades	-	-	20,000	20,000	100%
Fire Hydrant Commercial Retrofit	-	1,473	8,000	6,527	82%
Meter Replacements	-	5,375	7,000	1,625	23%
Misc. Replacements	-	927	-	(927)	
Subtotal	8,852	161,462	1,035,000	873,538	
Sewer Department					
WWMF Upgrade Design	8,178	23,663	400,000	376,337	94%
Collection System Upgrades	-	-	200,000	200,000	100%
Radio Telemetry Upgrades	-	-	20,000	20,000	100%
Meter Replacement: WWMF, FIS, Perc Ponds, etc.	-	-	7,000	7,000	100%
WWMF SO2 and CL2 Emergency Tank Shut-off	-	-	15,000	15,000	100%
Studies for Treatment Plant - current fiscal year only	753	63,660	80,000	16,340	20%
Meter Replacements	-	-	2,000	2,000	100%
Grinder Repair	-	794	-	(794)	
Subtotal	8,931	87,323	724,000	636,677	
Water and Sewer Operations					
3/4 or 1 Ton Pickup	-	-	26,000	26,000	100%
Air Compressor	1,224	1,224	10,000	8,776	88%
Sutter Addition	4,250	127,519	250,000	122,481	49%
Digital Network Office Copier	-	-	18,000	18,000	100%
Emergency/Misc. Equipment	-	-	14,000	14,000	100%
Computer Replacement and Upgrades	2,174	5,816	8,000	2,184	27%
Subtotal	7,648	134,559	326,000	191,441	
Enterprise Fund Total	25,431	383,344	2,085,000	1,701,656	
Parks and Recreation Department	-				
Hewett Ranch Improvements	-	-	25,000	25,000	100%
Hiller Park Signage and Equipment	-	240	3,000	2,760	92%
Play Structure for Hiller Park	-	22,650	-	(22,650)	#DIV/0!
Aerator	-	4,605	5,000	395	8%
Pierson Park Landscaping and Signage	-	-	2,000	2,000	100%
AH Equipment	428	2,917	2,000	(917)	-46%
MAC Equipment	-	1,780	2,000	220	11%
Computers, Software & Copiers	-	3,831	2,000	(1,831)	-92%
Emergency/Miscellaneous Equipment Replacement	-	-	6,000	6,000	100%
Skate Park	-	-	25,000	25,000	100%
Library	400	8,078	10,000	1,922	19%
Bocce Ball Courts	-	7,260	5,000	(2,260)	-45%
Law Enforcement Facility Paving	2,974	2,974	3,500	526	15%
Gwin Road Property	1,000	1,000	130,000	129,000	99%
General Fund Total	3,802	55,335	220,500	165,165	
MCSD Total	29,233	438,679	2,305,500	1,866,821	

McKinleyville Community Services District
Activity Summary by Fund
May 2010

Department Summaries

Water:

Water Sales
Other Water Revenues

Total Operating Revenue

Salaries & Benefits
Water Cost
Other Expenses
Depreciation

Total Operating Expenses

Net Operating Income
Interest Income
Interest Expense

Net Income

Sewer:

Sewer Service Charges
Other Sewer Revenues

Total Operating Revenue

Salaries & Benefits
Other Expenses
Depreciation

Total Operating Expenses

Net Operating Income
Interest Income
Interest Expense

Net Income

Enterprise Funds Net Income

May	FY10 YTD	YTD Budget	YTD Variance	YTD Budget	YTD Variance	%	% Year Remaining:		Notes
							FY10 Budget	Remaining Budget	
111,070	1,442,167	1,558,333	(116,166)		-7.45%		1,700,000	(257,833)	-15.17%
7,705	115,984	113,485	2,499		2.20%		123,802	(7,818)	-6.31%
118,775	1,558,151	1,671,818	(113,667)		-6.80%		1,823,802	(265,651)	-14.57%
53,615	617,172	599,146	(18,026)		-3.01%		653,614	36,442	5.58%
43,087	490,748	550,000	59,252		10.77%		600,000	109,252	18.21%
22,834	223,988	285,517	61,529		21.55%		311,473	87,485	28.09%
18,750	206,250	206,250	-		0.00%		225,000	18,750	8.33%
138,286	1,538,158	1,640,913	102,755		6.26%		1,790,087	251,929	14.07%
(19,511)	19,993	30,905	(10,912)				33,715	(13,722)	
3,619	45,633	89,833	44,200		49.20%		98,000	52,367	53.44%
(4,693)	(51,624)	(51,518)	(106)		0.21%		(56,201)	(4,577)	8.14%
(20,585)	14,002	69,220					75,514		
149,640	1,283,973	1,283,333	640		0.05%		1,400,000	(116,027)	-8.29%
7,725	181,545	201,296	(19,751)		-9.81%		219,596	(38,051)	-17.33%
157,365	1,465,518	1,484,629	(19,111)		-1.29%		1,619,596	(154,078)	-9.51%
59,899	643,652	698,198	54,546		7.81%		761,671	118,019	15.49%
46,452	326,119	397,599	71,480		17.98%		433,744	107,625	24.81%
35,500	390,500	389,583	(917)		-0.24%		425,000	34,500	8.12%
141,851	1,360,271	1,485,380	125,109		8.42%		1,620,415	260,144	16.05%
15,514	105,247	(751)	105,998				(819)	106,066	
4,056	52,613	113,667	61,054		53.71%		124,000	71,387	57.57%
(5,996)	(114,053)	(106,153)	(7,900)		7.44%		(115,803)	(1,750)	1.51%
13,574	43,807	6,763					7,378		
(7,011)	57,809	75,983					82,892		

Water & Sewer wages variance is due to manpower allocation between departments.

Interest earnings are less than initial budget estimates.

Water & Sewer wages variance is due to manpower allocation between departments.

Sewer testing expenses have been less than budgeted for the current fiscal year.

Interest earnings are less than initial budget estimates.

McKinleyville Community Services District
Activity Summary by Fund
May 2010

Department Summaries

Parks & Recreation:

Programs
Rentals
Property Tax Assessments
Measure B Assessment
State Bonds & Grants
Other Revenue
Interest Revenue

Total Revenue

Salaries & Benefits
Other Expenditures
Debt Service
Capital Expenditures

Total Expenditures

Excess (Deficit)

Street Lights:

Total Revenue

Salaries & Benefits
Other Expenditures
Debt Service

Total Expenditures

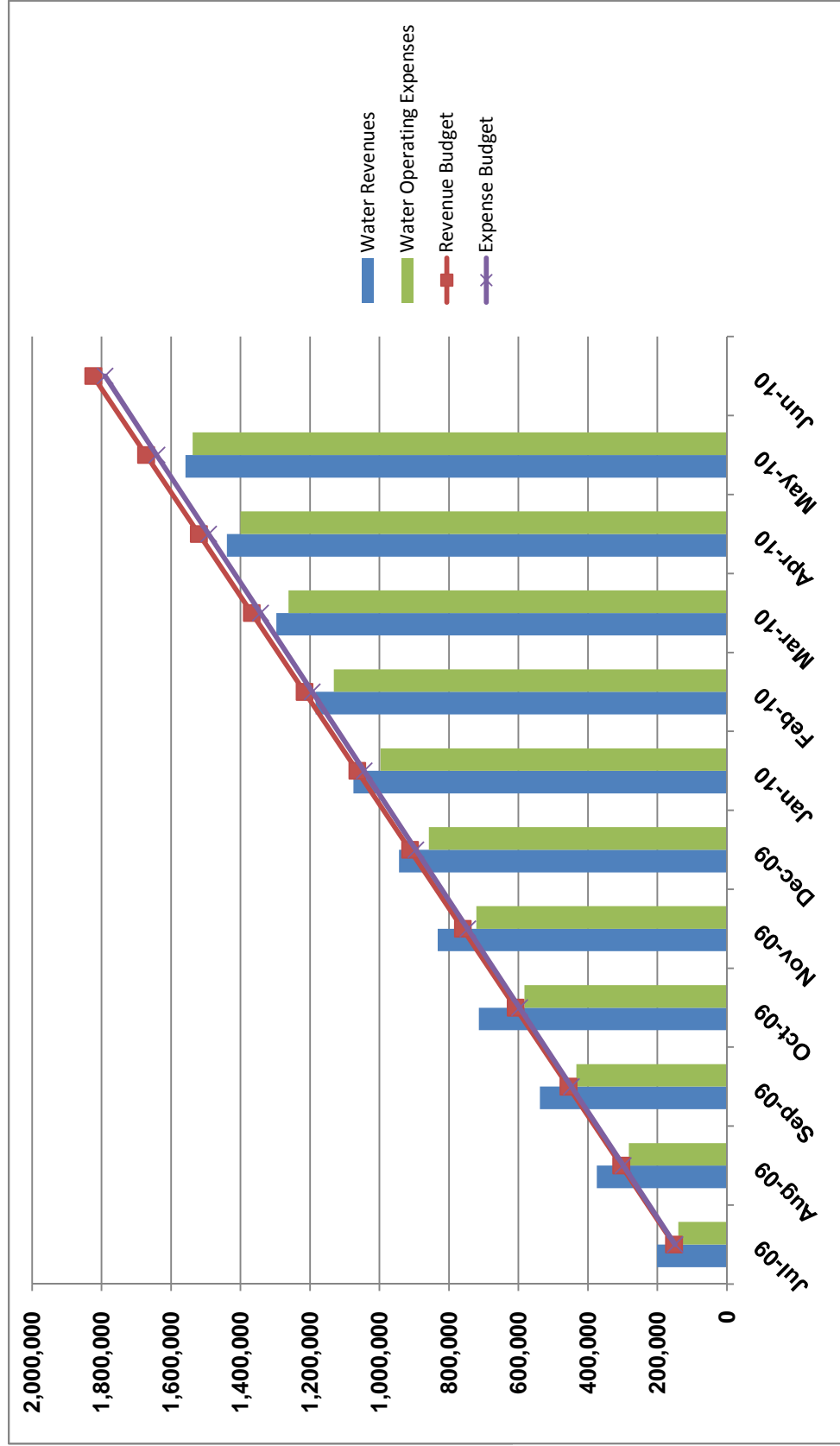
Excess (Deficit)

Governmental Funds Excess (Deficit)

May	FY10 YTD	YTD Budget	YTD Variance	YTD Budget	YTD Variance	%	% Year Remaining:			Notes
							FY10 Budget	Remaining Budget	Budget %	
23,033	242,999	265,833	(22,834)			-8.59%	290,000	(47,001)	-16.21%	The budget authority was increased by \$40,000 to fund the Measure B study and by \$130,000 to purchase the Gwin Road property.
7,194	52,069	56,650	(4,581)			-8.09%	61,800	(9,731)	-15.75%	
4,062	432,876	394,167	38,709			9.82%	430,000	2,876	0.67%	
83,082	198,510	178,750	19,760			11.05%	195,000	3,510	1.80%	
-	-	88,458	(88,458)			-100.00%	96,500	(96,500)	-100.00%	
5,631	92,793	59,300	33,493			56.48%	64,691	28,102	43.44%	
2,248	21,906	18,333	3,573			19.49%	20,000	1,906	9.53%	
125,250	1,041,153	1,061,491	(20,338)			-1.92%	1,157,991	(116,838)	-10.09%	
51,035	552,775	586,699	33,924			5.78%	640,035	87,260	13.63%	
18,865	145,147	198,477	53,330			26.87%	216,520	71,373	32.96%	
-	191,609	169,972	(21,637)			-12.73%	185,424	(6,185)	-3.34%	Principal and interest payment on outstanding debt is made in August.
1,428	35,374	202,125	166,751			82.50%	220,500	185,126	83.96%	
71,328	924,905	1,157,273	232,368			20.08%	1,262,479	337,574	26.74%	
53,922	116,248	(95,782)					(104,488)			
6,795	74,306	72,606	1,700			2.34%	79,207	(4,901)	-6.19%	
2,499	26,734	25,722	(1,012)			-3.93%	28,060	1,326	4.73%	
3,124	38,137	33,201	(4,936)			-14.87%	36,219	(1,918)	-5.30%	
-	17,304	15,351	(1,953)			-12.72%	16,746	(558)	-3.33%	
5,623	82,175	74,274	(7,901)			-10.64%	81,025	(1,150)	-1.42%	
1,172	(7,869)	(1,668)					(1,818)			
55,094	108,379	(97,450)					(106,306)			

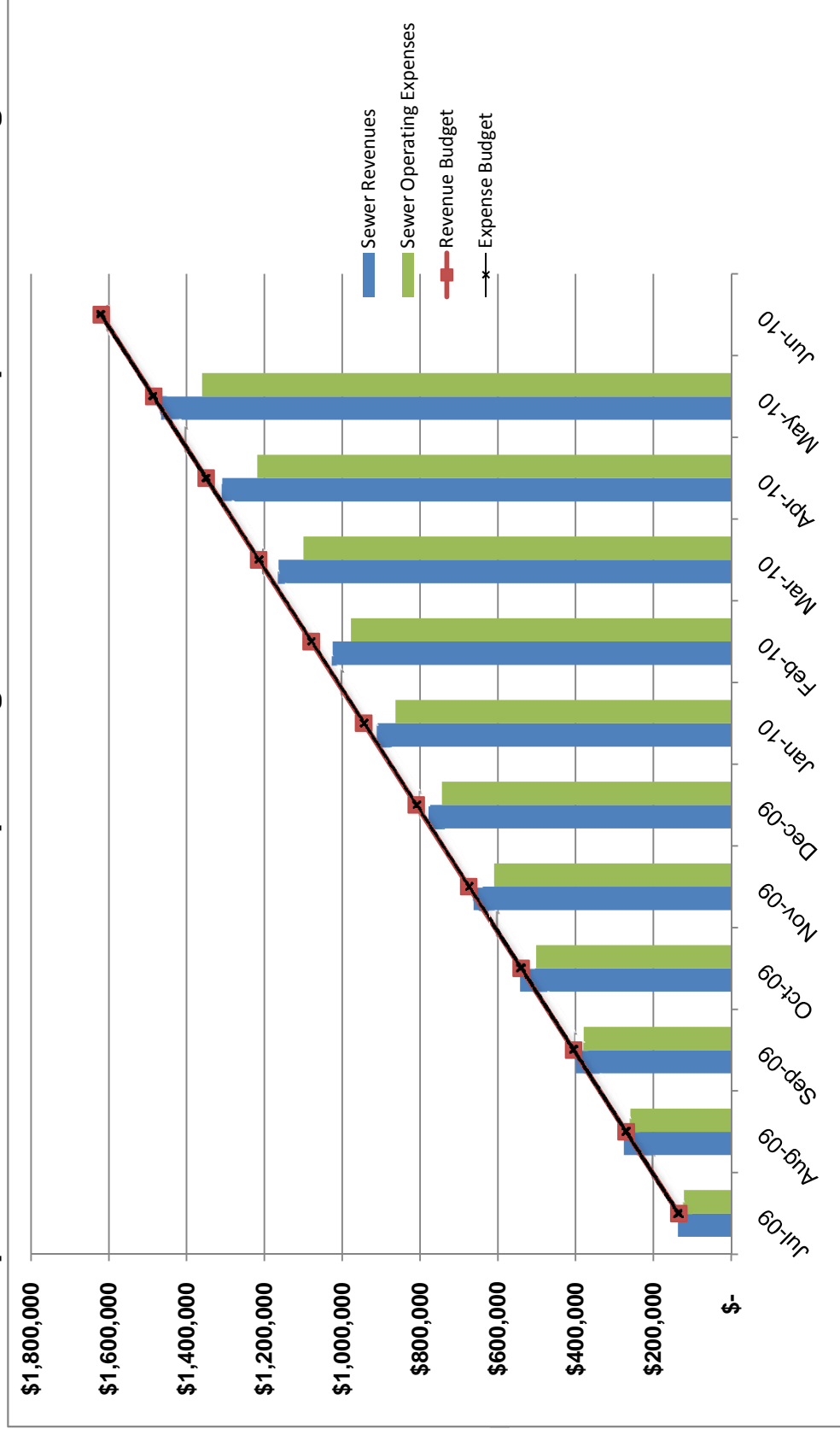
McKinleyville Community Services District May 2010

Comparison of Water Fund Operating Revenues and Expenses to Budget



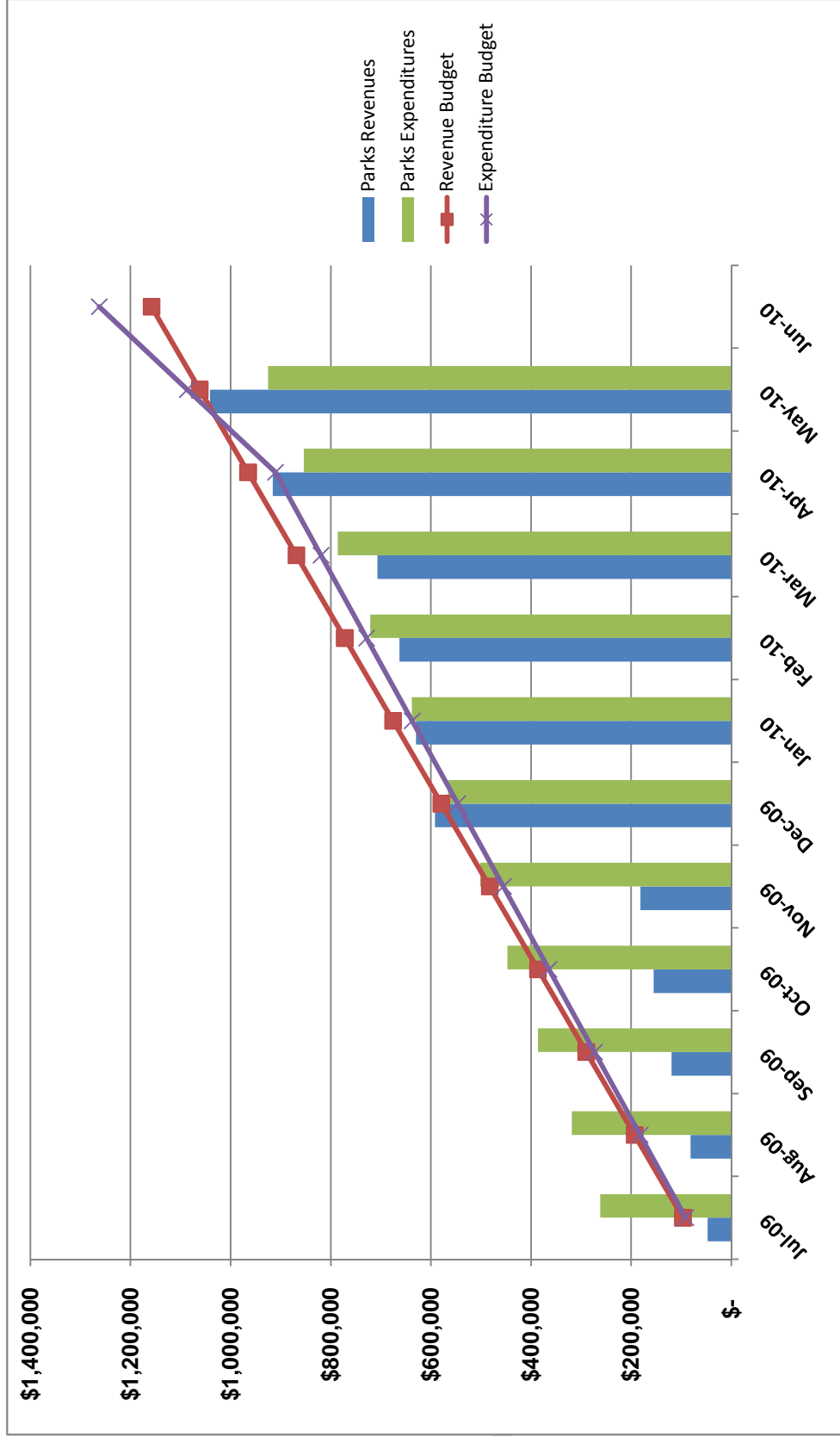
McKinleyville Community Services District May 2010

Comparison of Sewer Fund Operating Revenues and Expenses to Budget



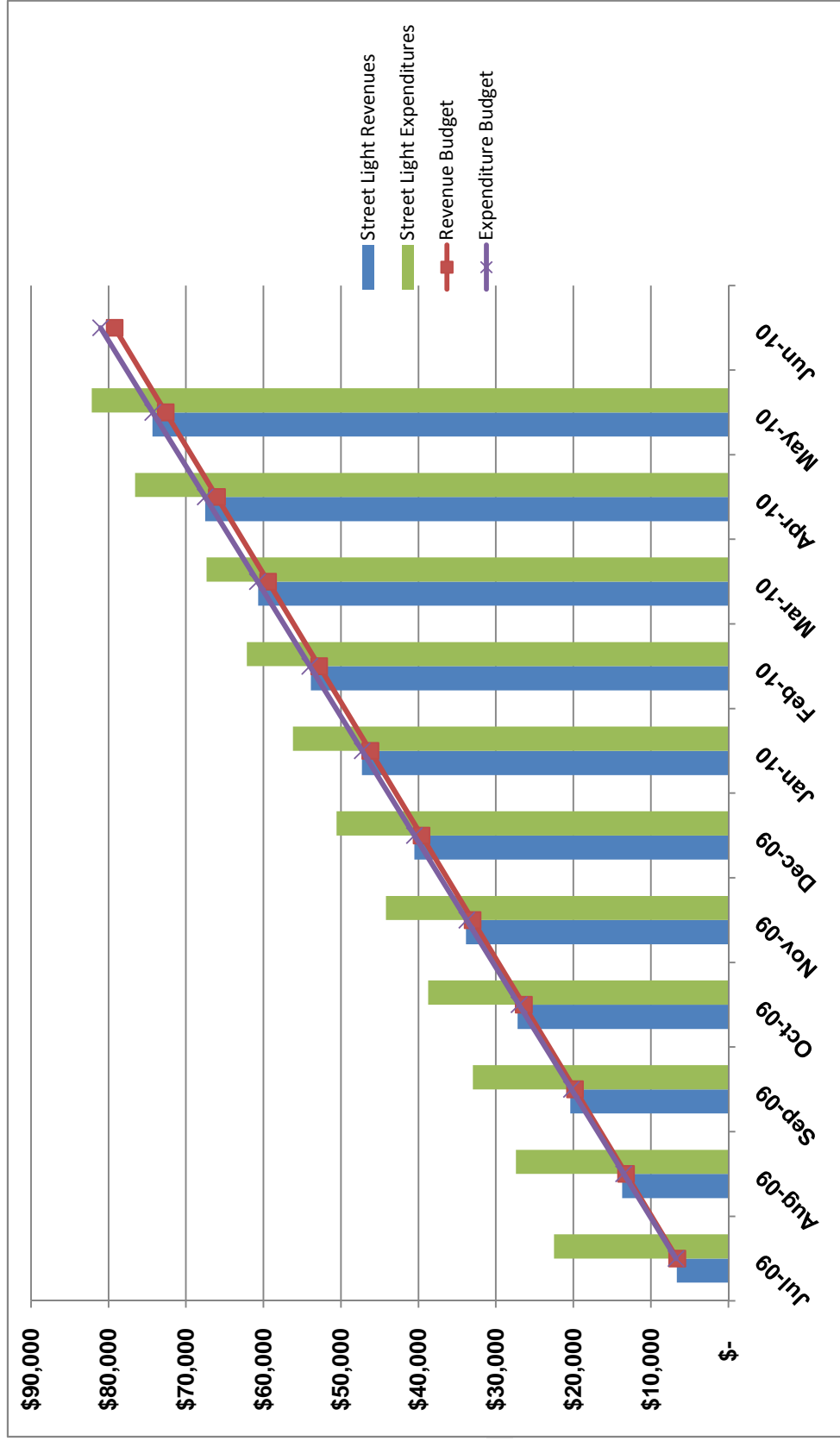
McKinleyville Community Services District May 2010

