

**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, January 20, 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 December 16, 2009 **P. 4**

D.2 Consider approval of December, 2009 Treasurer's Report **P. 9**

D.3 No DCV Violations this month.

D.4 Approve January 2010 McKinleyville Newsletter and  
Winter/Spring Recreation Activity Guide **P. 19**

## **E. CONTINUED AND NEW BUSINESS**

E.1 McKinleyville Library Expansion Project Update by Bonnie  
Oliver Architect **P. 30**

E.2 Adopt Resolution Initiating Proceedings to Collect Fiscal Year  
2010/2011 Measure B Assessments. **P. 52**

E.3 Consider Approval of Annual Audit Report for the year ended  
June 30, 2009. **P. 55**

E.4 Consider Board Committee Member Assignments for 2010  
**P. 98**

E.5 Earthquake status update and consideration of continued  
commitment to update our Emergency Response Plan, training  
for emergency response planning and preparation, improving  
and updating our communication, website, and cooperation with  
other agencies. **P. 100**

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

### **F.2. STAFF REPORTS**

- a. Support Services Department (Steve Edmiston) **P. 106**
- b. Operations Department (Greg Orsini) **P. 108**
- c. Parks and Recreation Department (Jason Sehon) **P. 111**
- d. General Manager (Norman Shopay) **P. 113**

### **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.*

Government Code 54956.8 allows the Board to meet in closed session with its negotiator(s) prior to the purchase, sale, exchange or lease of real property.

Prior to the closed session, the legislative body of the local agency shall hold an open and public session in which it identifies its negotiators, the real property or real properties which the negotiations may concern, and the person or persons with whom its negotiators may negotiate. The following agenda items meet these requirements and indentifies the persons whom its negotiators may negotiate.

**H1 CONFERENCE WITH REAL PROPERTY NEGOTIATORS -**  
Norman Shopay, General Manager; Steve Edmiston, Finance Director; Greg Orsini, Operations Director; Jason Sehon, Parks and Recreation Director, Russell Gans, District legal counsel, Fernando Lourenco (Per Government Code Section 54956.8) Property: 1414 Fischer Road.

**H2 CONFERENCE WITH REAL PROPERTY NEGOTIATORS -**  
Norman Shopay, General Manager; Steve Edmiston, Finance Director; Greg Orsini, Operations Director; Jason Sehon, Parks and Recreation Director, Russell Gans, District legal counsel, Dena McCullough, McKinleyville Union School District (Per Government Code Section 54956.8) Property: School Road and Washington Avenue, APN 508-242-008.

**H3 CONFERENCE WITH REAL PROPERTY NEGOTIATORS -**  
Norman Shopay, General Manager; Steve Edmiston, Finance Director; Greg Orsini, Operations