Comparison of Parks Operating Revenues and Expenditures to Budget

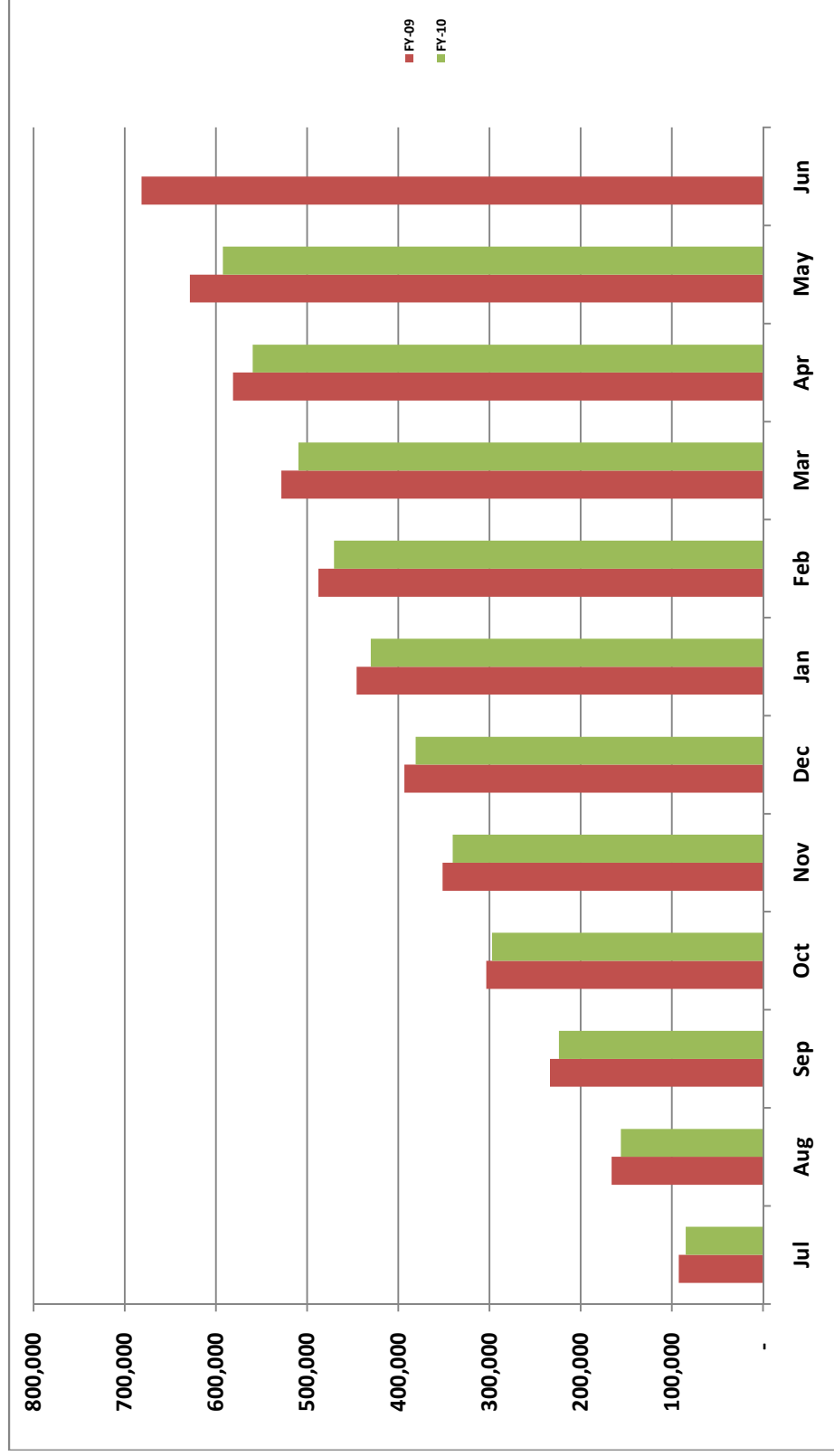


McKinleyville Community Services District May 2010

Comparison of Street Light Fund Revenues to Budget



McKinleyville Community Services District Analysis of Water Volume Usage by Fiscal Year



REPORT.: Jun 10 10 Thursday
 RUN....: Jun 10 10 Time: 18:44
 Run By.: STEVEN EDMISTON

McKinleyville C.S.D.
 Cash Disbursement Detail Report
 Check Listing for 05-10 Bank Account.: 10011

PAGE: 001
 ID #: PY-DP
 CTL.: MCK

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	-----Payment Information----- Invoice #	Description
021654	05/06/10	BAY02	BAY WEST SUPPLY, INC.	1147.84	.00	1147.84	B00505	JANITORIAL SUPPLIES FOR
021655	05/06/10	CAM01	CAMPTON ELECTRIC SUPPLY	975.04	.00	975.04	1045265	STREETLIGHT SUPPLIES, BAL
021656	05/06/10	CDW01	CDW GOVERNMENT, INC.	582.40	.00	582.40	TND5775	HP PRO 3000
021657	05/06/10	COS03	COSTCO WHOLESALE	255.68	.00	255.68	B00505	SUPPLIES FOR DO PARKS, KI
021658	05/06/10	CRO03	CROWN TROPHY PETALUMA	490.99	.00	490.99	12146	TROPHYS
021659	05/06/10	CSK01	CSK AUTO, INC. (KRAGEN)	50.70	.00	50.70	10647	INV 10-615
021660	05/06/10	EDM01	STEVEN EDMISTON	29.00	.00	29.00	B00505	MILEAGE REIMBURSEMENT
021661	05/06/10	EUR06	EUREKA READY MIX	467.64	.00	467.64	61956	REPAIRS/SUPPLY
021662	05/06/10	EVA01	EVANS MECHANICAL, INC.	103.11	.00	103.11	47916	PARTS, LABOR
021663	05/06/10	FNW01	FERGUSON ENTERPRISES, INC.	16.79	.00	16.79	988294-1	GASKET
021664	05/06/10	FRE07	FRESHWATER ENVIRONMENTAL	4060.00	.00	4060.00	352	CONSULTING SUO UPDATES, D
021665	05/06/10	GEF01	GE FANUC INTELLIGENT PLAT	2130.06	.00	2130.06	71448806	I FIX GLOBAL CARE
021666	05/06/10	HAR03	HARVEY M. HARPER CO.	103.76	.00	103.76	B00505	MONTHLY INSPECTIONS
021667	05/06/10	HIG01	HIGH YIELD IND. PRODUCTS	353.88	.00	353.88	6629	PLIER SET, WRENCH SET, DR
021668	05/06/10	HUB02	HUB INTERNATIONAL INSURAN	146.64	.00	146.64	82110	SPEC EVENT INS
021669	05/06/10	HUC01	DELILAH HUCK	243.75	.00	243.75	B00505	SERVICES/STIPND LEISURE C
021670	05/06/10	HUM01	HUMBOLDT BAY MUNICIPAL WA	42420.85	.00	42420.85	B00505	WTR PURCHASED
021671	05/06/10	HUM08	HUMBOLDT SANITATION	832.50	.00	832.50	B00506	TRASH SERVICE
021672	05/06/10	IND02	Industrial Electric Serv	159.06	.00	159.06	11320	PHASE MONITOR
021673	05/06/10	MCK03	MCKINLEYVILLE OFFICE SUPP	318.74	.00	318.74	41307	OFFICE SUPPLIES
021674	05/06/10	MCK04	MCK ACE HARDWARE	497.23	.00	497.23	B00505	REPAIRS/SUPPLY HOOPS,BAGS
021675	05/06/10	MCK12	MCKINLEYVILLE UNION SCHOO	1151.43	.00	1151.43	3312010	KIDS CLUB SNACKS
021676	05/06/10	MCK21	MCKINLEYVILLE PRESS	25.00	.00	25.00	B00505	SUBSCRIPTIONS
021677	05/06/10	MER03	MERCER, FRASER COMPANY	677.78	.00	677.78	37262	CONCRETE
021678	05/06/10	MIL01	Miller Farms Nursery	679.14	.00	679.14	B00505	PLANTS, SHRUBS, COMPOST,
021679	05/06/10	MIT01	Mitchell, Brisso, Delaney	2654.50	.00	2654.50	26767	LEGAL
021680	05/06/10	NEC01	NEC FINANCIAL SERVICES,LL	376.53	.00	376.53	1351197	PHONE EQUIPMENT
021681	05/06/10	NOR13	NORTHERN CALIFORNIA SAFET	750.00	.00	750.00	16931	SAFETY TRAINING
021682	05/06/10	NOR35	NORTHERN HUMBOLDT	208.46	.00	208.46	E510-0187	SERVICES/STIPND OPEN SPAC
021683	05/06/10	REN01	RENNER PETROLEUM	2802.15	.00	2802.15	B00505	GAS/OIL/LUBE
021684	05/06/10	SEQ01	Sequoia Gas Co.	1923.99	.00	1923.99	215667	215668, 215669, 215666
021685	05/06/10	SHN01	SHN ENGINEERING	5355.50	.00	5355.50	8189.110	IVE 71651 MARCH 1ST THRU
021686	05/06/10	SIE01	SIERRA FOOTHILL LAB, INC.	350.00	.00	350.00	83674	LAB TESTS WWMF/RAMEY
021687	05/06/10	STA09	S.W.R.C.B.	225.00	.00	225.00	B00505	TRAINING/CERT.
021688	05/06/10	STA11	STAPLES CREDIT PLAN	1256.91	.00	1256.91	B00505	D.O. SUPPLIES PARKS/REC O
021689	05/06/10	THO02	Thomas Home Center	60.06	.00	60.06	B00505	REPAIRS/SUPPLY
021690	05/06/10	THR01	THRIFTY SUPPLY COMPANY	1294.01	.00	1294.01	1278890-1	METER BOX LIDS TAIL PIECE
021691	05/06/10	UMP03	UMPQUA BANK--VISA	3736.85	.00	3736.85	B00505	CANDYLAND, CLASSES, LUNCH
021692	05/06/10	UPS01	UPS	209.08	.00	209.08	B00505	SHIPPING LAB TESTING SAMP
021693	05/06/10	VER01	VERISON WIRELESS	203.81	.00	203.81	863606052	DO AND PARKS CELL PHONES
021694	05/06/10	ZEP01	ZEP MANUFACTURING CO.	317.40	.00	317.40	6627	BLAST AWAY AND ZEP
021695	05/06/10	*0009	KATHY BLICKENSTAFF	110.00	.00	110.00	B00506	R20045 REFUND,3ON3 BBALL
021696	05/06/10	*0010	NORTHCOAST ENVIRONMENTAL	79.50	.00	79.50	B00506	R20218 AZALEA HALL REFUND
021697	05/06/10	*0011	CAMELA COOPER	20.00	.00	20.00	B00506	REIMBURSEMENT OF LIVE SCA
021698	05/06/10	*0012	AUBREE BAKER-NIETO	30.00	.00	30.00	B00506	R20421 REFUND FROM BOXING
021699	05/06/10	*0013	PHILIP PURCELL	20.00	.00	20.00	B00506	FINGERPRINTING FOR COACH

REPORT.: Jun 10 10 Thursday
 RUN.....: Jun 10 10 Time: 18:44
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McKinleyville C.S.D.
 Cash Disbursement Detail Report
 Check Listing for 05-10 Bank Account.: 10011

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Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	-----Payment Information----- Invoice # Description
021700	05/06/10	ACW01	ACWA HEALTH BENEFITS AUTH	31590.20	.00	31590.20	B00506 MAY HEALTH INSURANCE
021701	05/06/10	COR01	CORBIN WILLITS SYSTEMS	833.42	.00	833.42	B00506 EQUIP. MAINT.
021702	05/06/10	GUA01	THE GUARDIAN	3434.35	.00	3434.35	B00506 PAYMENT FOR MAY DENTAL IN
021703	05/06/10	HAR13	The Hartford - Priority A	599.01	.00	599.01	4848531-2 EMPLOYEE LIFE INSURANCE
021704	05/06/10	HUM17	HUMBOLDT COUNTY DEPT. HHS	2885.00	.00	2885.00	15673 ANNUAL FEES FOR STORAGE O
021705	05/06/10	SUD01	SUDDENLINK	173.95	.00	173.95	B00506 MAY PAYMENT FOR INTERNET
021706	05/06/10	USB01	U.S. BANK TRUST N.A.	7800.00	.00	7800.00	000B005011 SEWER BOND PAYMENT
021707	05/06/10	\D001	DUNNING, C G	7.36	.00	7.36	000B00501 MQ CUSTOMER REFUND FOR DU
021708	05/06/10	\H002	HEWITT, OLEN L.	30.04	.00	30.04	000B00501 MQ CUSTOMER REFUND FOR HE
021709	05/06/10	\H007	HILL, HEATHER	80.00	.00	80.00	000B00501 MQ CUSTOMER REFUND FOR HI
021710	05/06/10	\J004	JOHNSON, JENNIFER	43.31	.00	43.31	000B00501 MQ CUSTOMER REFUND FOR JO
021711	05/06/10	\M006	MANTOVA'S TWO STREET MUSI	46.99	.00	46.99	000B00501 MQ CUSTOMER REFUND FOR MA
021712	05/06/10	\M007	MENG, JASON	39.87	.00	39.87	000B00501 MQ CUSTOMER REFUND FOR ME
021713	05/06/10	\S011	STEWART, MEGHAN	40.00	.00	40.00	000B00501 MQ CUSTOMER REFUND FOR ST
021714	05/06/10	\T003	TRINIDAD RANCHERIA,	7.27	.00	7.27	000B00501 MQ CUSTOMER REFUND FOR TR
021715	05/06/10	\W007	WILLIAMS, TIFFANY	31.16	.00	31.16	000B00501 MQ CUSTOMER REFUND FOR WI
021716	05/11/10	PGE03	PG&E CFM/PPC DEPARTMENT	2139.03	.00	2139.03	B00511P SERV APPL. FEES FOR RAMEY
021717	05/17/10	*0014	SUNDBERG FOR SUPERVISOR	100.00	.00	100.00	B00511 AZALEA HALL DEPOSIT REFUN
021718	05/17/10	*0015	HUMBOLDT ASSOCIATES OF RE	100.00	.00	100.00	B00511 AZALEA HALL DEPOSIT REFU
021719	05/17/10	*0016	MELISSA COWLING	4.00	.00	4.00	B00511 REFUND KIDS CLUB R19606
021720	05/17/10	AES01	ASBURY ENVIRONMENTAL SERV	10.00	.00	10.00	41899 INV 130333930 ETHYLENE GL
021721	05/17/10	ATT01	AT&T	1145.12	.00	1145.12	B00517 TELEPHONES, D.O. PARKS AZ
021722	05/17/10	BLA08	ERIC BLAKE	137.80	.00	137.80	B00512 PAYMENT FOR INSTRUCTOR FO
021723	05/17/10	BON02	BONNIE L. OLIVER	399.74	.00	399.74	5 LIBRARY EXPANSION TIME AN
021724	05/17/10	CDP01	CDPH-OCF	60.00	.00	60.00	B00511 CJ-GRADE 2 WATER DIST. OP
021725	05/17/10	CWE01	CWEA	79.00	.00	79.00	B00511 JH COLLECTION SYSTEM MAIN
021726	05/17/10	DEP04	CA DEPT OF PUBLIC HEALTH-	105.00	.00	105.00	B00511 JH WATER DIST OPERATOR CE
021727	05/17/10	EOE01	EOE BUSINESS SYSTEMS	201.11	.00	201.11	29178 SERVICE CALL/ BATTERIES
021728	05/17/10	EUR05	Eureka Oxygen Co	97.44	.00	97.44	361490 SERVICE SYSTEM, LINK, FUE
021729	05/17/10	FED01	FedEx Office	149.25	.00	149.25	B00511 TWO PART RECEIPTS
021730	05/17/10	HEL01	KEVIN HELD	250.00	.00	250.00	B00513 DJ FOR JR HIGH SCHOOL DAN
021731	05/17/10	HEN03	JAMES G. HENRY	130.00	.00	130.00	B00511 REIMBURSE DISTRIB 4 EXAM
021732	05/17/10	KEY01	KEY EQUIPMENT FINANCE	314.57	.00	314.57	1006 EQUIPMENT LEASE
021733	05/17/10	KRO03	KROUT & SCHNEIDER, INC.	57.00	.00	57.00	28055 NEW HIRE BACKGROUND CHECK
021734	05/17/10	NOR23	NORTH COAST SECTION, CWEA	50.00	.00	50.00	B00512 I&I WORKSHOP-FERNDAL
021735	05/17/10	NOR27	NORTH CENTRAL LABS	3629.00 -3629.00	.00 .00	3629.00 -3629.00	B00511 LAB SAMPLES TESTING B00511u Ck# 021735 Reversed
Check Total.....:				.00	.00	.00	
021736	05/17/10	ONT01	ON-THE-SPOT SPORTSWEAR	115.93	.00	115.93	100205 3 ON 3 T-SHIRTS
021737	05/17/10	PGE01	PG & E (Office & Field)	12324.71	.00	12324.71	B00511 GAS & ELECTRIC FOR APRIL
021738	05/17/10	PRE08	PRECISION INTERMEDIA	255.00	.00	255.00	12044 WEB SITE MODIFICATIONS
021739	05/17/10	SIE02	SIERRA CHEMICAL CO.	2591.90	.00	2591.90	B00511 CHLORINE AND CONTAINER DE
021740	05/17/10	SIX02	SIX RIVERS COMMUNICATIONS	866.15	.00	866.15	9721 POWER SUPPLY FOR MDS REPE
021741	05/17/10	STA09	S.W.R.C.B.	130.00	.00	130.00	B00517 G.O.-GRADE TWO OPER. CERT
021742	05/24/10	NOR01	NORTH COAST LABORATORIES	3629.00	.00	3629.00	B00524P LAB TESTS
021743	05/26/10	*0017	FRANK J. GILDEA	100.00	.00	100.00	B00524 REFUND AZALEA HALL R#1994

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McKinleyville C.S.D.
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Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	-----Payment Information----- Invoice #	Description
021744	05/26/10	*0018	SCOTT SWAY	100.00	.00	100.00	B00524	REFUND AZALEA HALL R#1986
021745	05/26/10	*0019	LISA LIKEN	75.00	.00	75.00	B00524	REFUND BASIC DOG OBED. R#
021746	05/26/10	*0020	DELORES VOSE	75.00	.00	75.00	B00525	BASIC PUP OBED. REFUND CL
021747	05/26/10	*0021	DENISE GITZOW	75.00	.00	75.00	B00525	BASIC PUP OBED. REFUND CL
021748	05/26/10	*0022	JEFFERY LYTLE	20.00	.00	20.00	B00525	FINGERPRINTING GUITAR INS
021749	05/26/10	*0023	PAULA PRICE	75.00	.00	75.00	B00525	BASIC PUP OBED. REFUND CL
021750	05/26/10	*0025	CINDI HUNT	480.83	.00	480.83	B00526	REFUND PAYMENT MADE IN ER
021751	05/26/10	APP01	APPLIED INDUST. TECH.	436.25	.00	436.25	86341548	BALL BEARINGS AND SEALS
021752	05/26/10	COR07	JOHN W. CORBETT	100.00	.00	100.00	B00524	DIRECTORS FEES
021753	05/26/10	COU09	DAVID R. COUCH	100.00	.00	100.00	B00524	MAY BOARD MEETING
021754	05/26/10	DEP04	CA DEPT OF PUBLIC HEALTH-	55.00	.00	55.00	B00525	MF OPER # 23845 GRADE T1
021755	05/26/10	DIS03	DISCOUNT SCHOOL SUPPLY	480.31	.00	480.31	P24050110	DRYING RACK SPACE SAVER,
021756	05/26/10	EDW01	HELEN L. EDWARDS	100.00	.00	100.00	B00524	MAY BOARD MEETING
021757	05/26/10	ESR01	E.S.R.I. INC.	3528.13	.00	3528.13	92167718	INV 92167718 ARCVIEW LIC
021758	05/26/10	EUR06	EUREKA READY MIX	1578.29	.00	1578.29	62020	INV# 3355 & 62076 SUTTER
021759	05/26/10	FID01	Fidelity National Title	1000.00	.00	1000.00	B00526	OPEN ESCROW FOR PURCHASE
021760	05/26/10	FRE07	FRESHWATER ENVIRONMENTAL	1715.00	.00	1715.00	357	LOCAL LIMITS WORKPLAN PRE
021761	05/26/10	HEN03	JAMES G. HENRY	512.75	.00	512.75	B00524	RECERT OF DCV, TRAVEL REI
021762	05/26/10	HUB02	HUB INTERNATIONAL INSURAN	146.64	.00	146.64	B00525	SPEC EVENT INSURANCE FOR
021763	05/26/10	MAC05	MACIAS, GINI, & O'CONNELL	155.00	.00	155.00	B00524	CPE COURSE
021764	05/26/10	MAY02	DENNIS MAYO	100.00	.00	100.00	B00524	DIRECTORS FEES
021765	05/26/10	MCK03	MCKINLEYVILLE OFFICE SUPP	16.05	.00	16.05	42053	COPIES- PICK UP AND DELIV
021766	05/26/10	NAT01	NATIONAL NOTARY ASSOC.	38.50	.00	38.50	B00526	DB- ANNUAL MEMBERSHIP
021767	05/26/10	NOR13	NORTHERN CALIFORNIA SAFET	80.00	.00	80.00	16962	SAFETY TRAINING MONTHLY P
021768	05/26/10	NOR35	NORTHERN HUMBOLDT	182.21	.00	182.21	ES10-0211	LANDSCAPING SERVICES FOR
021769	05/26/10	NYL01	NYLEX.NET	1132.49	.00	1132.49	68325	INV# 68311,68339 EXPRESS
021770	05/26/10	OCC01	OCCUPATIONAL HEALTH	60.00	.00	60.00	523*04-10	DRUG TEST FOR JENNIFER BA
021771	05/26/10	ORI01	ORIENTAL TRADING CO. INC.	182.09	.00	182.09	638371370	ACTIVITY SUPPLIES BEAN BA
021772	05/26/10	PAT03	JASON M. PATTON III	40.00	.00	40.00	B00524	CLASS BOOK AND TEST REFUN
021773	05/26/10	PGE02	PACIFIC GAS & ELECTRIC	2387.75	.00	2387.75	B00524	GAS & ELECTRIC APRIL STRE
021774	05/26/10	SHN01	SHN ENGINEERING	5315.50	.00	5315.50	B00524	NPDES WORK INVOICE 8189.1
021775	05/26/10	USP02	USPS: ARCATA BMEU	1300.00	.00	1300.00	B00524	REPLENISH PERMIT #239 (NE
021776	05/26/10	WEN01	WILLIAM WENNERHOLM, DC	100.00	.00	100.00	B00524	DIRECTORS FEES
021777	05/26/10	WIN02	Winzler & Kelly	2946.50	.00	2946.50	51816	AND INV# 51702 COPPER WAT
Cash Account Total.....:				177775.73	.00	177775.73		
Total Disbursements.....:				177775.73	.00	177775.73		

McKinleyville Community Services District

BOARD OF DIRECTORS

June 16, 2010

TYPE OF ITEM: **ACTION**

ITEM: D.4. **Consider authorizing General Manager to sign and execute an Owner-Contractor Agreement with DCI Builders for the construction of the McKinleyville Library Expansion Project.**

PRESENTED BY: **Jason Sehon**

TYPE OF ACTION: **Voice Vote**

Recommendation:

Staff Requests the Board authorize the General Manager to sign and execute an Owner-Contractor Agreement with DCI Builders for the construction of the McKinleyville Library Expansion Project.

Discussion:

At its May 2010 meeting, the MCSD Board of Directors awarded a bid with DCI Builders for the construction of the McKinleyville Library Expansion in the amount of \$105,730.00, including the Additive Alternate No. 3 (locking cabinets).

Staff has met with representatives from DCI Builders and completed an Owner-Contractor Agreement for the construction of the project.

Construction is slated to begin late June 2010.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments

- None

McKinleyville Community Services District

BOARD OF DIRECTORS

June 16, 2010

TYPE OF ITEM: **ACTION**

ITEM: D.5. **Consider Approval of a Facilities Extension Agreement for Central Estates Subdivision Phase 2A and 2B**

PRESENTED BY: **Greg Orsini**

TYPE OF ACTION: **Voice Vote**

Recommendation:

Approve the Facilities Extension Agreement for the Central Estates Subdivision Phase 2A and 2B. All facilities in the Subdivision will be dedicated to the District if constructed and they pass inspection in accordance with the District Rules and Regulations.

Discussion:

Jim Furtado has obtained permits and is starting construction of the 66-unit Central Estates Subdivision Phase 2A and 2B. This is located east of McKinleyville Ave. as an extension of Heartwood Drive. The sewer mains will be tied in off McKinleyville Avenue and extended to the east. The Water Mains will be looped between Heartwood Drive and McKinleyville Ave. The applicant will need to extend these mains to serve the proposed lots. The Applicant has completed the application that requires Board approval. All deposits and fees have been paid as required. This subdivision will extend 2,207 feet of 6 and 8- inch water main and 2,537 feet of 6-inch sewer main.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

The Applicant will plan and construct the facilities and dedicate these to the District when completed and approved by the District. Additionally, the applicant will pay the customary water and sewer fees for the 66 lots as a condition of service. The Application fees for plan check and inspections total

\$20,929.00. The connection fees will be paid prior to building permits being granted.

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Mainline Extension Agreement

MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
APPLICATION FOR EXTENSION OF WATER/SEWER/STREET LIGHTING
AND/OR OPEN SPACE MAINTENANCE SERVICE
FOR CENTRAL ESTATES PHASE 2A AND 2B

DATE: June 2, 2010

#1 **Purpose of Proposed Extension:** Water and sewer main extensions for the 66-lot subdivision; and a Street Light Zone with five streetlights.

			STREET		OPEN		FIRE
WATER:	Yes	SEWER:	Yes	LIGHTING:	Yes	SPACE:	TBD SERVICE No

MAP OF PROPOSED MAIN EXTENSION AND FINAL ENVIRONMENTAL DOCUMENT MUST ACCOMPANY THIS APPLICATION

Assessors Parcel No. 508-252-01, Phase 2A and 2B, A Phased Development

REMARKS: I do hereby agree to comply with the applicable provisions of the Rules and Regulations and the Standard Specifications of the McKinleyville Community Services District,
copies of which are available upon request.

Signature of Owner: _____
Print Name: Jim Furtado

Address: 3329 Halfway Ave. McKinleyville, CA 95519

Phone: _____
(Home) _____ (Work) _____

Name of Agent: (Please Print) _____

Address: _____

Phone: _____

#2 **Report:**

Length of Extension Required:

Water: 2,207' of eight inch and six inch PVC water mains

Sewer: 2,537' of six inch sewer main

No. of Street Lights Required: Five lights (one 200 watt light, four 100 watt street lights)

Open Space: To Be Determined

Wetland Parcel None

Remarks: None

#3 **Action by Board of Directors:**

Date: June 16, 2010 Granted:_____ **Denied:**_____

Amount to be paid by Applicant \$_____

Is refund agreement part of this application? Yes_____ No_____

District Manager: Norman Shopay _____

#4 Date Deposit is
Received:_____

#5 Date Main Extension is
started:_____

#6 Date Main Extension is
completed:_____

Remarks:_____

McKinleyville Community Services District

BOARD OF DIRECTORS

June 16, 2010

TYPE OF ITEM: **ACTION**

ITEM: E.1. Adopt Resolution of Intent to collect fiscal year 2010/2011 Measure B Assessments.

PRESENTED BY: Steve Edmiston and Jason Sehon

TYPE OF ACTION: Roll Call Vote

Recommendation:

Staff recommends that the Board adopt Resolution 2010-07 confirming to the Humboldt County Treasurer-Tax Collector and McKinleyville residents its intent to collect Fiscal Year 2010/2011 Measure B Assessments.

Discussion:

In 1992 the McKinleyville residents approved the Measure B Assessment District with a 20-year duration for the purpose of developing public recreation facilities including the McKinleyville Activity Center, Azalea Hall and Hiller Sports Site. The Board has authorized collection of the assessment each year beginning in FY92/93. At the January 2010 meeting, the Board initiated proceedings to collect FY10/11 Measure B Assessments. The preliminary Engineer's Report is attached as Exhibit 1. Following receipt of the final parcel data from the Assessor's office and staff review an amended Engineer's Report will be prepared and presented at a public hearing during either the August 18, 2010 or the September 15, 2010 Board Meeting.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

- The FY10/11 Assessments are budgeted at \$214,000. Those funds are required to meet existing FY10/11 debt service requirements of \$58,053 as shown in the Engineer's Report. The development of Hiller Sports Complex is completed, but the remaining Measure B funds are required for future projects at the complex as well as for operation and maintenance of the sports fields and existing recreational facilities.

Environmental Requirements:

- Not applicable

Exhibits/Attachments

- Exhibit 1-Resolution 2010-07
- Exhibit 2-Preliminary Engineer's Report

RESOLUTION 2010-07

**A RESOLUTION OF INTENT TO COLLECT FY10/11 MCKINLEYVILLE
COMMUNITY SERVICES DISTRICT MEASURE B ASSESSMENTS PURSUANT
TO THE LANDSCAPE AND LIGHTING ACT OF 1972**

WHEREAS, the Board of Directors formed the Measure B Assessment Zone in 1992 for a period of 20 years and collected assessments in FY93-FY09; and

WHEREAS, the Board of Directors adopted a Resolution No. 2010-01 initiating proceedings to collect assessments on January 20, 2010; and

WHEREAS, the Board of Directors has already constructed recreational facilities, purchased land for sports facilities, operates those facilities and has completed the phased development of the sports fields;

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the McKinleyville Community Services District hereby:

1. Intends to order the collection of assessments in FY10/11 in the Measure B Assessment District pursuant to the Landscaping and Lighting Act of 1972;
2. As in all prior years of the Measure B Assessment, the rate of 200 units of benefit (a single family residential rate) is \$30.
3. The improvements are generally defined as follows: "Construction of Pierson Park Community Center Complex, purchase of lands for sports fields, implementation of mitigation methods related to the development of the sports site and operation and maintenance of those facilities."
4. The general area of Measure B Assessment is approximately 12,170 acres located northerly of North Bank Road, running five miles E-W and six miles northerly N-S with the Pacific Ocean on the West, McKinleyville, Humboldt County, California.
5. In accordance with the Board's resolution initiating proceedings, the Engineer of Work has filed the preliminary Engineer's Report as required by Section 22587 of the Streets and Highway Code. All interested parties are referred to the report for a full and detailed description of the improvements, the boundaries of the assessment district and the proposed assessments upon assessable lots and parcels on the land within the assessment district.
6. On either Wednesday August 18, 2010 at 7:00pm or Wednesday, September 15, 2010 at 7:00PM the Board will conduct a public hearing on the levy and collection of the proposed assessments at Azalea Hall, 1620 Pickett Road, McKinleyville, California.
7. The General Manager is authorized and directed to give notice of the hearing required by the Landscape and Lighting Act of 1972.

PASSED AND ADOPTED at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on the 16th day of June, 2010 by the following polled vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Helen Edwards, Board President

Attest:

Sharon L. Denison, Board Secretary

Appendix A

LEGAL DESCRIPTION

McKinleyville Community Services District (District's Boundary as of 11-21-91)

Beginning at a point where the subdivisional line running east and west through the center of Section 1, T. 6N., R.1, W., H. B. & M. intersects the shoreline of the Pacific Ocean:

Thence east to the center of Section 1, same Township;

Thence south one-half mile to the quarter corner on the south line of said Section 1;

Thence east one-half mile to the southeast corner of said Section 1;

Thence south one-fourth mile to the SW corner of the NW quarter of the NW Quarter of Section 7, T. 6N, R.1E., H.

B. & M.;

Thence east one-half mile to the SE corner of the NE quarter of the NW quarter of said Section

7;

Thence south one-fourth mile to the center of said Section 7;

Thence east on the subdivisional line running east and west through the center of Section 7 & 8 a distance of 4400 feet more or less to the centerline of Central Avenue (formerly State Hwy. 101);

Thence southeasterly along the centerline of Central Avenue 150 feet more or less to the centerline of North Bank Road (State Route 200);

Thence easterly and southerly along the said centerline of North Bank Road a distance of 8500 feet more or less to the east line of the west half of the of the southeast quarter of Section 9, T. 6N., R. 1E., H. B. & M.;

Thence northerly along the said easterly line a distance 1950 feet more or less to the northeast corner of the northwest quarter of the southeast quarter to Section 9;

Thence easterly along the quarter section line running east and west through Sections 9 & 10 a distance of 6500 feet more or less to the quarter corner on the east line of Section 10, T. 6N., R. 1E., H. B. & M.;

Thence north one and one-half miles to the northeast corner of Section 3, T. 6N., R. 1E., H. B. & M.;

Thence west one mile;

Thence north four miles to the northeast corner of Section 16, T. 7N., R. 1E., H. B. & M.;

Thence west two and one-half miles to the quarter section corner between Sections 7 & 18, T. 7N., R. 1E., H. B. & M.;

Thence south 0 degrees 08 minutes east 1105.50 feet along the quarter section line running north and south through the center of said Section 18;

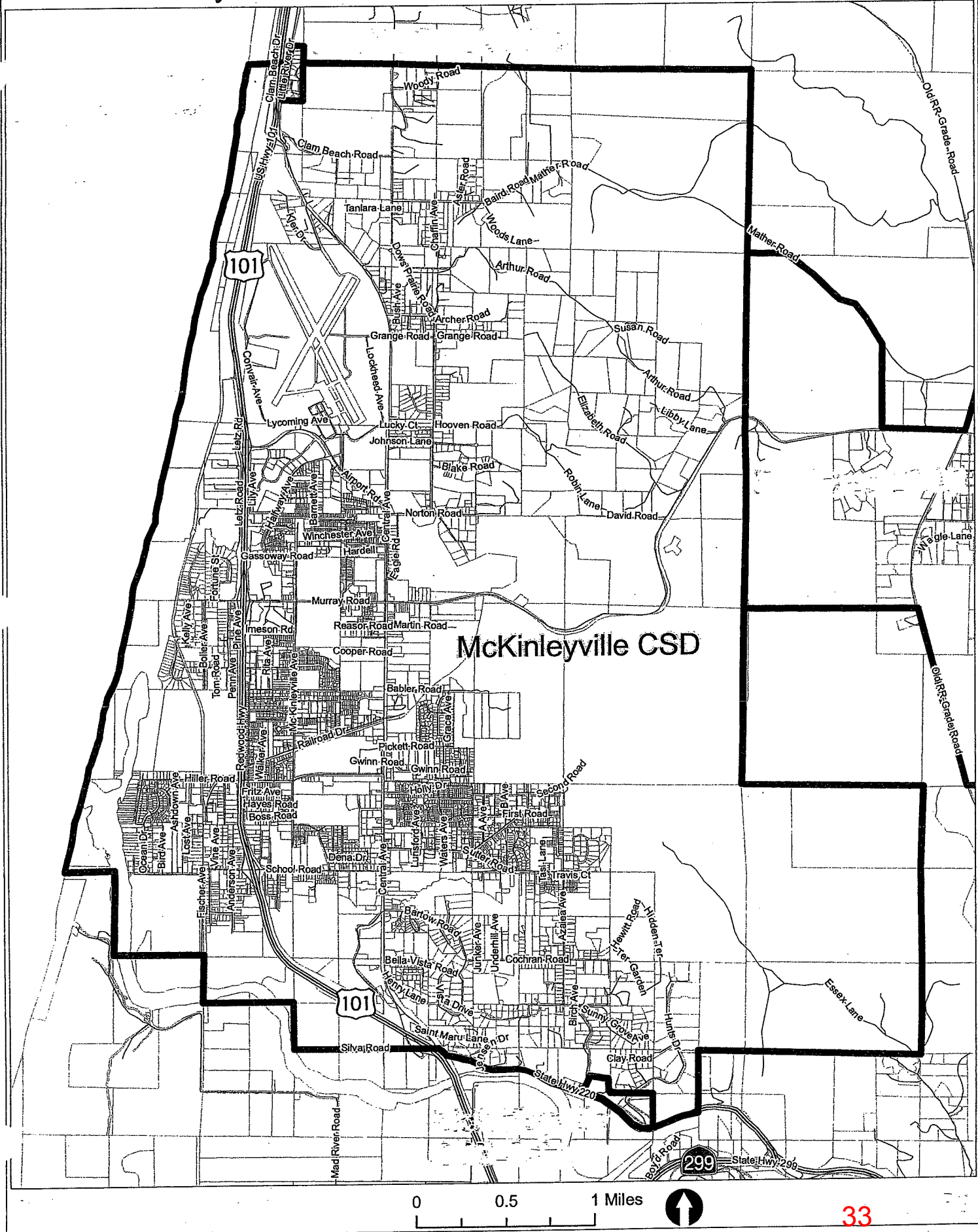
Thence south 89 degrees 52 minutes west 627.05 feet to the easterly right of way line of a public road (formerly designated State Hwy. 101);

Thence northerly along the easterly right of way of said public road to the north line of said Section 18, T. 7N., R. 1E.;

Thence west along said north line, Section 18 to the shoreline of the Pacific Ocean;

Thence following the shoreline of the Pacific Ocean southwesterly to the point of beginning.

Mckinleyville Community Services District



McKinleyville Community Services District

BOARD OF DIRECTORS

June 16, 2010

TYPE OF ITEM: **ACTION**

ITEM: E.2. Consider approval of Right-of-Entry agreement with McKinleyville Skate Park Organization

PRESENTED BY: Jason Sehon & David Couch

TYPE OF ACTION: Voice Vote

Recommendation:

Consider approval of the attached Right of Entry Agreement with McKinleyville Skate Park Organization and authorize the General Manager to execute the Agreement.

Discussion:

On September 19, 2007, the MCSD Board of Directors approved a Right of Entry Agreement with the McKinleyville Skate Park Organization (MSPO) for a 23,000 square foot area located south of the Law Enforcement Facility at Pierson Park. The term of the Agreement was authorized for a period of twenty-four months.

That agreement has since expired on September 19, 2009. At that time, District staff asked the McKinleyville Skate Park Organization to re-consider their design and to come back to MCSD with a design that included an in-ground skate park utilizing a sump and pump system.

The reason for requesting an in-ground skate park is that it would be less of a footprint (less square footage), the cost would probably be less than bringing in fill and compacting it, it would be less of a visual impact and predominant elevated feature, and it wouldn't block the vision of the skating elements in the event of an injury, limit access or safety concerns.

About four months ago, the MSPO presented MCSD with a re-design of the park; however, it did not include an in-ground park. Staff met with representatives of the MSPO and asked them to modify and re-submit their design.

Staff met again with representatives of the MSPO so that everyone was clear on staff's request for an in-ground skate park design. Staff asked the MSPO to submit the new design and to allow MCSD staff a minimum of two weeks for review. After review, staff requested that the new design be brought to the Recreation Advisory Committee prior to presenting to the MCSD Board of Directors for approval.

On April 30, 2010, staff received an email from the MSPO with a new in-ground design. Staff reviewed the design and replied one week later saying that the new design would be brought to the RAC at its May 27, 2010 meeting. A representative from the MSPO responded by saying that they thought the item would be brought to the May 19, 2010 MCSD Board of Directors meeting.

The urgency to the MSPO is that they would like to renew the Right of Entry Agreement so that they can continue to pursue grant funding. After staff discussion, we felt there was time to bring the Right of Entry Agreement to the MCSD Board of Directors at its May 19, 2010 meeting.

The proposed skate park would be located south of the Law Enforcement Facility and west of the horseshoe pits and bocce ball courts.

Other requests by the MSPO are for the MCSD Board of Directors to consider allocating \$25,000 in Quimby Inland Park Dedication Funds, and to approve the new design.

May 27, 2010 Recreation Advisory Committee Meeting:

At the May 20, 2010 MCSD Board meeting, It was the Board's consensus to refer the item to the RAC for recommendations and for staff to bring it back to the Board in June for consideration.

After discussion among RAC members and also from members of the public, the RAC made the following recommendations:

Recommend to the MCSD Board of Directors to approve the Right of Entry Agreement with the following provisions:

1. The Right of Entry Agreement will be for a term of 24-months.
2. The MSPO will submit a progress report to the Parks & Recreation Director quarterly.
3. Encumber \$25,000 in Quimby Inland Park Dedication Funds for the construction of the project.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action
- Consider RAC's recommendation to approve a right-of-entry agreement for a period of 24-months as opposed to 12-months as recommended by staff and the Board of Directors.
- Consider RAC's recommendation requiring that the Skate Park Organization submit a progress report quarterly as opposed to monthly as recommended by staff.

- Approve Right of Entry Agreement encumbering for less than or greater than \$25,000 of Quimby Funds for the project.

Fiscal Analysis:

None at this time

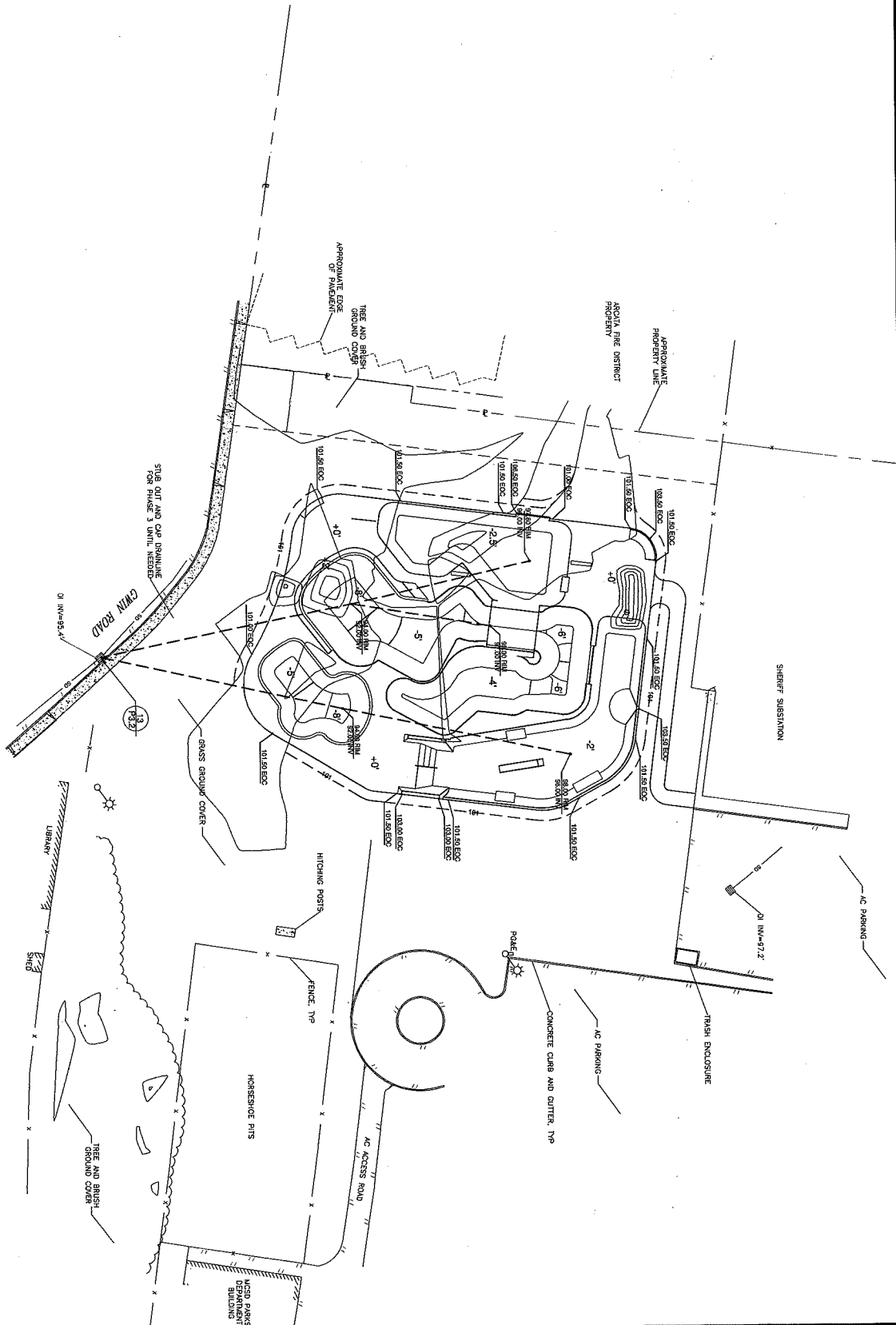
Environmental Requirements:

Not applicable

Exhibits/Attachments

- Skate Park Design
- Skate Park Design – in phases
- 2010-2011 Right of Entry Agreement

50% REVIEW SUBMITTAL
NOT FOR CONSTRUCTION



DRAWN BY: JMK CHECKED BY: AMF	SHEET: SP1.2	DATE: 04-30-10 SITE PLAN PROJECT: MCKINLEYVILLE SKATEPARK LOCATION: MCKINLEYVILLE, CA	SCALE: 1" = 20'
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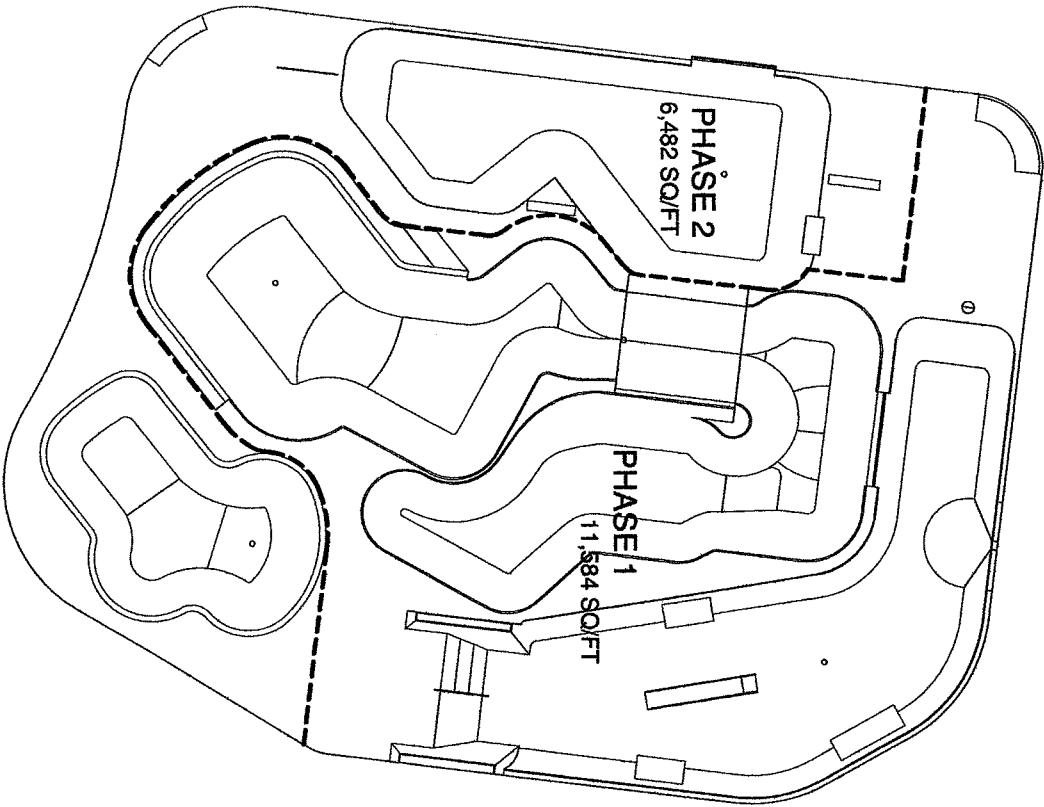
GRINDLINE
CONCRETE SKATEPARK DESIGN & CONSTRUCTION

4179 14th Ave SW
Silverdale, WA 98135
726-323-4141 • 726-312-6360
www.grindline.com



TOTAL SQUARE FOOTAGE:
18,066 SQ/FT

LEGEND
LIMITS OF PHASE



50% REVIEW SUBMITTAL
NOT FOR CONSTRUCTION



SHEET: SP1.1	PHASE LIMITS	SCALE: 1" = 10'
	PROJECT: MCKINLEYVILLE SKATEPARK LOCATION: MCKINLEYVILLE, CA	

DATE: 05.11.10
DRAWN BY: JMS
CHECKED BY: JMS

GRINDLINE
CONCRETE SKATEPARK DESIGN & CONSTRUCTION
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38

This design is an intellectual or professional service and is the property of Grindline Skateparks Inc. Any use of these plans shall be restricted to the project for which they were prepared.

RIGHT OF ENTRY AGREEMENT

THIS AGREEMENT is entered into on June 16, 2010, between the between the MCKINLEYVILLE COMMUNITY SERVICES DISTRICT (herein "DISTRICT") and the MCKINLEYVILLE SKATE PARK COMMITTEE (herein "COMMITTEE").

RECITALS

1. DISTRICT owns property located at Pierson Park and has consented to enter into an Agreement for the design and construction of a Skate Park on the property located immediately south in the vicinity of the existing horseshoe pits and bocce ball courts.
2. The COMMITTEE, as a public service to the citizens of McKinleyville, wishes to undertake a project for the design and development, financing, construction and maintenance of a skate park.

THEREFORE, IT IS AGREED:

1. For a period of twelve (12) months from the date hereof, DISTRICT hereby grants to COMMITTEE the right to enter upon the DISTRICT property described as Pierson Park, for the purposes and on the terms and conditions herein set forth.
2. COMMITTEE shall obtain Board approval of the final design and demonstrate financing at its sole expense prior to the Board considering approving the construction of a FACILITY of approximately 20,000 square feet (herein "PROJECT") to be used by the public for the purposes of offering expanded services to the community.
3. COMMITTEE shall:
 - 3.1 Demonstrate to the Board sufficient financing and committed supplies and services from local businesses to pay the entire costs of design, development, inspection, construction, maintenance and administration of the PROJECT, except as noted below. PROJECT costs and funding requirements will be those estimates as delineated by the Engineer. No work of construction shall be commenced until initially obtaining Board approval of the final design and demonstrating sufficient funds required for permits, construction, completion and maintenance of Phase I of the PROJECT, and the funds have been received and deposited with the DISTRICT in an ESCROW account administered by the DISTRICT. Phase I is estimated to cost approximately \$430,000.00 for the eastern section of the project consisting of the flat portion and one bowl on the southeast corner;
 - 3.2 Cause the preparation of plans and specifications suitable for the construction of the PROJECT;
 - 3.3 Receive approval from the General Manager to place any signage on the property.
 - 3.4 Receive approval from General Manager to apply for permits and/or to begin construction.

- 3.5 Cause to be obtained all necessary permits and approvals for the construction as required by law;
 - 3.6 Assist the District with contracts and other agreements as necessary for the completion of the PROJECT. DISTRICT must give written approval to any contract of COMMITTEE and any other party, with respect to the PROJECT, except for this RIGHT OF ENTRY AGREEMENT;
 - 3.7 Upon completion of the PROJECT, deliver the facility and appurtenances thereof to the DISTRICT in condition suitable for the use. Thereupon, any rights and responsibilities of with respect to the construction of the PROJECT shall terminate, and use, care and maintenance of the facility shall revert to the DISTRICT. Upon delivery of the facility to the DISTRICT, COMMITTEE shall assign all warranty rights, if any, with respect to the facility, equipment and appurtenances to DISTRICT.
4. COMMITTEE shall submit a progress report to the Parks & Recreation Director no later than the first Friday of each month, beginning Friday, June 11, 2010. Said progress report shall include the following information:
 - A. Status of current fundraising efforts
 - B. Amount of funds raised to date
 - C. Pending and proposed grant application update
5. COMMITTEE shall coordinate with the Parks and Recreation Director to complete the following maintenance requirements at the project site no later than July 31, 2010:
 - A. Clear all debris from site, including concrete
 - B. Spread wood chip piles at site
 - C. Remove all non native and invasive weeds
6. COMMITTEE shall consult with DISTRICT representatives during the design phase, and the plans and specifications for the construction shall be subject to DISTRICT's written approval before the plans and specifications are submitted to permitting authorities for development permits and to prospective bidders for bidding purposes.
7. COMMITTEE shall hold harmless, indemnify and defend DISTRICT, its officers, agents, employees, and directors from and against any and all claims, liabilities, demands, costs and contracts of any nature arising out of or resulting from the financing, design and construction of the PROJECT. This obligation shall survive the delivery of the PROJECT to the DISTRICT.
8. In the event of a dispute between the parties regarding the obligations described in this Agreement, the DISTRICT Board of Directors will make a finding based upon the facts presented and their decision will be final. In such an event that the Board's findings are in favor of the District, then 9.1 through 9.3 shall apply.
9. DISTRICT shall:
 - 9.1 Be solely responsible for payment of all costs associated with the development and construction of PROJECT including, without limitation,

any and all claims, liabilities, demands, costs and contracts of any nature arising out of or resulting from the PROJECT.

- 9.2 Have the responsibility for construction and control of the PROJECT.
- 9.3 Apply any unused construction funds toward the Maintenance Fund for the PROJECT. Such Maintenance Fund shall be under the sole control and administration of the DISTRICT.
- 9.4 DISTRICT shall encumber \$25,000.00 to be reserved for PHASE I construction of the project. This \$25,000.00 will be held in reserve until June 16, 2011 whereupon DISTRICT offer to reserve these funds will terminate.

McKINLEYVILLE COMMUNITY SERVICES DISTRICT

Helen Edwards, President – Board of Directors

Date

Charlie Caldwell, Director– Skate Park Organization

Date

Michael Kennedy, Skate Park Organization

Date

McKinleyville Community Services District

BOARD OF DIRECTORS

June 16, 2010

TYPE OF ITEM: **ACTION**

ITEM: E.3. ***Approve Resolution 2010-08 Authorization to Apply for an Energy Efficiency Loan from the California Energy Commission and Authorization to Execute Loan Documents.***

PRESENTED BY: **Steven Edmiston, Finance Director**

TYPE OF ACTION: **Voice Vote**

Recommendation:

Staff Requests the Board adopt Resolution 2010-08.

Discussion:

The District has submitted an application to the California Energy Commission for a loan to assist with funding the upgrades to the Grant A. Ramey Pump Station. The Commission, using their formula, has determined that the project will result in energy savings in the amount of \$165,100.00. Such funds are provided via the American Recovery and Reinvestment Act (ARRA) and are repayable over a fifteen year period at 1% simple interest. The application has been accepted pending this resolution and loan documents have been prepared for execution.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

The repayment schedule is for 29 semi-annual interest and principal payments of \$6,194.98, maturing December 22, 2026.

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Resolution 2010-08 *Authorization to Apply for an Energy Efficiency Loan from the California Energy Commission*

RESOLUTION 2010-08

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT AUTHORIZING APPLICATION FOR AN ENERGY EFFICIENT LOAN FROM THE CALIFORNIA ENERGY COMMISSION AND AUTHORIZING THE MANAGER AND/OR FINANCE DIRECTOR TO EXECUTE THE LOAN DOCUMENTS

WHEREAS, the California Energy Commission provides loans to schools, hospitals, local governments, special districts and public care institutions to finance energy efficiency improvements:

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of the McKinleyville Community Services District authorizes McKinleyville Community Services District to apply for an energy efficiency loan from the California Energy Commission to implement energy efficient measures.

BE IT ALSO RESOLVED, that if recommended for funding by the California Energy Commission, the Board of Directors McKinleyville Community Services District to accept a loan up to \$200,000.

BE IT ALSO RESOLVED, that the amount of the loan will be paid in full, plus interest, under the terms and conditions of the Loan Agreement, Promissory Note and Tax Certificate of the California Energy Commission.

BE IT FURTHER RESOLVED, that the General Manager or Finance Director is hereby authorized and empowered to execute in the name of McKinleyville Community Services District all necessary documents to implement and carry out the purpose of this Resolution, and to undertake all actions necessary to undertake and complete the energy efficiency projects.

PASSED, APPROVED AND ADOPTED at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on the 16th of June, 2010 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Helen Edwards, Board President

Attest: _____
Sharon L. Denison, Board Secretary

McKinleyville Community Services District

BOARD OF DIRECTORS

June 16, 2010

TYPE OF ITEM: **ACTION**

ITEM: E.4. Consider Approval of Study to Modify Copper Effluent Limits

PRESENTED BY: Greg Orsini

TYPE OF ACTION: Voice Vote

Recommendation:

Staff Recommends the Board authorize the expenditure of \$36,000, authorize the General Manager to enter into an agreement with a consulting firm and approve the request for a Full Scale Copper WER Analysis, Submit Findings and WER Analysis Report to RWQCB to Request Modification of Copper Effluent Limits in the District NPDES Permit and report back to the Board with the results of the project.

Discussion:

Many agencies that have direct surface water discharge, like MCSD are facing difficulties achieving copper compliance throughout the state due to implemented California Toxics Rule (CTR). These stringent limits came into effect May 18, 2010. When the toxicity of copper was calculated for the California's State Implementation Plan (SIP) distilled lab water was used. The solubility of copper in distilled water is much different than it is in the District treated effluent. We have found a cost effective approach for addressing copper compliance through what is known as a Water Effects Ratio (WER) Study, which is outlined in SIP as an approved compliance pathway for metals. Over the last couple months, a consulting firm the district is using for another project begun these studies with both the Cities of Fortuna and Rio Dell and are confident these approaches will greatly reduce, if not eliminate, violations for final copper effluent limitations listed in the respective NPDES permits. This consulting firm has submitted Work Plans to the Regional Water Quality Control Board (RWQCB) for both Cities and MCSD and have recently received Work Plan concurrence from the RWQCB for the MCSD Work Plan. We are now preparing to conduct the full scale studies. Staff wanted to take this opportunity to propose a similar study for MCSD in order to achieve copper compliance. In essence, the WER Study will demonstrate that the dissolved fraction of copper (relative to total recoverable) in MCSD's effluent is less than that assumed by the RWQCB in establishing MCSD's effluent limits, and will provide a sound technical basis consistent with the SIP to justify the request for revised effluent limits for

copper in the MCSD's NPDES permit. Based on a litmus test already conducted staff is confident the 12 fold improvement will translate to copper limits well within reach with our current treatment technology saving the District substantially in fines and costly treatment plant upgrades.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

The project cost is \$36,000. A calculation of the expected fines that the District will incur in the first river discharge season (as illustrated in Exhibit 1) equal \$36,000 and \$36,000 per season thereafter, so taking that into account the project cost is a wise investment.

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Mandatory Minimum Table

EXHIBIT 1 MCSD Copper Results from 2009 using Final Effluent Limitations for Calculation of Mandatory Minimum Fines.

Date	River Hardness	Hardness Dependent Copper Final Effluent Limits		Reported Copper Levels	Violation of Final Effluent Limits		Mandatory Minimum Penalties
		Average Monthly (µg/L)	Maximum Daily (µg/L)		Average Monthly	Maximum Daily	
January	45	3.3	6.7	20	YES	YES	\$6,000
February	76	5.3	11.0	24	YES	YES	\$6,000
March	79	5.3	11.0	26	YES	YES	\$6,000
April	55	4.0	8.0	18	YES	YES	\$6,000
May	50	3.6	7.3	16	YES	YES	\$6,000
December	58	4.0	8.0	18	YES	YES	\$6,000
						Total MMPs	\$36,000

McKinleyville Community Services District

BOARD OF DIRECTORS

June 16, 2010

TYPE OF ITEM: **ACTION**

ITEM: E.5. **Consider approval of letter prepared by the Recreation Advisory Committee to the State of California and the McKinleyville Press in support of Proposition 84 Parks and Recreation grant funding application**

PRESENTED BY: **David Couch and Jeff Driver**

TYPE OF ACTION: **Voice Vote**

Recommendation:

Staff Requests the Board approve the recommendation from the Recreation Advisory Committee to send a letter to the McKinleyville Press and the State of California regarding the support of the two Proposition 84 grant applications submitted by staff.

Discussion:

In March 2010, staff submitted two grant applications to California State Parks through the Proposition 84 (Statewide Park Development and Community Revitalization Program).

During the grant writing process, staff held a series of meetings (12 total) to discuss potential park development projects with residents in McKinleyville to meet the requirements of the grant.

Staff met and wrote grants that included ideas and suggestions for park improvements that were brought up in the series of meetings.

After reading an article in the McKinleyville Press opposing the grant submissions, a member of the Recreation Advisory Committee asked the Chair Person to add an item on the agenda to consider writing a letter in response to that article.

The Recreation Advisory Committee met on Thursday, May 27, 2010 and approved sending the letter to the MCSD Board of Directors for approval.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

None

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Letter from Recreation Advisory Committee

27 May 2010

California State Parks
Office of Grants & Local Services
PO Box 942896
Sacramento, CA 94296-0001

To Whom It May Concern:

We, the members of the McKinleyville Community Services District's Recreation Advisory Committee would like to take this opportunity to whole-heartedly endorse the District's recent submission of two grants to your office. We recently became aware of one of our local citizens having sent you a letter in which he stated that our community did not need or want the parks that would potentially be funded with the help of your grants. We couldn't disagree more.

We are aware that many, if not most, communities have citizens who actively participate in local politics and who can be counted on to be against almost everything, make issues into personal attacks, and too often are the loudest and most negative voice in the room. McKinleyville is no exception. It would be tragic if the demands of our growing community were set aside for such a voice.

We try to approach our jobs as volunteer Recreation Advisory Committee members from a community-wide perspective, not from self-interested perspectives. We are a broad cross-section of ages, professional and civic experiences, and are basically a good representation of our town's citizens. Although our political philosophies often differ, our McKinleyville community-centric perspective allows us to work very well together and almost always reach unanimous votes on the issues before us.

McKinleyville is a town of approximately 15,000 people and has been the fastest-growing community in Humboldt County for at least the last 10 years. Every indication suggests that this rapid growth will continue. Our citizens value the town's rural character and compete for use of the parks and recreational amenities McKinleyville Community Services District provides. We are unanimously in favor of the District's grant applications and we all see the short- and long-term need for many diverse recreational opportunities for McKinleyville's citizens, current and future.

We normally wouldn't go to the trouble of writing a rebuttal to another citizen's letter to you. However, we wanted to insure that you were aware that he was/is in no way representative of our community's sentiments and that our area sorely needs to acquire more recreational land before it is too late. We have been appointed by elected officials to provide recommendations to them on recreation-related activities in McKinleyville. We therefore hope that our collective voice will be seen as representative of our community's recreational needs and desires. We thank you in advance for considering our perspectives and hope that the McKinleyville Community Services District's grant applications are successful.

Sincerely,



Jeff Driver
Chair Person,
Recreation Advisory Committee

McKinleyville Community Services District

BOARD OF DIRECTORS

June 16, 2010

TYPE OF ITEM: ACTION

ITEM: E.6. Consider approval of the District budget for the fiscal year ending June 30, 2011.

PRESENTED BY: Steven Edmiston, Finance Director

TYPE OF ACTION: Voice Vote

Recommendation:

Staff recommends adoption of the District budget for the fiscal year ending June 30, 2011.

Discussion:

Attached for your approval is the District's final draft of the budget for the fiscal year ending June 30, 2011. The budget projects operating revenues and expenses for the water and sewer enterprise funds, as well as the estimated revenues and expenditures for the parks & recreation (general) and streetlight governmental funds.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

See attached document: *McKinleyville Community Services District Budget for the fiscal year ending June 30, 2011.*

Environmental Requirements:

Not applicable

Exhibits/Attachments

- See attached document: *McKinleyville Community Services District Budget for the fiscal year ending June 30, 2011.*

McKINLEYVILLE



COMMUNITY SERVICES DISTRICT



BUDGET

For the Fiscal Year Ending June 30, 2011

Adoption Date: June 16, 2010

MCSD BOARD OF DIRECTORS

Helen Edwards, President
Dennis Mayo, Vice President
John Corbett, Director
David Couch, Director
Bill Wennerholm, Director

**McKINLEYVILLE COMMUNITY SERVICES DISTRICT
1656 Sutter Road
McKinleyville, CA 95519
Capital and Operating Budget**

For the Fiscal Year Ending June 30, 2011

INTRODUCTION AND BUDGET GUIDE

This budget is intended to serve as a management tool for operation of the McKinleyville Community Services District (MCSD) during fiscal year July 1, 2010 through June 30, 2011. The Budget sets forth goals and priorities for staff to accomplish during the year in the four district operating departments. This budget is dynamic in that it can be amended as the Board adds goals and changes priorities.

- Page 2 includes information about McKinleyville and MCSD.
- The Board of Directors has adopted a mission statement, goals and action plan, and organization chart for the fiscal year, which is included at Page 4.
- Budget summaries for the Governmental Funds & the Enterprise Funds are shown beginning at Page 8.
- Detailed line item budgets by department/fund, line-item budget summaries and capital improvement project summary for the fiscal year begin at Page 11.
- Historical Data is presented beginning at Page 15.
- MCSD's Capital Improvement Program Narrative is included at Page 19.
- The 10-year Capital Improvement Plan is detailed beginning at Page 27.

SECTION 1: Information about McKinleyville and MCSD

DESCRIPTION OF THE COMMUNITY

McKinleyville is an unincorporated community of Humboldt County in the north coastal region of California 300 miles north of San Francisco. McKinleyville has an approximate population of 14,500. McKinleyville borders the Pacific Ocean and has a mild climate year round with frequent fog and moderate to heavy precipitation mainly between October and April. Because of the combination of coastal, mountain and valley areas, residents have the opportunity for a wide range of recreational activities. Just minutes from McKinleyville, you can surf, fish for salmon and steelhead, hike underneath the world's tallest trees and bike the Pacific Coast Trail.

The original settlers of McKinleyville were the Wiyot Indians who occupied the area for hundreds of years before the first white settlers arrived. Historian Edie Neilson estimates that there were three thousand Wiyots in the vicinity when the first white settlers arrived in the 1850s; by 1900, there were only 150 Wiyots left. Joseph Dow built his cabin in 1862 on the high prairie area near the future site of the Humboldt County Airport. For many years the area from the Mad River to the Little River was known as Dow's Prairie.

Dow's Prairie was isolated from the rest of the north coast communities by the bridgeless rivers to the north and south and the dense forest to the east. When passable, fording the Mad River to get supplies in Arcata was a two-day trip. In 1897, Arcata businessman Isaac Minor built a general store with a post office, a hotel and a creamery here. The general store quickly became the social center for the community and the people decided to call their town Minor in his honor. When President William McKinley was assassinated in 1901, Isaac Minor and the townspeople agreed to change the name of the community to McKinleyville.

The McKinleyville Union School District was founded in 1948 and includes Dow's Prairie School, McKinleyville Middle School and Morris School. MUSD is McKinleyville's largest employer with a payroll of over \$4 million. Graduates of MUSD attend McKinleyville High School, which was opened for the fall 1961 school year. Mack High is one of two high schools in the Northern Humboldt Union High School District.

Opportunities for higher education are nearby. Arcata's Humboldt State University, a four-year college with a full spectrum of curriculum and graduate programs, is a 10-minute drive from McKinleyville. Eureka, located 20 minutes south of McKinleyville, is the largest city and county seat of Humboldt County. The main branch of College of the Redwoods, a community college system offering comprehensive programs in many academic and technical fields, is located in Eureka.

DESCRIPTION OF THE DISTRICT

McKinleyville Community Services District (MCSD) was created on April 14, 1970 when McKinleyville's residents voted 592 "yes" against 154 "no" to form the District. Initially, the District had authority to serve water and treat sewer wastes. In 1972 the voters added street lighting powers. In 1985 the voters added recreational powers and in 1995 the voters authorized construction of the McKinleyville Library. The District boundaries encompass 12,140 acres ranging from North Bank Road on the south to Patrick Creek on the north. MCSD is an independent governmental unit organized under the Community Services District Law, pursuant to Title 6 Division 3 of the Government Code Section 61000, et seq. A five member Board of Directors elected to four-year rotating terms in odd-numbered years governs the District. The Directors meet on the third Wednesday of each month at Azalea Hall, 1620 Pickett Road to set policy, consider projects and settle disputes. The District office is located at 1656 Sutter Road just east of Central Avenue.

MCSD's principal activities include water, sewer, parks, recreation, street lighting and open space maintenance services. In recent years, the District has dramatically expanded its recreational services by developing approximately 44 acres of community parks (Hiller Park Playground and Picnic Area, Hiller Park Loop Trails, Hiller Sports Complex, Pierson Park and Larissa Park. In addition, the District has constructed three state-of-the-art buildings to provide an indoor sports and recreation facility (McKinleyville Activity Center), a community activities center (Azalea Hall) and a library (a branch of the Humboldt County Library). In 1999, the Mad River Rotary Club completed the fund-raising and construction of a Law Enforcement Facility on District land adjacent to the Library and Azalea Hall. The facility was then donated to the District and is leased to the Humboldt County Sheriff's Department.

MCSD purchases its wholesale water supply from the Humboldt Bay Municipal Water District, which diverts water from its million-gallon tank on Essex Hill under the Mad River to MCSD's Grant A. Ramey Pump Station at North Bank and Azalea Roads. Water is then pumped to storage tanks at McCluski Hill, Cochran Road and Norton Road; MCSD's six storage tanks have a combined capacity of 5.25 million gallons, approximately a 36 hour supply for our 6,705 customers.

All sewage for MCSD's 6,100 customers is treated at the Wastewater Management Facility at Hiller Park. The District recently completed a \$770,000 wetland construction project at Hiller Park to enhance the wastewater treatment process and to prevent stormwater pollution to the Mad River estuary. MCSD maintains approximately 65 miles of sewer mains. MCSD recycles treated wastewater for agricultural irrigation at the Fischer Irrigation Site and at Hiller Park. MCSD is committed to maintaining its sewage collection, treatment and disposal systems as a model for other communities.

Additional information and photographs of MCSD facilities are available on MCSD's website (www.mckinleyvillecsd.com). District staff and Directors can be reached by e-mail at mcscd@mckinleyvillecsd.com.

Mission Statement

McKinleyville Community Services District's Mission is to respond with excellence to McKinleyville's needs for those services within our jurisdiction and to provide the highest quality, timely services in the most cost effective manner.

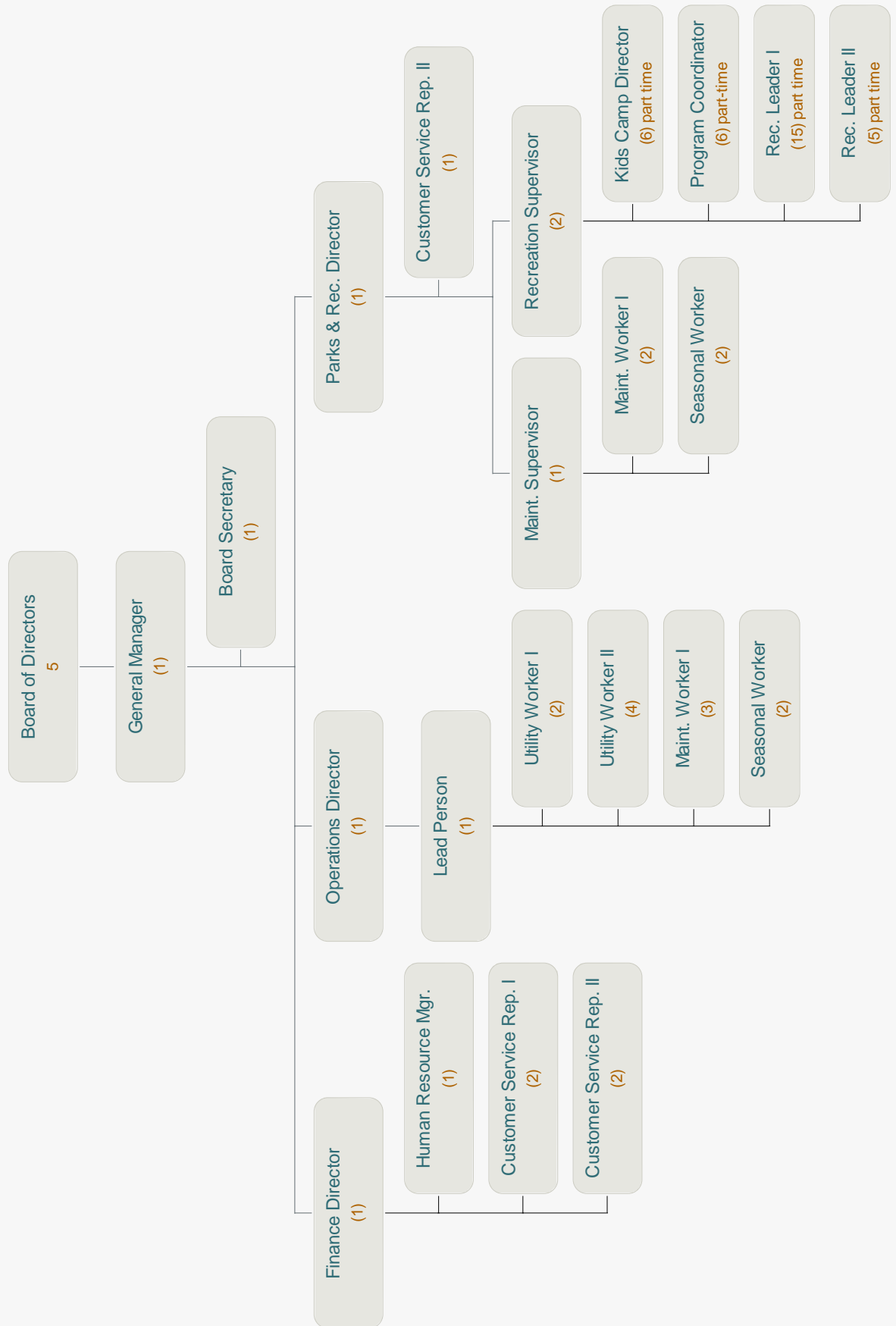
Or

It is the mission of the McKinleyville Community Services District to provide McKinleyville residents with safe, adequate and reliable utility, lighting, open space, parks and recreation, and library services in an environmentally sensitive and economically responsible manner."

GOALS AND OBJECTIVES

- GOAL 1: Ensure appropriate funding is available to meet or exceed all service objectives at the lowest practical long-term cost to rate payers and other customers
- 1.1 Develop and maintain a fiscally responsible plan that includes regular rate adjustments that avoid rate spikes.
 - 1.2 Develop appropriate impact fees for new connections and services.
- GOAL 2: Assure reliable water service that serves the needs of the community while meeting regulatory requirements.
- 2.1 Increase water storage
 - 2.2 Construct emergency Bridge pipeline crossing /other redundancies
 - 2.3 Evaluate and install emergency water supply wells
- GOAL 3: Treat and Dispose of the Community's wastewater in a safe and cost effective manner.
- 3.1 Complete and implement 20 year facility plan
 - 3.2 Evaluate opportunities to reduce discharge requirements
 - 3.3 Evaluate, monitor and permit major point sources
- GOAL 4: Operate the District in a fiscally responsible manner.
- 4.1 Determination of equitable overhead rates
 - 4.2 Explore and establish new revenue sources
 - 4.3 Consider grants and low Interest loan programs
- GOAL 5: Maintain Preparation for Major Disasters.
- 5.1 Participate in minimum of 1 table top exercise per year
 - 5.2 Review/update emergency plan
 - 5.3 Design drills to include each department and board

McKinleyville Community Services District Organizational Chart 2010/2011



McKinleyville Community Services District
Full-Time Equivalents
for the fiscal year ending June 30, 2011

	Full-Time Benefitted	Part-Time & Seasonal	Total FTEs
General Manager	1		1
Support Services	6		6
Operations	10	3	11.45
Parks & Recreation	7	34	14.95
Total	24	37	33.4

McKinleyville Community Services District
Exhibits of Financial Information
Budget for the year ending June 30, 2011

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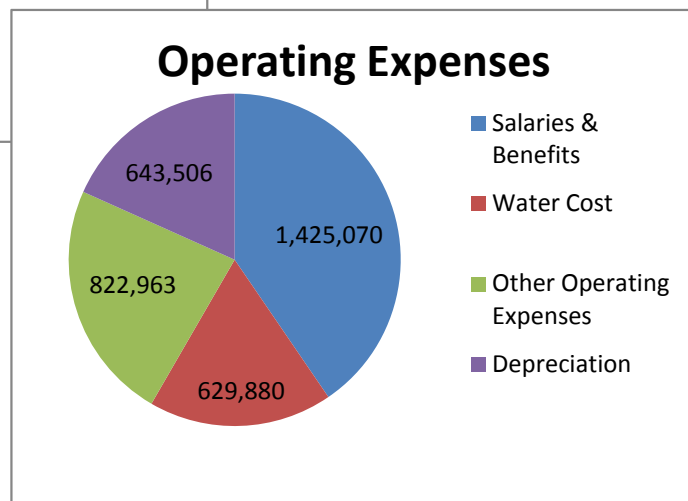
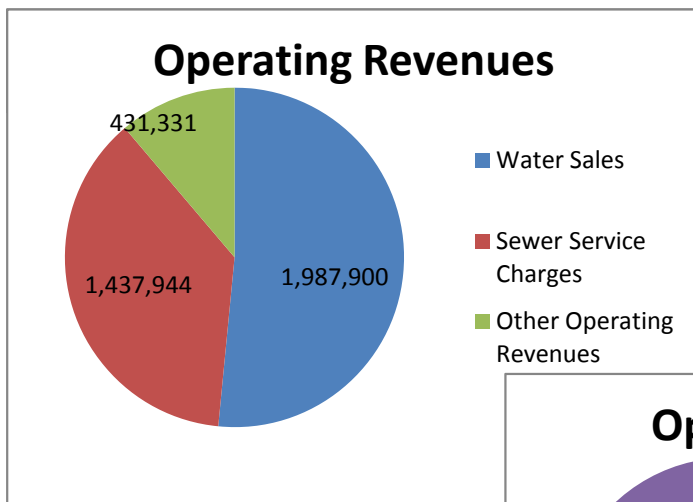
Page 8	Exhibit 1 – Fund Budget Summary and Projected Undesignated Fund Balance
Page 9	Exhibit 2 – Summary Budget
Page 11	Exhibit 3 – Line-Item Budget
Page 15	Exhibit 4 – Historical Data
Page 27	Exhibit 5 – Capital Expenditures

McKinleyville Community Services District
Fund Budget Summary and Projected Undesignated Fund Balance
for the fiscal year ending June 30, 2011

Description	Water Fund	Sewer Fund	Parks & General Fund	Streetlight Fund	Total (Memorandum Only)
Revenues					
Water Sales	1,987,900	-	-	-	1,987,900
Sewer Service Charges	-	1,437,944	-	-	1,437,944
Streetlight Charges	-	-	-	64,000	64,000
Property Tax Assessments	-	-	520,000	-	520,000
Measure B Assessment	-	-	214,000	-	214,000
Program Fees	-	-	329,306	-	329,306
Facility Rentals	-	-	62,400	-	62,400
State Bonds & Grants	-	-	4,379,000	-	4,379,000
Other Revenue	138,686	292,645	276,176	15,900	723,407
Interest Revenue	49,000	55,000	20,000	100	124,100
Total Revenues	2,175,586	1,785,589	5,800,882	80,000	9,842,057
Expenditures					
Salaries & Benefits	712,535	712,535	800,787	35,841	2,261,698
Water Cost	629,880	-	-	-	629,880
Other Expenses & Expenditures	318,693	475,873	219,141	69,231	1,082,938
Depreciation	228,000	415,506	-	-	643,506
Interest Expense	87,078	64,526	-	-	151,604
Debt Service Transfer to Long Term Debt Group	-	28,397	127,877	11,549	167,823
Capital Expenditures	-	-	4,629,000	7,000	4,636,000
Total Expenses & Expenditures	1,976,186	1,696,837	5,776,805	123,621	9,573,449
Excess (deficit) of revenues over expenditures	199,400	88,752	24,077	(43,621)	268,607
Undesignated Fund Balance - July 1, 2009	2,000,987	3,127,312	1,135,692	20,752	6,284,743
Projected Excess (Deficit) for FY-10	50,000	10,000	55,000	(1,500)	113,500
Debt Principal for FY-10 (Enterprise only)	(85,726)	(187,494)	-	-	(273,220)
Capital Expenditures for FY-10 (Enterprise only)	(225,000)	(175,000)	-	-	(400,000)
Projected Undesig. Fund Balance - June 30, 2010	1,740,261	2,774,818	1,190,692	19,252	5,725,023
Budgeted Excess (Deficit) - FY-11	199,400	88,752	24,077	(43,621)	268,607
Anticipated Borrowings for FY-11	1,410,000	-	-	-	1,410,000
Debt Principal for FY-11 (Enterprise only)	(109,946)	(178,482)	-	-	(288,428)
Capital Expenditures for FY-11 (Enterprise only)	(1,629,000)	(392,000)	-	-	(2,021,000)
Projected Undesig. Fund Balance - June 30, 2011	1,610,715	2,293,088	1,214,769	(24,369)	5,094,202

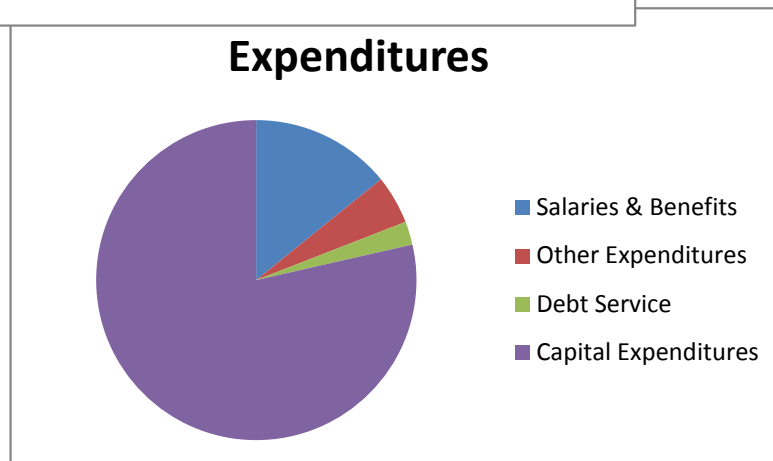
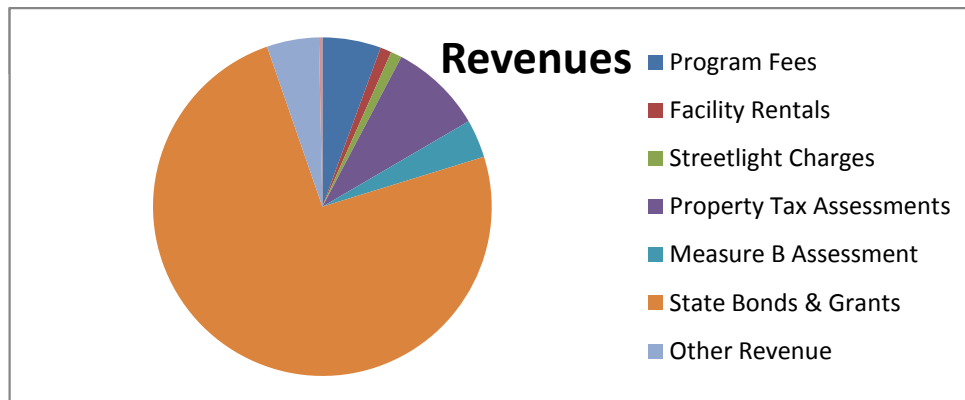
McKinleyville Community Services District
Enterprise Funds Summary Budget
for the fiscal year ending June 30, 2011

Description	Water Fund		Sewer Fund		Enterprise Funds Total	
Operating Revenues						
Water Sales	1,987,900	93%	-	-	1,987,900	52%
Sewer Service Charges	-	-	1,437,944	83%	1,437,944	37%
Other Operating Revenues	138,686	7%	292,645	17%	431,331	11%
Total Operating Revenue	2,126,586	100%	1,730,589	100%	3,857,175	100%
Operating Expenses						
Salaries & Benefits	712,535	38%	712,535	44%	1,425,070	40%
Water Cost	629,880	33%	-	-	629,880	18%
Other Operating Expenses	318,693	17%	504,270	31%	822,963	23%
Depreciation	228,000	12%	415,506	25%	643,506	18%
Total Operating Expenses	1,889,108	100%	1,632,311	100%	3,521,419	100%
Net Operating Income	237,478		98,278		335,756	
Interest Income	49,000		55,000		104,000	
Interest Expense	(87,078)		(64,526)		(151,604)	
Net Income	199,400		88,752		288,152	



McKinleyville Community Services District
Governmental Funds Summary Budget
for the fiscal year ending June 30, 2011

Description	Parks & General Fund		Streetlight Fund		Governmental Funds Total	
Revenues						
Program Fees	329,306	6%	-	-	329,306	6%
Facility Rentals	62,400	1%	-	-	62,400	1%
Streetlight Charges	-	-	64,000	80%	64,000	1%
Property Tax Assessments	520,000	9%	-	-	520,000	9%
Measure B Assessment	214,000	4%	-	-	214,000	4%
State Bonds & Grants	4,379,000	75%	-	-	4,379,000	74%
Other Revenue	276,176	5%	15,900	20%	292,076	5%
Interest Revenue	20,000	0%	100	0%	20,100	0%
Total Revenues	5,800,882	100%	80,000	100%	5,880,882	100%
Expenditures						
Salaries & Benefits	800,787	14%	35,841	29%	836,628	14%
Other Expenditures	219,141	4%	69,231	56%	288,372	5%
Debt Service	127,877	2%	11,549	9%	139,426	2%
Capital Expenditures	4,629,000	80%	7,000	6%	4,636,000	79%
Total Expenditures	5,776,805	100%	123,621	100%	5,900,426	100%
Excess (Deficit)	24,077		(43,621)		(19,545)	



McKinleyville Community Services District
Enterprise Funds Line-Item Budget
for the fiscal year ending June 30, 2011

A/C#	Description	Water Fund	Sewer Fund	Enterprise Fund Total
Revenues				
40000	WATER BASE CHARGE	648,900	-	648,900
40001	METERED WATER SALES	1,339,000	-	1,339,000
40002	SEWER SERVICE CHARGES	-	1,437,944	1,437,944
40010	STORM WATER FEE	-	300	300
41001	NEW SERVICE FEES	7,200	25,000	32,200
41002	SERVICE INSTALLATION FEES	5,800	6,000	11,800
41020	PLAN CHECK FEES	3,000	5,000	8,000
42001	INSPECTION FEES	2,000	3,900	5,900
42010	CONNECTION FEES	11,500	176,000	187,500
42020	PROCESSING FEES	20,000	-	20,000
42030	BAD CHECK FEES	400	300	700
42040	RECONNECTION FEES	11,000	-	11,000
42050	DCV INSPECTION	19,876	-	19,876
43010	RECOVERY OF BAD DEBTS	782	700	1,482
43190	CELL TOWER LEASE REVENUE	16,000	16,000	32,000
43195	OTHER OPERATING REVENUE	20,450	18,800	39,250
43197	PROPERTY LEASE REVENUE	3,600	26,400	30,000
43198	PAVING FEES	1,300	1,000	2,300
46000	AFTER HOURS CHARGES	1,400	-	1,400
50001	INTEREST REVENUE	49,000	55,000	104,000
50005	LATE CHARGES	14,378	13,245	27,623
Total Revenues		2,175,586	1,785,589	3,961,175
Expenditures				
61999	PAYROLL AND RELATED EXPENDITURES	712,535	712,535	1,425,070
61020	MILEAGE REIMBURSEMENT	100	100	200
62001	WATER PURCHASED	629,880	-	629,880
62005	REPAIRS & MAINTENANCE	43,000	56,000	99,000
62010	EQUIPMENT MAINTENANCE CONTRTACTS	15,000	9,000	24,000
62015	GAS & ELECTRIC	45,140	80,650	125,790
62016	TRASH SERVICE	2,739	2,739	5,478
62017	GENERATOR FUEL	2,800	4,500	7,300
62020	TELEPHONE	2,613	2,613	5,226
62025	TELEMETRY	2,753	2,753	5,506
62030	LAB TESTS	5,500	80,000	85,500
62035	GAS/OIL/LUBE	13,500	13,500	27,000
62037	VEHICLE REPAIRS	4,556	4,556	9,112
62038	HEAVY EQUIPMENT REPAIR	4,000	4,000	8,000
62040	SMALL TOOL PURCHASES	2,500	2,500	5,000
62044	EMERGENCY RESPONSE TRAINING	4,000	4,000	8,000
62045	TAXES & ASSESSEMENTS	1,682	19,432	21,114
62050	OFFICE SUPPLIES	12,400	12,400	24,800
62051	ADVERTISING/MARKETING	600	600	1,200
62052	PRINTING	700	700	1,400
62056	OFFICE EQUIPMENT MAINTENANCE	1,750	1,750	3,500

McKinleyville Community Services District
Enterprise Funds Line-Item Budget
for the fiscal year ending June 30, 2011

A/C#	Description	Water Fund	Sewer Fund	Enterprise Fund Total
62057	UNIFORMS	850	850	1,700
62059	EQUIPMENT LEASE	4,556	4,556	9,112
62060	POSTAGE	13,000	13,000	26,000
62061	PUBLIC RECORDS ACT COST	3,200	3,200	6,400
62065	GENERAL INSURANCE	22,174	22,174	44,348
62070	AUDIT	4,800	4,800	9,600
62075	ENGINEERING	15,000	15,000	30,000
62080	LEGAL	7,200	7,200	14,400
62090	TRAVEL/MEALS	7,900	4,800	12,700
62095	PROFESSIONAL DUES & SUBSCRIPTIONS	17,400	7,200	24,600
62100	SAFETY TRAINING & EQUIPMENT	3,000	4,000	7,000
62115	BAD DEBTS	4,000	4,000	8,000
62120	CUSTOMER ADJUSTMENTS	18,000	1,000	19,000
62125	FINES & PENALTIES	-	30,000	30,000
62126	RESPONSE TO REGULATORY AGENCY	2,000	2,000	4,000
62130	DEPRECIATION	228,000	408,000	636,000
62131	AMORTIZATION	-	7,506	7,506
62135	DIRECTORS FEES	3,000	3,000	6,000
62140	PAGING/ALARMS	1,800	1,800	3,600
62150	OTHER PROFESSIONAL FEES	17,000	35,000	52,000
62155	TRAINING & CERTIFICATIONS	4,000	1,700	5,700
62160	NON PROFESSIONAL SERVICES	1,600	1,600	3,200
62295	OTHER EXPENDITURES	2,880	7,200	10,080
64001	INTEREST EXPENSE	87,078	64,526	151,604
79002	DEBT SERVICE TRANSFERS-OUT TO LTDG	-	28,397	28,397
Total Expenditures		1,976,186	1,696,837	3,673,023
Excess (deficit) of revenues over expenditures		199,400	88,752	288,152

McKinleyville Community Services District
Governmental Funds Line-Item Budget
for the fiscal year ending June 30, 2011

A/C#	Description	Parks & General Fund	Streetlight Fund	Governmental Funds Total
Revenues				
41050	ADMINISTRATIVE FEES	8,000	12,500	20,500
42020	PROCESSING FEES	1,600	3,400	5,000
42030	BAD CHECK FEES	100	-	100
43197	LEASE REVENUE	6,276	-	6,276
44000	OPEN SPACE FEES	52,000	-	52,000
45000	COUNTY REIMBURSEMENT	7,500	-	7,500
47001	STREET LIGHT CHARGES	-	64,000	64,000
47999	EVENT RENTALS	17,500	-	17,500
48001	VENDOR CONTRACTS	36,100	-	36,100
48002	EVENT SERVICES	7,300	-	7,300
48010	INSURANCE FEES	500	-	500
48020	ADVERTISING INCOME	1,000	-	1,000
48050	RECREATION PROGRAM FEES	314,756	-	314,756
48051	FEE REDUCTION FUND DISCOUNT	(3,550)	-	(3,550)
48055	PROGRAM GRANTS	18,100	-	18,100
50001	INTEREST REVENUE	20,000	100	20,100
51001	SECURED TAXES	520,000	-	520,000
51060	MEASURE B ASSESSMENT	214,000	-	214,000
52000	OTHER INCOME	650	-	650
53001	CONTRIBUTIONS	15,050	-	15,050
53002	QUIMBY FEES	185,000	-	185,000
54001	GRANTS	4,379,000	-	4,379,000
Total Revenues		5,800,882	80,000	5,880,882
Expenditures				
61999	PAYROLL AND RELATED EXPENDITURES	800,787	35,841	836,628
61020	MILEAGE REIMBURSEMENT	500	-	500
62004	ACTIVITY SUPPLY	21,370	-	21,370
62005	REPAIRS & MAINTENANCE	28,850	5,000	33,850
62007	OPEN SPACE MAIN	8,800	-	8,800
62015	GAS & ELECTRIC	24,355	25,000	49,355
62016	TRASH SERVICE	5,300	200	5,500
62020	TELEPHONE	5,200	200	5,400
62035	GAS/OIL/LUBE	6,000	-	6,000
62037	VEHICLE REPAIRS	1,550	-	1,550
62038	HEAVY EQUIPMENT REPAIR	200	-	200
62040	SMALL TOOL PURCHASES	3,500	-	3,500
62044	EMERGENCY RESPONSE TRAINING	1,600	400	2,000
62045	TAXES & ASSESSEMENTS	4,573	43	4,616
62050	OFFICE SUPPLIES	9,500	700	10,200
62051	ADVERTISING/MARKETING	2,100	75	2,175
62052	PRINTING	400	-	400
62056	OFFICE EQUIPMENT MAINTENANCE	700	-	700
62057	UNIFORMS	500	-	500
62059	EQUIPMENT LEASE	2,023	456	2,479

McKinleyville Community Services District
Governmental Funds Line-Item Budget
for the fiscal year ending June 30, 2011

A/C#	Description	Parks & General Fund	Streetlight Fund	Governmental Funds Total
62060	POSTAGE	6,640	1,500	8,140
62061	PUBLIC RECORDS ACT COST	1,280	320	1,600
62065	GENERAL INSURANCE	8,870	2,217	11,087
62066	SPECIAL EVENT INSURANCE	500	-	500
62070	AUDIT	1,920	480	2,400
62075	ENGINEERING	2,000	-	2,000
62080	LEGAL	4,880	720	5,600
62090	TRAVEL/MEALS	4,920	480	5,400
62095	PROFESSIONAL DUES & SUBSCRIPTIONS	5,180	720	5,900
62100	SAFETY TRAINING & EQUIPMENT	2,000	-	2,000
62105	CASH OVER/SHORT	25	-	25
62135	DIRECTORS FEES	1,200	-	1,200
62140	PAGING/ALARMS	1,900	-	1,900
62150	OTHER PROFESSIONAL FEES	25,000	30,000	55,000
62151	FINGERPRINTING	1,000	-	1,000
62155	TRAINING & CERTIFICATIONS	2,100	720	2,820
62160	NON PROFESSIONAL SERVICES	9,125	-	9,125
62295	OTHER EXPENDITURES	13,580	-	13,580
64000	CAPITAL EXPENDITURES	4,629,000	7,000	4,636,000
79002	DEBT SERVICE TRANSFERS-OUT TO LTDG	127,877	11,549	139,426
Total Expenditures		5,776,805	123,621	5,900,426
Excess (deficit) of revenues over expenditures		24,077	(43,621)	(19,545)

McKinleyville Community Services District

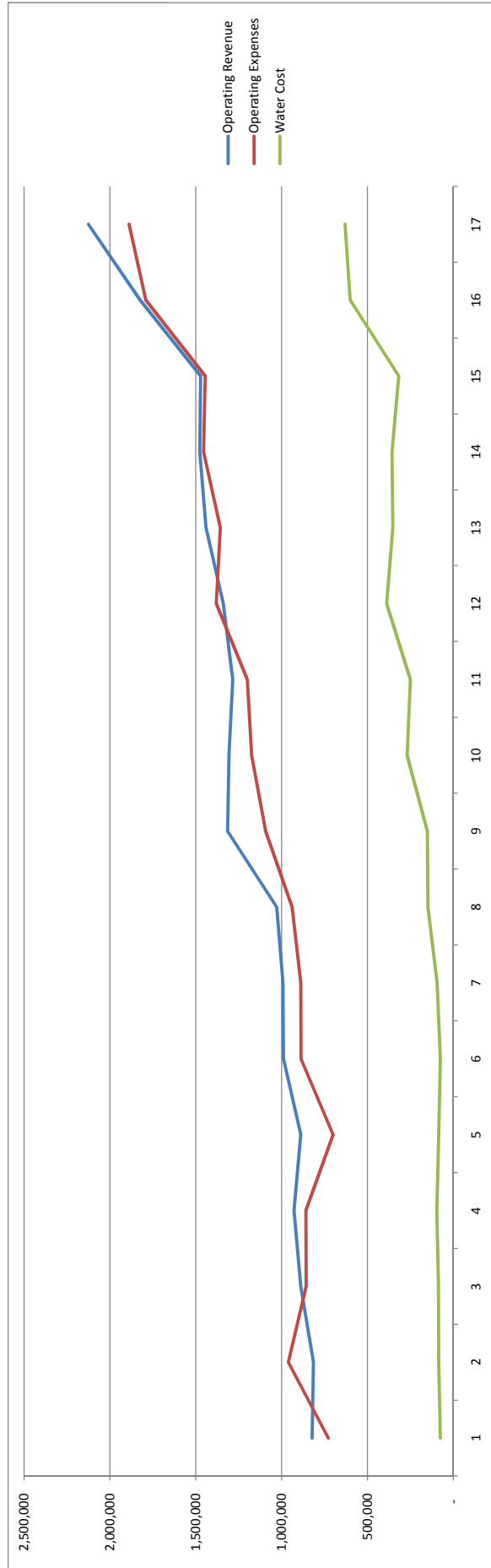
Water Enterprise Fund

Historical Analysis

Fiscal Years Ended (Ending) June 30, 1995-2011

Fiscal Year Ended (Ending) June 30,

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Operating Revenues																	
Water Sales	695,258	704,263	758,863	734,942	794,032	897,094	898,161	924,184	1,085,000	1,121,436	1,152,396	1,224,279	1,305,455	1,337,042	1,360,169	1,700,000	1,987,900
Other Water Revenues	127,787	110,559	129,784	193,238	94,679	91,351	94,710	104,592	229,237	184,979	132,194	115,568	135,596	139,331	111,300	123,802	138,686
Total Operating Revenue	823,045	814,822	888,646	928,180	888,711	988,445	992,871	1,028,775	1,314,236	1,306,414	1,284,590	1,339,847	1,441,051	1,476,373	1,471,469	1,823,802	2,126,586
Operating Expenses																	
Salaries & Benefits	277,399	414,470	361,766	375,348	395,770	392,206	383,619	392,061	472,929	459,541	499,303	529,427	560,844	594,924	661,031	653,614	712,535
Water Cost	74,897	84,374	86,526	96,007	84,431	74,880	93,698	147,114	151,583	269,049	250,212	387,780	352,935	356,842	318,159	600,000	629,880
Other Expenses	196,665	279,167	237,038	214,583	215,178	220,947	206,006	208,710	260,953	229,621	235,081	243,424	222,740	282,010	243,853	312,973	318,693
Depreciation	179,585	182,498	171,337	172,000	3,975	198,813	204,560	190,917	207,140	215,714	214,546	220,709	219,925	220,727	221,484	225,000	228,000
Total Operating Expenses	728,546	960,509	856,667	857,938	699,354	886,846	887,883	938,802	1,092,605	1,173,925	1,199,143	1,381,340	1,356,444	1,454,502	1,444,527	1,791,587	1,889,108
Net Operating Income (Loss)	94,499	(145,687)	31,979	70,242	189,357	101,599	104,988	89,974	221,631	132,489	85,447	(41,492)	84,607	21,870	26,942	32,215	237,478
Interest Income	46,842	6,585	72,477	62,671	63,042	75,077	84,361	79,066	67,786	42,801	46,501	63,422	97,279	114,973	76,662	98,000	49,000
Interest Expense	(80,309)	(87,045)	(72,418)	(72,531)	(71,251)	(66,464)	(63,625)	(75,463)	(65,739)	(64,364)	(62,690)	(61,241)	(59,666)	(58,130)	(56,318)	(54,701)	(87,078)
Net Income (Loss)	61,032	(226,147)	32,037	60,382	181,148	110,212	125,724	93,576	223,678	110,926	69,258	(39,311)	122,220	78,713	47,286	75,514	199,400



McKinleyville Community Services District

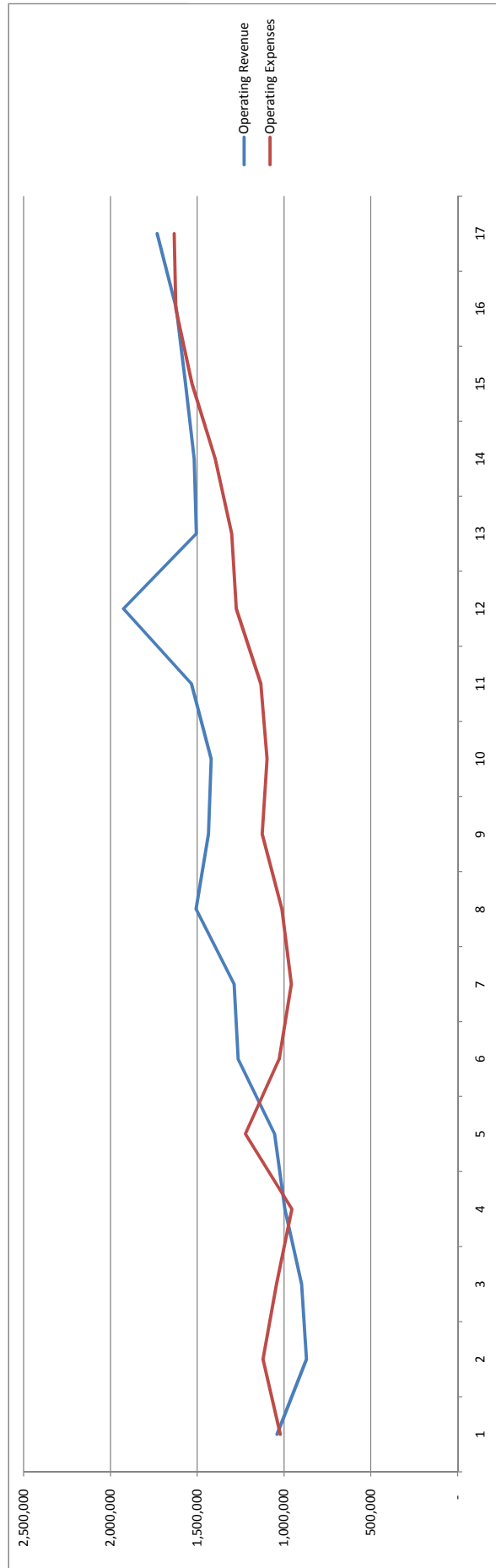
Sewer Enterprise Fund

Historical Analysis

Fiscal Years Ended (Ending) June 30, 1995-2011

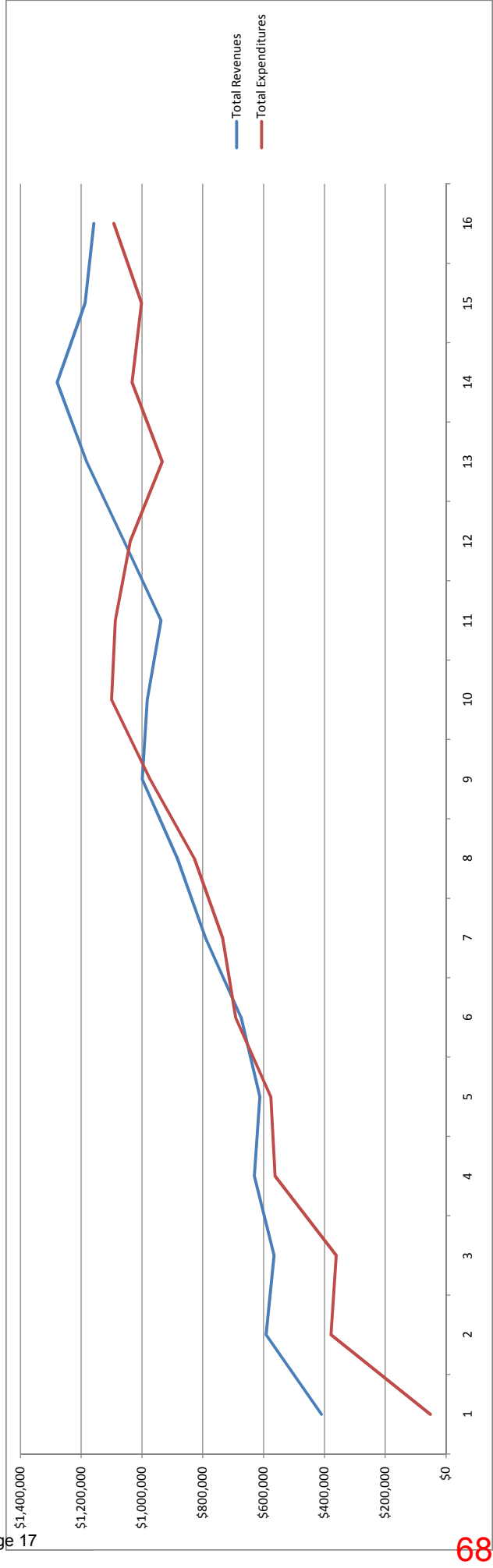
Fiscal Year Ended (Ending) June 30,

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Operating Revenues																	
Sewer Service Charges	628,705	733,459	767,373	788,770	862,154	980,402	994,682	1,015,604	1,038,351	1,053,676	1,074,665	1,134,167	1,161,794	1,216,130	1,298,515	1,400,000	1,437,944
Other Sewer Revenues	410,920	136,511	131,320	206,790	192,264	283,146	293,277	490,711	397,380	365,082	458,496	791,360	343,314	301,106	267,940	219,596	292,645
Total Operating Revenue	1,039,625	869,971	898,693	995,560	1,054,418	1,263,548	1,287,959	1,506,314	1,435,732	1,418,758	1,533,161	1,925,527	1,505,108	1,517,235	1,566,455	1,619,596	1,730,589
Operating Expenses																	
Salaries & Benefits	321,600	400,140	390,174	363,843	387,420	382,080	376,081	416,737	471,740	456,552	505,750	565,167	605,798	628,773	702,632	761,672	712,535
Other Expenses	418,589	433,166	364,406	295,880	323,102	312,930	242,514	259,446	293,872	273,674	259,537	310,379	293,624	367,013	419,936	436,244	504,270
Depreciation	281,100	287,810	288,887	295,000	511,513	332,163	339,240	335,976	359,592	367,808	367,795	399,033	401,102	400,055	407,597	425,000	415,506
Total Operating Expenses	1,021,289	1,121,115	1,043,466	954,723	1,222,035	1,027,173	957,836	1,012,159	1,125,204	1,098,034	1,133,082	1,274,579	1,300,524	1,395,841	1,530,164	1,622,916	1,632,311
Net Operating Income (Loss)	18,336	(251,144)	(144,773)	40,837	(167,617)	236,375	330,123	494,155	310,528	320,723	400,079	650,948	204,584	121,394	36,290	(3,320)	98,278
Interest Income	72,041	75,114	32,346	28,208	28,921	21,956	38,253	44,270	42,050	32,903	55,004	58,701	112,998	138,349	89,781	124,000	55,000
Interest Expense	(114,034)	(89,628)	(68,931)	(132,444)	(170,013)	(204,735)	(151,295)	(148,101)	(144,100)	(141,234)	(138,373)	(133,494)	(129,345)	(79,895)	(71,686)	(113,302)	(84,526)
Net Income (Loss)	(23,657)	(265,658)	(181,358)	(63,399)	(308,709)	53,596	217,082	390,325	208,478	212,392	316,709	576,154	189,236	179,848	54,386	7,378	88,752



McKinleyville Community Services District
Parks & General Fund
Historical Analysis
Fiscal Years Ended (Ending) June 30, 1995-2011

	Fiscal Year Ended (Ending) June 30,																
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Budget
Revenues																	
Programs	-	46,282	63,800	72,687	84,689	145,826	176,695	213,377	241,011	234,189	244,304	267,216	266,947	301,191	283,861	290,000	329,306
Rentals	-	57,695	44,415	51,650	53,186	46,795	54,205	51,344	53,694	59,710	64,572	68,961	76,128	68,175	57,921	61,800	62,400
Property Tax Assessments	166,976	195,096	206,091	218,550	210,364	231,868	256,052	272,089	281,973	291,306	217,475	281,141	403,353	508,445	486,297	430,000	520,000
Measure B Assessment	135,157	152,096	159,931	162,083	160,341	157,661	167,040	171,707	175,350	182,969	183,832	185,245	190,263	194,044	193,724	195,000	214,000
State Bonds & Grants	83,424	238	108	5	4,405	-	-	-	104,477	131,265	55,312	154,722	126,913	67,983	47,097	20,000	4,379,000
Other Revenue	13,970	69,604	59,381	116,301	79,951	68,101	102,642	145,516	120,879	72,416	158,510	88,180	97,129	103,849	87,824	141,191	276,176
Interest Revenue	9,747	70,790	33,036	8,806	19,176	23,552	34,074	29,611	21,330	10,351	13,184	13,617	21,698	34,943	30,308	20,000	20,000
Total Revenues	409,274	591,800	565,762	630,082	612,112	673,803	790,708	883,644	998,714	982,206	937,189	1,059,083	1,182,430	1,278,630	1,187,032	1,157,991	5,800,882
Expenditures																	
Salaries & Benefits	2,275	118,280	169,540	165,129	173,251	225,227	286,679	326,365	380,587	463,148	492,992	481,106	510,737	554,654	624,909	640,035	800,787
Other Expenditures	45,304	181,116	172,647	152,522	136,675	188,044	171,833	177,970	164,285	168,953	127,539	126,480	148,624	187,830	165,891	176,520	219,141
Debt Service	458	78,620	-	232,454	251,314	222,603	222,752	222,599	222,172	210,213	210,992	210,992	210,992	210,992	191,609	185,424	127,877
Capital Expenditures	3,768	-	18,666	12,227	14,650	56,163	53,528	100,452	206,460	257,755	256,000	219,503	62,614	79,115	19,138	90,500	4,629,000
Total Expenditures	51,806	378,016	360,853	562,332	575,890	692,037	734,792	827,387	973,504	1,100,070	1,087,524	1,038,082	932,968	1,032,591	1,001,547	1,092,479	5,776,805
Excess (Deficit)	357,468	213,784	204,909	67,750	36,222	(18,234)	55,916	56,258	25,210	(117,864)	(150,336)	21,001	249,462	246,039	185,485	65,512	24,077



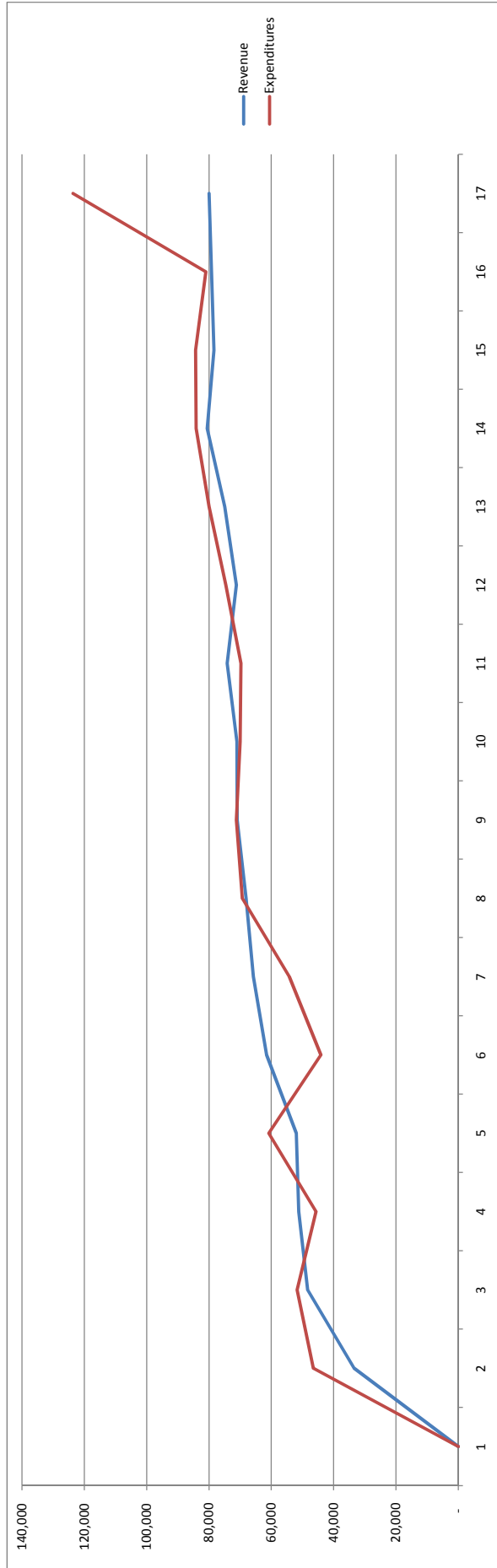
McKinleyville Community Services District

Streetlight Fund

Historical Analysis

Fiscal Years Ended (Ending) June 30, 1995-2011

	Fiscal Year Ended (Ending) June 30,																
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues																	
Actual	-	33,458	48,305	51,187	51,954	61,500	65,775	68,054	70,946	71,040	74,138	71,173	74,911	80,560	78,413	79,207	80,000
Expenditures																	
Salaries & Benefits	-	3,767	3,411	2,965	3,322	3,678	11,716	16,133	18,267	19,381	21,422	23,080	24,651	26,088	29,860	28,060	35,841
Other Expenditures	-	42,774	48,294	42,642	34,632	21,565	23,617	34,320	34,166	31,641	29,276	32,471	36,234	34,937	37,101	36,219	69,231
Debt Service	-	-	-	-	22,837	18,848	18,869	18,847	18,790	18,984	19,055	19,055	19,055	19,055	17,305	16,746	11,549
Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	4,000	-	-	7,000
Total Expenditures	-	46,541	51,705	45,607	60,791	44,091	54,201	69,300	71,223	70,006	69,754	74,607	79,940	84,080	84,266	81,025	123,621
Excess (Deficit)	-	(13,084)	(3,400)	5,580	(8,837)	17,409	11,574	(1,246)	(277)	1,035	4,385	(3,433)	(5,029)	(3,520)	(5,853)	(1,818)	(43,621)



McKINLEYVILLE COMMUNITY SERVICES DISTRICT CAPITAL IMPROVEMENT PROGRAM (CIP)

Description and Goals of the CIP

MCSD's Capital Improvement Program is a multi-year plan that identifies capital equipment to be purchased and projects to be funded during a 10-year planning period. The Program identifies each capital project proposed for funding, the year in which the project will be started or acquired and the amount staff expects to expend each year on the project.

The Capital Improvement Program is updated annually with the first year representing the capital budget for the next fiscal year. A primary goal of the Program is to provide MCSD with an orderly process for planning and budgeting for capital needs.

Another primary consideration in developing the CIP is to prioritize current and future needs to fit within the anticipated level of financial resources. In this way, the Program will also assist MCSD in setting rates and maintaining cash reserves and debt capacity to insure the long-term preservation of District assets.

During the FY99/00 budget process, the Board designated unrestricted investment funds held by the Humboldt County Auditor as CIP Reserves and set goals for Reserve fund growth (average 3.8% per year for Water Fund Reserves and 2.5% per year for Sewer Fund Reserves) and minimum fund levels (\$350,000 for General Fund Reserves at each fiscal year-end).

General Fund Reserves and capital projects are significantly dependent upon property tax revenues and assessments. The Measure-B Assessment District expires in FY12/13 and, as Proposition 1A (in FY04/05, FY05/06, and FY09/10) made clear, the State's ability to redirect property tax revenues make that annual revenue source less secure and predictable than previously thought. The State is again in a deficit position and is looking for more local revenues to balance the State's budget. Local property tax remains one of the few only revenue sources left along with redevelopment funds and higher fees.

The Capital Improvement Program should focus attention on the community's goals, needs and financing capabilities. An important component of the programming process is the involvement of the public in the selection and prioritization of projects.

Capital Improvement Program Project Discussion

HEAVY EQUIPMENT

MCSD owns several pieces of heavy equipment used for maintenance of the MCSD facilities. Equipment in this category includes a sewer hydrocleaner, a dump truck, two backhoe/loaders, a tractor and a van with closed circuit TV.

The **hydrocleaner/hydrovacuum** was replaced in 2002; the unit is expected to be in service through the planning period. A new **backhoe/loader** was purchased in fall 2003.

The **dump truck** is 14 years old and the **tractor** is 17 years old. Although both pieces of equipment are used intermittently, they are scheduled to be replaced during FY 10/11. They both have diesel engines and will require replacement in the near future due to emission standards. The **van with closed circuit TV**, used to check the sewer collection system for inflow and infiltration, has been used relatively little since acquisition and should last through the planning period, though its use will increase with the preparation of the 20 Year Collection System Plan. The closed circuit TV camera unit was upgraded in FY07/08.

UTILITY VEHICLES

In 1998, the Board adopted a **Fleet Replacement Plan** to insure that MCSD's aging fleet of service vehicles would be replaced in an approximately ten-year cycle. At present, MCSD owns 17 utility vehicles including the Manager's car, four of which are more than ten years old. The District has for the last several years begun to change out some of the heavier utility vehicles with light compact trucks for saving in capital and operating costs. During the ten-year planning cycle, at least one vehicle should be purchased in each fiscal year.

WATER SYSTEM

The water distribution system was originally constructed in 1972. The minimum average expected useful life of such infrastructure is 50 years. Additions to the distribution system are generally donated to the District by property developers. However, expansion of the customer base has created the need for expansion of portions of the system and occasional upgrades. Pump stations and some operating equipment have a much shorter useful life (e.g. 30 years) than pipes that can last up to 70 years or more. The Ramey Pump Upgrade Project design is complete and construction will be completed in late 2010 ensuring adequate water supply for the next 20 years.

Meter Technology: Currently, all water meters are read manually and recorded on an electronic recording unit (meter reader) that then interfaces with the accounting system. A new radio-capable meter reader was purchased in 2007. Some meters in dangerous or hard-to-reach locations are currently equipped with radio transmission capability. Water meter technology has now advanced to the point where they can be read reliably using radio technology, and the conversion to radio technology is now cost-effective. As they age, water meters become increasingly inaccurate, generally under-reading water consumption due to aging of mechanical components. MCSD replaces older meters over time so that no residential meter will be older than 18 years. Installation of new meters and replacement of old meters with radio read capabilities will substantially reduce staff time and we will not need to hire additional staff to read meters as McKINLEYVILLE grows. In addition, in a water rationing or emergency situation radio read meters will be more effective in monitoring water flow and usage rates.

Water Storage Tanks: The District's current storage capacity for potable water is 5.25 million gallons in six storage tanks located on McCluski Hill (100,000 & 150,000 gal.), Cochran Road
MCSD Budget FY-11

(1 million & 1.5 million gallons) and Norton Road (1 million & 1.5 million gallons). This is approximately a two-day water supply for McKinleyville water customers at peak flow. The Cochran 1-million gallon tank was recoated and retrofitted with a seismic valve in FY02/03 at a cost of \$150,000. In FY03/04, the tank was equipped with a seismic valve actuator to prevent major water losses in case of an earthquake. The Norton Road Tank was recoated and retrofitted with a seismic valve in FY03/04. Additional recoating projects are scheduled for FY11/12, FY13/14 and FY16/17. Two new 3-million gallon tanks are also planned for construction on the District's Murray Road site. New tanks at that location would increase the District's storage capacity, enhance fire flows during peak summer usage and provide additional system capacity for new growth, especially in northern McKinleyville. Staff has determined it would be more advantageous to initiate phased construction of two tanks at this location to spread the cost over a longer period of time and to enhance the operational flexibility of the system by having two tanks to allow for maintenance and redundancy. Current estimates for the project include preliminary design costs of \$500,000 for both tanks and construction costs of approximately \$3,200,000 per tank. The project would be paid for by some combination of developer fees, CIP reserve funds, commercial debt and the acquisition of some form of State assistance. Ultimately the project would double the District's storage capacity and is currently planned for preliminary design during FY10/11 and design FY 11/12 with construction during FY 12/13

Ramey (North Bank) Pump Station: MCSD purchases all of its water from Humboldt Bay Municipal Water District. Water is pumped from HBMWD's facility on the Mad River to the Ramey Pump Station. Water is then pumped to MCSD's six storage tanks where it is gravity-fed to MCSD's customers. Recent work on the pump configuration at the Ramey Pump Station increased the pump efficiency as the storage tanks are filled. Peak water demand in the summer coincides with the highest electricity costs. Additional work including the replacement of pump impellers with stainless steel components was completed in FY03/04. In FY06/07, staff replaced the emergency chlorination system and enhanced the emergency generator capabilities. The station is currently scheduled for pump upgrades in the fall of 2010 to allow for more efficient pumping and time-of-use capability. A pre-engineering analysis was completed in fall of 2008 that recommends complete motor-pump, electrical service and emergency generator replacement. Design was completed in December of 2009. Total project costs are estimated at \$1,400,000. A low interest 1% loan for \$165,000 through American Reinvestment and Recovery Act funding and another \$5000 grand through P,G & E for energy efficiency have been secured. The remainder will be funded through private financing or through the California Infrastructure Bank.

Emergency Water Supply: The underground supply line from HBMWD's facility on the Mad River to the Ramey Pump Station may be vulnerable to failure in a major earthquake. If such an event were to occur during the winter, it could be several months before the supply line under the river and freeway could be repaired, restoring water supply to the Ramey Pump Station. Two specific projects are identified to plan for this possible seismic event. One project would be the installation of an "A" frame and suspended cable and pipeline over the Mad River at the pipe crossing location by Hunt Road, and the second is a 12" emergency water main down Highway 101 to connect to Arcata's distribution system by Mad River Road. Concurrently, an emergency water tap on the 18" District supply line at Boyd Road would supplement Arcata's distribution system. Both of these projects are under application to the State SRF for consideration.

The District owns Fire Hydrants in McKinleyville. Fire hydrants are generally required with new subdivisions by contractors and dedicated to the District upon testing inspection and acceptance. An upgrade of older hydrants in commercial areas to 4" steamer nozzles to enhance fire protection is an ongoing project. Hydrants are replaced as they are identified and funds are available. Arcata Fire Protection District and McKinleyville have initiated a project to install fire hydrants in commercial areas along Central Avenue. Thirteen areas have been determined to be lacking in fire hydrant coverage and two hydrants per year will be installed.

Radio Telemetry: All key water facilities are monitored constantly by computer from the MCSD field office. Those facilities are connected to the computer by telephone lines. This system has been fairly expensive (\$6,000 annually for the telephone lines) and subject to interruption. Upgrading those land-based lines to radio telemetry was begun in FY03/04 and was completed in the 2008/09 year. The SCADA system and hardware upgrade replacement project are now complete.

4. SEWER SYSTEM

The Sewer Collection System: Staff has placed an operational priority on investigating and monitoring infiltration and inflow of groundwater and storm runoff into the collection system. Smoke testing of the collection system was completed to test for leaks and misconnections. Projected growth in central McKinleyville also raises questions about the adequacy of the collection system. Engineering investigation of collection system upgrades was done in FY02/03 and FY03/04, but additional questions about the necessary scope as well as time frame for the project remain. Pipe replacement has been placed on hold pending further engineering analysis and the growth patterns within the system are better identified. The highway under-crossing at Thiel Road and the parallel collection system piping back to McKinleyville Avenue has been defined as a necessary project and application made to the State SRF for funding assistance.

The Fischer Irrigation Site construction work was completed in FY97/98. A project constructing five additional disposal paddocks at the Site was begun in FY00/01 to allow for more rotation in the use of the disposal paddocks. This will extend the life of the existing paddocks and increase the total disposal capacity of the Site. Although additional paddock development could be undertaken, effluent disposal capacity for the foreseeable future is adequate and no additional projects are currently scheduled. The continued use of these paddocks are subject to salt, nutrient, nitrate and groundwater analysis studies now being done by SHN engineering. The August 2009 WDO mandated these studies and further regulations will be implemented by the RWQCB that will affect the disposal and irrigations practices. These studies will be completed by 2012.

The Hammond Bridge is scheduled for replacement by Humboldt County at some time during the Capital Improvement Program planning period. The current bridge supports an effluent pipe which carried treated wastewater to the south side of the Mad River for irrigation under contract until a leak in that effluent pipe somewhere under the Mad River Slough developed. Staff cost estimates for repair of the line were prohibitive and the Board agreed to abandon the line. Disposal opportunities on the McKinleyville side of the river seem adequate for the

foreseeable future, and staff has no plans for the future use that effluent pipe. At the current time it is not proposed to be included in the County's plan when the bridge is replaced.

The McKinleyville Waste Water Management Facility was completed in FY95/96. In FY00/01, The Fischer Pump Station, Hiller Pump Station and Headworks were upgraded to increase the treatment capacity. In FY01/02, The grinder/comminuter at the Fischer Pump Station was replaced and two additional aerators were installed in the treatment ponds. In FY02/03, additional work at the WWMF included the replacement of sulfur dioxide/chlorine injector controllers and the replacement of the facility's grinder/comminuter. Additionally, the driveway to the WWMF was repaired and resealed. In FY03/04, staff installed a "roughing filter" within the existing treatment ponds to increase the efficiency of the treatment process. In FY04/05 a restoration project at the Fischer Pump Station to rehabilitate wet well valves, doors, light fixtures and exterior facilities was completed.

Frequent violations of our discharge standards due to biological oxygen demand (BOD), non-filterable residue (NFR) and algae growth in the treatment process prompted staff to propose the installation of marsh habitats at Hiller Park. The final design of that project, completed in FY05/06 included a series of wetlands for temporary stormwater detention, protection of the Mad River estuary, and recreational opportunities to the east of the current treatment ponds. This project included the conversion of one of the five existing treatment ponds to a wetland and the addition of a sixth wetland treatment pond. State grants were obtained that paid for about 85% of the total project cost of \$770,000. The project was classified as a compliance project to enable MCSD to avoid State-imposed mandatory fines for past discharge violations. The Compliance Period ended in February of 2009.

The wetland project has substantially improved the waste treatment process and the District is back in compliance in all our discharge requirement. We consider the marsh a great success and the performance will continue to improve as the emergent plants thicken and mature. BOD has been reduced by approximately 25% and NFR by 70%. Fish bioassay are at 100% success and our biological capacity was raised from 1.13 MGD to 1.61 MGD in this last permit.

Waste Discharge Permit (NPDES): The District was issued a new waste discharge permit from the NCRWQCB in August of 2008. This permit has resulted in substantial costs in monitoring, performance; mandates numerous studies regarding disposal, groundwater analysis, source control for priority pollutants, treatment and irrigation methods. Six separate studies are mandated by the new permit in order to meet new groundwater regulations and changing disposal practices. The California Toxic Rule will require substantial changes in public awareness regarding disposal of pollutants and compliance with effluent limitations of copper, lead, nitrates, and various pollutant chemicals by May 18, 2010. The Waste Treatment Plant will need substantial modification in the future resulting from new regulations and the information generated by the required process and disposal studies. The District retained SHN engineering to conduct these studies and provide recommendations for process control, treatment plant modifications and produce a twenty-year facilities plan to accommodate expected growth in the McKinleyville area.

Radio Telemetry: All key sewer facilities are monitored constantly by computer from the MCSD field office. Those facilities are connected to the computer by telephone lines. This system is expensive (\$6,000 annually for the telephone lines) and subject to interruption.

Upgrading those land-based lines to radio telemetry was begun in FY03/04 and have been completed in 2008/09 with new software and hardware.

5. BUILDING PROJECTS

The **Pierson Park buildings** (Azalea Hall, Law Enforcement Facility, Library, and Activity Center) were built between 1995 and 2000. During FY07/08, staff conducted energy audits of the buildings. New fluorescent lights were installed in 07/08 for more energy-efficient units and alternative energy sources will continue to be investigated.

The McKinleyville Senior Center has indicated their interest in participating in a major building **Addition at Azalea Hall** to accommodate additional senior programs. That group is working towards securing design plans and funding sources and will develop a proposal for presentation to the Board at some point in the future.

The Friends of the McKinleyville Library have secured funding to expand the library with a 720 square foot WiFi Conference Room. Plans have been finalized, permits received, and the MCSD awarded a bid for the project. Construction is scheduled to begin in June 2010.

The **McKinleyville Activity Center** bleachers and floor were replaced in FY06/07 at a cost of \$82,000. Funds for that project came from State per capita grants. As recreation programs have grown, there has been increasing competition with other users (contract vendors) of the facility for storage space. Staff is investigating ways of providing additional storage space for program needs as well as vendor use.

Now that the Hiller Sports Complex is complete, staff is investigating ways to increase storage for mowing equipment and landscape materials and supplies. The Parks Department currently stores mowers, fertilizer and irrigation supplies in a connex box storage unit located at the southwestern corner of the property. Other supplies are kept in a storage bay at the District Office.

During FY02/03 full-time Parks & Recreation staff was relocated to the MCSD Office to facilitate communication and operation of the recreation programs. In FY04/05, the conference room at the MCSD Office was renovated and converted to a Recreation Department office with a separate customer entrance. This has reduced congestion at the main customer reception desk and enhanced customer service for recreation participants

The **MCSD office building** has completed the expansion for additional offices and a meeting/conference room. The 1,200 square foot addition on the back of the building was constructed. This project was expanded from the 07/08 capital budget. At that time we intended to construct the addition with District labor and only placed the materials costs in the budget. Recent changes in Public Contract Law now require that we must place projects over \$25,000 out to informal bid.

6. PARKS AND TRAILS PROJECTS

The implementation of Proposition 1A reduced the General Fund property tax receipts by \$270,000 over FY04/05 and FY05/06. This seriously limited the viability of future capital projects. Since that period we have been able to build the reserves for matching funds for MCSD Budget FY-11

available parks grants. The playground construction at **Hiller and Pierson Parks** are now complete. The District will continue to improve the facilities at Hiller Park with trails and other amenities as grants and funds are made available. Quimby funds are a local source of funds for these types of improvements. Staff has secured funds and constructed two bocce ball courts at Pierson Park. Woodland trails, a small parking lot and a picnic area have been proposed at the **Hewitt Ranch Park** on Azalea Road. The District continues to seek matching grant funding. However, this project is currently on hold due to the State Budget Crisis. The skate park committee continues to search for funding for the 20,000 square foot proposed skate park at the **Pierson Park** site.

Hiller Park and Hiller Sports Complex development began in FY00/01 and was substantially completed in FY04/05. A playground was constructed in 2007 and the entire playground area fenced for safety. The tot lot playground for 2-5 year olds was replaced in FY09/10. The soccer field construction was started in 2007 with a large equipment donation from Pacific Earthscape (Ford Logging) and competed with District funds in 2008. Further projects will include trails and paths as the funds become available.

7. COMPUTERS AND SOFTWARE

Water and sewer system modeling software, base mapping software and hardware, and SCADA system hardware upgrades have been ongoing since FY01/02. Routine ongoing replacement of existing Operations Department, office and Parks & Recreation Department computers are budgeted throughout the planning period in order to keep the MCSD system current.

The MOMS billing and accounting system was upgraded in the office in spring of 2008. Several office computers were upgraded to take advantage of the new features in the accounting system upgrade.

8. SMALL EQUIPMENT, CONTINGENCY AND OTHER

The main MCSD photocopier was replaced in February, 2009 with a leased model with scanning and color printing capabilities. The Risograph duplicator should last through the planning period. Development of the Facility Information System (FIS) will require the ongoing use of global positioning system (GPS) survey equipment to keep digitized maps of District facilities current; GPS equipment was purchased in FY03/04. Smaller and less expensive (more than \$500 but less than \$2,000) new equipment and emergency replacement of existing equipment cannot generally be anticipated. Annual expenditures of from \$10,000 to \$14,000 should be budgeted to account for such items in the enterprise funds.

Appendices to Capital Improvement Program

Attached beginning at Page 27 are preliminary summaries of the Capital Improvement Program's planned capital expenditures (in thousands: 10 = \$10,000). The planning period for the Program is 10 years. This planning period provides additional perspective in the formulation of the Comprehensive Action Plan, which has a planning period of five years.

It should be noted that all estimated replacement costs are in current year dollars, since future inflation is unknown. Since the CIP is a dynamic plan that is updated annually, future costs will

be regularly reevaluated. Capital expenditures are defined as expenditures that add value to the existing investment of the District.

**McKinleyville Community Services District
Enterprise Fund Capital Improvement Projects
For the Fiscal Years Ending June 30, 2011 - 2020**

		Fiscal Year Ending (in thousands - \$000,)									
		June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
1. Heavy Equipment											
Hydrocleaner (Sewer Fund)								300			
Backhoe									60		
Dump Truck		50									
Tractor and Attachments			45	10		10					
Air Compressor		17									20
2. Utility Vehicles											
3/4 or 1-Ton Pickup		29	29	30	30	30	31	31	31	32	32
Van/Car				25				25			
Light Duty Utility Truck					20		20		20		20
3. Water System											
Murray Road Tank		80	150	3,200							
Emergency Water Line River Crossing		200	100								
Water Tank Upgrade			150		150	150		150	150		
Ramey Pump Upgrades		1,100									
Emergency Water Supply		45	30	75		50			50		
Radio Telemetry Upgrade		20	20	15				15		20	
Meter Reader Upgrade			10			10			10		
Generator Testing		2		2		2		2		2	
McCluski Tank 3A Roof Upgrade					5						
Fire Hydrant System Upgrade		7	13	7	8	9	13	14	7	7	
Water Main Rehabilitation and Replacement					500			200			1,000
Meter Replacements		65	120	120	120	55	55				
4. Sewer System											
NPDES Permit		80	50	50	20	20	20	20	20	20	20
Industrial Permit Discharge		25	10	5	5		5		5		5
WWMF Upgrade		60	150	1,000	5,000	200	200				
WWMF Driveway Repaving			8					8			
WWMF Fencing and Gate					10						
WWMF SO2/Chlorine Injector Controllers		15			8				10	10	
WWMF SO2/Chlorine Shut Off		25						25			
WWMF Security Upgrades		6	3			3			3		
WWMF Building Maintenance		7	10								
WWMF Grinder Maintenance					12					12	
WWMF Sludge Maintenance			30		30		30		30		
Collection System Upgrades			200	50		50		50		50	
Sewer Main Rehabilitation and Replacement							50				1,000
Sewer Lift Sta. Pump Maint. and Replacement			20		20		20		20		20
Radio Telemetry Upgrade		20	20			10			10	10	
Meter Replacement: WWMF, FIS		20						7			
Fischer Lift Station Grinder Maint.		12					12				12
Sewer Main Camera Unit				30						30	
Underground Pipe Locator & Camera						5					5
Generator Upgrades Maintenance		2		2	150			10			
SCBA Apparatus and Bottles		6					6				6
5. Office, Corporation Yard and Shops											
Facility Upgrades		20	10	10	20	300	10	10	10	10	10
ADA Upgrade		6			6	6					
Building Roofs		10	10					10			10
6. Computers, Software and Equipment											
PCs, Software, & Printers		12	10	10	10	12	12	12	12	12	12
File Server & MOM Upgrade		4	4	5	4	4	4	4	4	4	5
General Office Equipment		8	4	5	5	5	5	5	5	5	5
GIS/SEMS Equipment and Software		17	4	4	4	4	4	4	4	4	5
7. Fischer Ranch											
Barn and Fence Maintenance		3		3		3		3			3
House Repairs and Maintenance		1	5			5			5		5
8. Small Equipment & Other											
Miscellaneous/Replacement Equipment		14	14	15	15	15	15	15	15	15	15
GPS Surveying Equipment		5	20						20		
Office Emergency Generator		22									22
Emergency Response Equipment and Supplies		6	4	4	3	3	3	3	3	3	3
Total Planned Expenditures		2,021	1,253	4,677	6,155	961	515	923	504	246	2,235
Departmental Allocations:											
Water Fund		1,629	670	3,478	842	471	120	441	309	72	1,080
Sewer Fund		392	583	1,199	5,314	491	395	483	195	175	1,156
Total		2,021	1,253	4,677	6,155	961	515	923	504	246	2,235

McKinleyville Community Services District
General Fund (Parks) Capital Improvement Projects
For the Fiscal Years Ending June 30, 2011 - 2020

Fiscal Year Ending (in thousands - \$000.)											
	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
1. Hiller Park & Sports Complex											
Softball field addition	2										
Sports field netting along Hwy 101		4									
Hiller Loop Trail upgrade	2		2		2		2		2		2
Other Park equipment & signage	3	4	4	4	5	5	5	5	5	6	6
Tot lot playground replacement		30									
Hot water heater replacement					2						
Pole barn/storage		30									
Totals:	7	68	6	4	9	5	7	5	7	6	8
2. Pierson Park Upgrades											
Tot lot playground replacement			24								
Park landscaping & signage	2	2	2	2	3	3	3	3	3	3	3
Totals:	2	2	26	2	3	3	3	3	3	3	3
3. Azalea Hall Upgrades											
Furnace replacement	3	3	3								
Miscellaneous equipment	2	2	2	2	3	3	3	4	4	4	4
Parking lot resurfacing				5							
Kitchen equipment replacement		12	10								
Replace tables & chairs	9	6									
P/A system and microphones			1			6					
Saber floor scrubber				8							
Totals:	14	23	16	15	3	9	3	4	4	4	4
4. McKinleyville Activity Center Upgrades											
Park landscaping & signage	2	2	2	2	3	3	3	3	3	3	4
Miscellaneous equipment replacement	4	4	4	4	5	5	5	5	5	5	6
Parking lot resurfacing				10							
Bleacher replacement									10		
Tables & chairs				2							
Furnace replacement		5								5	
Hot Water Heater		2					2				
Totals:	6	13	6	18	8	8	10	8	18	13	10
5. Other Parks Projects & Equipment											
Computers & software & copiers	8	6	4	4	4	4	4	4	4	4	4
Mower & landscaping equipment		20									
Utility truck				27				28		28	
Light duty utility truck	19				19						20
Miscellaneous/replacement equipment	6	7	7	7	7	7	8	8	8	8	8
Land Acquisition					120				120		
Totals:	33	33	11	38	150	11	12	40	132	40	32
6. Law Enforcement Facility Improvements											
Furnace replacement	3										
Hot water heater replacement			2								
Roof replacement									3		
LEF/Library paving				8							
Totals:	3	0	2	8	0	0	0	0	3	0	0
7. McKinleyville Library Improvements											
Carpet replacement					8						
Roof replacement											
Furnace replacement				5							
Hot water heater replacement			2								
Totals:	0	0	2	5	8	0	0	0	0	0	0
8. Projects contingent upon grant funding											
Totals:	4,379	0	0	0	0	0	0	0	0	0	0
9. Projects funded by Quimby/Other Funds											
Library expansion project	10										
Larisa Park playground		18									
Hiller dog park	25										
Skate park	25										
Larissa Park playground upgrade			15								
Hewitt Ranch improvements	25										
Covered picnic area - bocce ball courts		20									
Land acquisition	100										
Totals:	185	38	15	0	0	0	0	0	0	0	0
Total Planned Capital Expenditures	4,629	177	84	90	181	36	35	60	167	66	57

McKinleyville Community Services Distric
Streetlight Fund Capital Improvement Projects
For the Fiscal Years Ending June 30, 2011 - 2020

		Fiscal Year Ending (in thousands - \$000,)									
		June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
1.	Heavy Equipment										
	Lift		60								
2.	Poles										
	Replacement	7	7	7	7	7	7	7	7	7	7
Total Planned Expenditures		7	67	7	7	7	7	7	7	7	7

McKINLEYVILLE COMMUNITY SERVICES DISTRICT

Monthly Report

June 16, 2010

AGENDA ITEM: F.2.a.
PRESENTED TO: MCSD Board of Directors
FROM: Steven Edmiston, Finance Director
SUBJECT: Monthly Report

WATER AND SEWER BUDGET

Revenues for water sales are 7.45% below the budgeted amount for the fiscal year to date. This can be attributed to the wet spring that is currently being experienced. A return to a normal seasonal usage pattern is expected in the coming months.

Sewer expenses are below the fiscal year to date budgeted amounts by \$71,480 due to cost savings in the areas of lab testing, anticipated repairs and energy costs.

Water department wages are slightly higher (3.01%), and Sewer department wages are slightly lower (7.81%), than budgeted year to date. Full-time, permanent staff are budgeted with the assumption that 50% of each employee's working hours will be spent evenly between the water and sewer departments throughout the fiscal year. The allocation of manpower to daily tasks pertaining to either department is recorded based on the actual tasks performed.

PARKS AND RECREATION BUDGET

The remaining balance of secured property tax and Measure B assessments has been recorded by the County Auditor-Controller's office for the fiscal year. Measure B assessments collected for the fiscal year are \$198,510, and secured property tax collections are \$432,876 (after deduction of 8% by the State). There may be some additional allocation of timber yield and unsecured (business property) taxes allocated to the District by the end of the fiscal year.

The Parks budget authority was amended, as directed by the Board, to reflect an additional cost of \$40,000 for the consultants for Measure B, and for \$130,000 to purchase the Gwin Road property adjacent to the McKinleyville Activity Center.

The annual interest and principal debt service payment for the General Fund is due August 1. The portion of this payment attributable to the General Fund was \$204,200 for the fiscal year. An interest payment on this obligation was made on February 1.

COST OF PUBLIC INFORMATION REQUESTS AND CORRESPONDENCE

The District received several correspondences from the public during May, 2010. The cost to the District for this is \$228.70 for May, 2010, bringing the total for the fiscal year to \$3,734.84.

McKINLEYVILLE COMMUNITY SERVICES DISTRICT

Board Agenda Background: Department Report

June 7, 2010

To: MCSD Board

From: Gregory P Orsini, Operations Director

Subject: Agenda Item: F.2.B. –June 16, 2010 Board Meeting
Operations Department - May 2010 Report

Progress in achieving the Board's adopted FY09-10 Goals are summarized in the following narrative:

Water Department:

◇ **Water Statistics:**

The district pumped 44 million gallons of water in May.

Eleven water quality complaints were investigated and rectified in May.

Two service line leaks were reported and repaired in May.

Eight water service installations were completed in May.

Daily, weekly and monthly inspections of all water facilities were conducted.

◇ **On Peak Pumping:**

Starting May 1 and extending through October the District does not run water booster pumps between 12:00 p.m. and 6:00 p.m. Monday thru Friday. The cost savings for pumping on this schedule is substantial as the cost per kilowatt hour is double during this period. It also allows Humboldt Bay the same opportunity since MCSD is not placing a demand for water at that time.

◇ **Average and Maximum Water Usage:**

During the summer months, the District's water consumption typically increases dramatically but due to the wetter than average summer this year our water usage is more in line with the winter. We will still report throughout the summer months on the average and maximum usage day. The maximum water usage day was 1.8 million gallons and the average usage per day was 1.4 million gallons for the month of May.

◇ **Double Check Valve Testing:**

Routes 9 and 11 testing was completed in May accounting for 49 devices.

◇ **Water Services:**

Staff completed eight water service installations in May. This is due in part to six services being installed on Forson Road with five more Scheduled. This area is served by a private well since the inception of the Service District. The owners are in the process of converting their rentals to the district water supply and will also be extending the water main on Sun Road as well.

◇ **New Construction Inspections:**

Airport Ramp Project, waiting on completion of punch list; All Faith Partnership, all water facilities installed and tested; Central Terrace, partial paving complete; School Ridge, cleared to pave; Landis, working on water and sewer services; Valadao Subdivision, paving complete, a punch list will be generated next week; Timber Ridge, this project is complete; Van Eaton Subdivision, pending asbuilts and completion letter.

Waste Water Statistics:

35.7 million gallons of wastewater were collected and pumped to the W.W.M.F in May. 38.4 million gallons of waste water were treated and discharged, 17.9 million gallons to land disposal and 20.5 million gallons to the Mad River in May.

One sewer service was completed in May.

Daily, weekly and monthly inspections of all sewer facilities were conducted.

◇ Flow Monitoring:

Wet Weather flow monitoring of the sewer collection system was started and will continue throughout rainy season. This biannual monitoring is conducted to collect data on inflow and infiltration and to monitor capacities in our sewer collection system. Even though we are well into the summer months staff is still collecting wet weather flow data due to the rainfall this year.

◇ Preparation for Irrigation Season Startup:

Members of the staff mowed and trimmed the Hiller irrigation site and laid out irrigation pipe. Starting May 17th we started irrigation and disposal to the percolation ponds.

◇ Bulrush Replanting in Sewer Treatment Pond 4:

Annually in the spring staff harvest Bulrush from the storm water marsh and transplant it in the wastewater marshes. The areas of the marsh that are lacking in Bulrush are filled to improve treatment and in turn improve the quality of the wastewater. This project spanned several weeks and required several members of the crew to complete. Staff planted a total of 1000 plants this year. This should be the last time we plant Pond 4. Pond 5 will not require planting this year due to it being filled in to 95%.

◇ Sewer Lift Station Pump Rebuild:

Members of the staff tore down pump 1 at the Fischer Lift Station to replace the bearings. Staff noticed the impeller and wear rings also needed to be replaced while the pump was apart. The parts were ordered and the repairs were completed and the pump placed back on line. All mechanical and machine work was conducted by Operations Staff in-house for a cost savings to the District.

◇ Wet Well Wash Down:

Fischer Road and B Street Lift Station wet wells had their quarterly wash down. These wash downs are conducted on a regular basis to prevent build up of grease, grit and prevent damage that would be caused by hydrogen sulfide gas accumulation.

◇ Street Light Department:

No streetlight problems were reported or repaired in May.

Promote Staff Training and Advancement:

Weekly safety meetings were conducted.

Special Notes:

Copper Water Effects Ration Study (WER). As part of the District Waste Discharge Permit for the WWMF the District is regulated in the amount of copper we are allowed to discharge to the Mad River. This limit was calculated using standardize criteria and assumptions. The District is now perusing a more customized criteria that will replicate our unique circumstances so our copper limitation is indicative of the actual toxicity of the copper that is being discharged. As part of this process a work plan was produced detailing the process to the Regional Board. We have received concurrence from the Regional Board and the WER can commence with approval of the Board.

Local Limits are set in the District Sewer Use Ordinance (SUO) and the SUO is part of the district rules and regulations. To remain in compliance with the Waste Discharge Permit

staff is in the process of updating the SUO to include new regulation and updated local limits. A draft work plan and SUO is complete, in the process of being commented and will be brought to the Board in the near future for acceptance.

A notice to proceed on the Ramey Pump Upgrade Project was completed forwarded to Wahlund Construction and returned to the District t. The Notice to Proceed is written notice to the Contractor to proceed with the contract work including, when applicable, the date of beginning of contract time. All bonds, insurance and certificates for Wahlund are in the possession of the District and have been verified.

McKulski Hill is the location of the District Tank 3 site. It is also the highest peak on the southern border with Arcata. As such it is an ideal communication location and currently Humboldt Bay MWD, Arcata Police, Arcata Fire and ourselves use that site as a repeater location. The electrical to that area is susceptible to outages and regally must be supported by generator backup. At this time District procedure is to utilize a portable generator which requires staff mobilization to set up on site. Through discussions with the entities involved we will be procuring a stationary generator and sharing the cost for installation for the site that will start automatically and supply the site with sufficient electrical power until PG&E can reinstate electricity.

Staff completed the Annual Drinking Water Report to State Health. This report is quite lengthily and covers things such water quality complaints, water outages, and pressure issues. There are also questions regarding the number and type of connections and the population served by the District. This year a new section was added that includes questions about drought and water conservation.

Staff conducted a submerged vegetation pilot study last autumn with very favorable results aiding in the removal of ammonia from our treatment system. We have been in the process of locating a particular species of plant that will both aid in the ammonia removal and be hardy enough to survive in that environment. It was discovered that ideal plant species is located in the marches in Arcata. Staff has secured the proper permit to enable the harvest of enough plant matter for nursery stock.

Staff Completed and returned a grant application for moneys set aside for Energy Efficiency from PG and E in regards to the Ramey upgrade. The grant was completed in conjunction with Redwood Coast Energy Authority and should be approximately \$5000.

Staff installed a water and sewer service on Murray Road during the month of May. The ground was very unstable and the sewer main was moderately deep requiring a substantial excavation. As usual the crew took all the required safety precautions to ensure the job was completed in a timely and safe manner. The excavation site was just off the shoulder of the road adjacent a neighboring driveway. It is quite usual for construction areas to impact commuters and local residents in an adverse way, so our crews keep residents informed and are courteous. It is more common in the age we live in to hear from people when things are not going well but in this case one of our customers took time to call and to write a very nice letter complimenting our staff on the quality of their work. This occurrence is a demonstration of not only the quality of our staff but also the graciousness of Mr. and Mrs. Sawyer in taking the time to recognize our staff.

May 6, 2010

Norman Shopay
Greg Orsini
MCSD
1656 Sutter Rd
McKinleyville, CA 95519

Re: Kudos to Your Crew

Dear Norman and Greg,

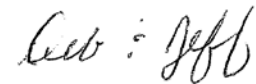
We just wanted to drop you a note to let you know how impressed we have been by the crew who has been working installing MCSD services to the property behind us. We live at 1738 Murray Rd (not sure what the address is for the property behind us is, but it's owned by Brett Visser).

They have worked tirelessly and have been very considerate of us (this has all taken place right in front of our house); they took the time to keep us updated on the status and to thank us for our patience with the project.

We're sure that it's not uncommon to take water and sewer services for granted, but watching your crew over the past few days has reminded us how hard you folks work behind the scenes to keep the system "flowing".

So we just wanted to offer our thanks for the great service you provide, and please pass along our thanks to your crew as well for their thoughtfulness and hard work.

Best wishes,



Deb and Jeff Sawyer
[Redacted]
McKinleyville, CA 95519
[Redacted]

McKINLEYVILLE COMMUNITY SERVICES DISTRICT
Board Agenda Background - Department Report
June 16, 2010

AGENDA ITEM: F.2.C.
PRESENTED TO: MCSD Board of Directors
FROM: Jason Sehon, Parks & Recreation Director
SUBJECT: Parks & Recreation Department Report

DOG PARK PROPOSAL:

The Recreation Advisory Committee met to discuss the proposal to build in a two-acre dog park, install irrigation for a drinking fountain, and install picnic tables and a shade structure. After discussion amongst staff and members of the Committee, members of the public made several comments on the pros and cons of a fenced in dog park.

After listening to the public, the RAC felt that a segment of the community supportive of building a fenced in dog park were not present at the meeting and therefore decided to bring the item back to the Committee at its July 22, 2010 meeting.

The item might likely come to the MCSD Board of Directors at its August 18, 2010 meeting.

COMMUNITY GARDEN:

We held a Grand Opening Ribbon Cutting Ceremony for the McKinleyville Community Garden during Pony Express Days on Saturday, June 5, 2010. We have 19 out of 20 plots reserved and most have already been planted. A fence and entry gate has been installed and an irrigation line has been extended to reach the site.

PONY EXPRESS DAYS:

Pony Express Days was a huge success this year, with an estimated attendance of 4,000 people visiting Pierson Park for the event. Our Parks & Recreation Department had a booth where we handed out information about recreation programs and Measure B. We shared booth space with the Friend's of the McKinleyville Library, who were giving out information about their fundraiser and selling raffle tickets.

The Chamber of Commerce had an agreement with our parks & Recreation Department to pay for us to run a bounce house and a cookie walk.

McKINLEYVILLE LIBRARY EXPANSION PROJECT:

Construction for the McKinleyville Library Expansion Project is scheduled to begin as soon as the weather clears out for a few days. Our staff has been working with the Friend's of the McKinleyville Library to do a raffle fundraiser, which will take place at the July 22, 2010 Chamber Mixer at Azalea hall.

CALIFORNIA CONSERVATION CORPS:

The California Conservation Corps will be working three days next week along Central Avenue Open Space Zones. We will also have them do some maintenance at Hiller

Sports Complex. These work crews are as per our agreement for the use of the Pierson Park Trailer and the District does not have to pay for their services.

PARK PLAYGROUNDS:

We had to order a new platform step for Pierson Park Playground that had been damaged. The playground is about five (5) years old and the warranty should cover the cost. Staff has closed the specific area for use for safety reasons.

HILLER SPORTS COMPLEX:

Area youth baseball and softball leagues are wrapping up the season with a few tournaments remaining. After the season, staff will be requesting that these organizations repair damages to the fields.

Mad River Youth Soccer League is using the two collegiate size soccer fields. In the next month or so, staff will close the fields for a two week period to make repairs. The fields are only a couple years old and we need to fill in some areas that have settled and therefore collected water over the winter season. We will fill the low spots with a mixture of top soil and sand and then re-seed.

SWAP CREW:

We are receiving SWAP crew's once per month as per the Central Avenue Open Space Maintenance Zone agreement with the County.

COMMUNITY SERVICE WORKERS:

Our Parks staff continues to utilize the Community Service Worker (CSW) program daily. This program helps us to maintain Pierson Park, Hiller Park, Hiller Sports Complex, Azalea Hall, the McKinleyville Activity Center, and several of our Open Space Maintenance Zones.

WORK EXPERIENCE (Cal Works PROGRAM)

We now have three positions through the Cal Works program that are working with the Parks & Recreation Department.

This is a great program for the workers and for the MCSD. It gives the employees great on the job experience and it aids MCSD in its daily operations. The County pays all wages for a six-month period (with possible extensions of time), and workers compensation is also under the Counties umbrella. If MCSD hires an employee from this program, the County will pay for half their wages for the first year of employment.

GRAFFITI UPDATE:

None to report for this month.

McKinleyville Community Services District

BOARD OF DIRECTORS

June 16, 2010

TYPE OF ITEM: **INFORMATION**

ITEM: F.2.D. General Manager's Report

PRESENTED BY: Norman Shopay

TYPE OF ACTION: None

1. Sad News - We recently received notification that prior MCSD Manager Bruce Buel (4-1-90 to 10-99) passed away on May 28, 2010 after a long battle with cancer. His family had been in contact with us as they say that Bruce considered his time working for MCSD as the best job of his career and that he had hopes of eventually retiring.

2. Cost Savings Related to District Activities – While the Board remains fully informed and up-to-date on all the various staff efforts, cost savings, and extra work done by the dedicated District staff members in their continued efforts to look for creative opportunities for cost and efficiency savings measures for the District, these activities may not be fully understood and realized by some members of the public. Therefore, I thought it would be useful to highlight some of the cost savings. The following is a summary of some of the recent District cost savings opportunities staff has identified.

- Parks and Recreation Department was able to negotiate a 40% discount for redwood bark used in landscape areas. This was the result of developing partnerships with local suppliers.
- For more than one (1) year we have use a CAL Works person in the Parks and Recreation Department as a Maintenance Worker that has increased productivity, and resulted in not needing to hire an additional full-time person. Including salary, benefits, sick, vacation, insurance, and other benefits the cost savings to the district is more than \$50,000.
- Operations Department was able to rebuild Pump 1 at Fischer Ranch in-house saving \$1,000.
- Obtained a \$5,000 energy efficiency grant for the Ramey Station Upgrade.

2. Library Expansion Project: The Mad River Rotary has agreed to support the Library expansion project by making this project their annual fund raising event in October. Money raised through this event will be donated to the library project. By District staff fostering greater community based relationships that go beyond the typical day-to-day activities we are able to team as a community to reach common

goals and objectives for the benefit of our community. More details to come in the future.

3. Emergency Response Planning: Staff participated in an initial planning conference for the North Coast Mass Rescue Operation (MRO) Full Scale Exercise. The MRO Full Scale Exercise “North Coast” will be based on the current District 11 9810 & Group Humboldt Bay 9814 MRO response plans & guidelines as well as the recommendations and lessons learned from the 2009 Alaska National MRO Exercise. The event will include Incident Command System (ICS) class room training, MRO procedures review, and end with a one day full scale exercise.

4. Web Site Update: The Web Site went live on June 15, 2010. We will be hosting a workshop on July 21, 2010 from 6:00 to 7:00 PM at Azalea Hall to give the public an opportunity to provide further comments and suggestions.

5. NPDES Permit Compliance and 20-Year Facility Plan – Staff is working on information obtained from the public workshop. We are looking to plan our next workshop on June 30, 2010, 7:00 PM at Azalea Hall.

6. Hazardous Waste Collection Day - Humboldt Sanitation has will be conducting a Hazardous Waste Collection day on July 17, 2010 at Pierson Park.

7. Chamber of Commerce move to Azalea Hall Lobby - Staff is working with the Chamber of Commerce to evaluate opportunities for the Chamber of Commerce to move to the Azalea Hall Lobby area.

8. HBMWD Pulp Mill Status – No additional new information has been provided by HBMWD related to the Pulp Mill.

9. NPDES Permit Changes – Staff continues work on the request that the RWQCB issue MCSD a Cease and Desist Order (CDO). The purpose in doing this is that once a CDO is issued then it will include a process to address this issue and mandatory minimum penalties will not be accessed. We are also evaluating the method used to determine the reported concentration of “copper” in the receiving waters.



MCKINLEYVILLE

COMMUNITY SERVICES DISTRICT

P. O. BOX 2037 • MCKINLEYVILLE, CA 95519 • (707) 839-3251

May 27, 2010

R.W.Q.C.B. NORTH COAST REGION
5550 SKYLANE BLVD., SUITE A
SANTA ROSA, CA 95403

RE: MONTHLY MONITORING REPORT

Dear Lisa:

Enclosed is the monthly Monitoring Report for April 2010 for McKinleyville Community Services District Wastewater Management Facilities WDID NO. 1B82084OHUM.

The normal discharge of effluent was 29 days of discharge to the Mad River. The required monitoring and water quality constituents that were tested and were reported were in compliance in April.

The requirement for BOD is 45 mg/L, a maximum of 441 pounds of BOD for the 30-day average, a minimum of 65% removal and a weekly average of 65 mg/L. With five weekly tests in April, that constitutes eight criteria. The BOD results for April are in compliance.

The requirement for NFR is 83 mg/L, a maximum of 931 pounds per-day and a minimum of 65% removal for the 30-day average. With five weekly tests in April, that constitutes three criteria. The NFR results for April are in compliance.

The requirement for Nitrate as Nitrogen in the effluent is a monthly average of 10 mg/L. One test was conducted in April and was in compliance.

Total Coliform Organisms MPN/100 ml. The Monthly Median not to exceed MPN of 23 and the daily maximum not to exceed MPN of 230. The reported results for the month of April are as follows. Median was 2 and a Maximum of 23. Four samples were collected and all are in compliance.

The Requirement for Acute Toxicity testing is a minimum of 70% survival for any one test and median for all tests in one month of 90%. One test was conducted in April and is in compliance with 100% survival.

Pollutants of Concern testing was conducted in April and all were in compliance.

Monitoring of the Mad River, Storm Water Wetlands at Hiller and Backswamp Wetlands were conducted in April.

Quarterly testing and Monitoring well testing was conducted in April.

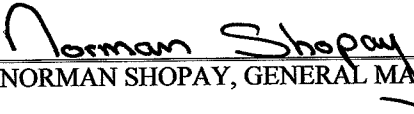
EXHIBITS:

- A. April 2010 Wastewater Management Facilities spreadsheet with the daily, weekly, monthly, quarterly and annual monitoring records for monitoring location M-001.
- B. Disposal Flows and Location Data Sheet.
- C. River CFS and Discharge Dilution work sheet
- D. BOD and TSS work sheet.
- E. River Monitoring work Sheet for R-001 and R-002

- F. Backswamp Wetlands work sheet for R-003
- G. Hiller Wetland Monitoring work sheet for R-004 and R-005
- H. Acute Toxicity lab report
- I. Monthly and Quarterly Pollutants of Concern lab report
- J. Quarterly Monitoring Well testing results and level sheets

"I CERTIFY UNDER PENALTY OF LAW THAT THIS DOCUMENT AND ALL ATTACHMENTS WERE PREPARED UNDER MY DIRECTION OR SUPERVISION IN ACCORDANCE WITH A SYSTEM DESIGNED TO ASSURE THAT QUALIFIED PERSONNEL PROPERLY GATHER AND EVALUATE THE INFORMATION SUBMITTED. BASED ON MY INQUIRY OF THE PERSON OR PERSONS WHO MANAGE THE SYSTEM, OR THOSE PERSONS DIRECTLY RESPONSIBLE FOR GATHERING THE INFORMATION, THE INFORMATION SUBMITTED, IS, TO THE BEST OF MY KNOWLEDGE AND BELIEF, TRUE, ACCURATE, AND COMPLETE. I AM AWARE THAT THERE ARE SIGNIFICANT PENALTIES FOR SUBMITTING FALSE INFORMATION, INCLUDING THE POSSIBILITY OF FINE AND IMPRISONMENT FOR KNOWING VIOLATIONS."

If you have any questions, please contact this office.


NORMAN SHOPAY, GENERAL MANAGER

ENCLOSURES
FILE

McKINLEYVILLE COMMUNITY SERVICES DISTRICT
WASTEWATER MANAGEMENT FACILITY
MONITORING DATA

MONTH: APRIL

YEAR: 2010

DATE	INFLUENT FLOW M.G.D.	EFFLUENT FLOW M.G.D.	EFFLUENT MAXIMUM GPM	RIVER CFS	INFLUENT MONITORING				EFFLUENT MONITORING								SETTLABLE SOLIDS	TOTAL COLIFORM
					B.O.D. mg/L	N.F.R. mg/L	pH	(C°) TEMP	B.O.D. mg/L	NFR mg/L	AMMONIA	Cl ₂ RES.	RIVER Cl ₂ RES					
1	1,284	1,383	1082				6.7	11.4				28	2.3					
2	1,326	1,247	877		180	120	6.7	13.7		24	27	24	4.3			<0.1		
3	1,352	1,447	1104				6.8	13.1					3.8					
4	1,398	1,534	1142				6.7	13.5					1.7			2		
5	1,427	1,584	1110				6.7	10.2				28	2.6					
6	1,313	1,585	1109				6.8	12				24	3					
7	1,280	1,591	1113				6.8	11.9				18	1.7					
8	1,222	1,378	1113				7.0	12.5				24	0.4					
9	1,212	1,219	853		250	360	6.9	12.1		22	33	28	2.5			<0.1		
10	1,218	1,219	852				6.7	13.2					2.1					
11	1,287	1,220	853				6.7	13.2					1.3			<2		
12	1,219	1,218	854				6.6	12.6				28	1.3					
13	1,278	1,203	854				6.7	13.1				30	1.3					
14	1,248	1,200	840				6.8	13.0				28	0.6					
15	1,200	1,200	847				6.6	12.9				28	2.8					
16	1,148	1,200	840		210	160	6.6	12.9		20	23	28	2.2			<0.1		
17	1,163	1,317	1001				6.6	14.3					1.3					
18	1,207	1,436	1007				6.9	15.3					0.2					
19	1,137	0.844	1005				6.6	14.6				30	0.2			23		
20	1,259	0.000	0				flow shut down for CCB wash down											
21	1,224	0.837	973				6.7	13.1				28	4.8					
22	1,178	1,113	909				6.7	12.7				30	3.2					
23	1,131	0.953	767		170	110	6.7	13.0		15	23	26	2.8			<0.1		
24	1,134	1,348	1067				6.6	13.4					2.7					
25	1,194	1,520	1070				6.7	13.3					1.7			<2		
26	1,159	1,511	1073				6.7	13.8				32	1.3					
27	1,546	1,476	1055				6.6	14				28	0.1					
28	1,596	1,481	1019				6.7	13.2				28	1.2					
29	1,438	1,579	1168				6.8	13.0				30	3.7					
30	1,325	1,680	1176		180	160	6.7	13.2		17	28	28	1.2			<0.1		

MONTHLY TESTS

DATE	TDS	AMMONIA	NITRATE	BORON
4/14/2010	250	20.0	ND	210

SPILLS:

None to report

30 DAY AVERAGE

BOD mg/L	BOD LBS/DAY	BOD % Removal	NFR mg/L	NFR LBS/DAY	NFR % Removal
20	206	90	27	284	83

DATE	Copper	Lead	Bis-phthalate	aliph-BHC	4,4'-DDT	2,3,7,8-TCDD
4/14/2010	14	ND	2	ND	ND	ND

Quarterly Tests	Value in ug/l
Dichlorodibromodifluoromethane	ND
Bromodifluoromethane	ND
Chlorodibromomethane	ND
Chloroform	1.2

DATE	% Survival
4/13/2010	100%

Rainbow Trout
C. dubia

SIGNATURE:



REMARKS:

Indicates Permit Exceedance

TESTED	SURVIVAL
Milnrow	N/A
C. Dubia	N/A
Algae	N/A
TU6	

Total Coliform
Monthly
Median
2
Daily
Maximum
23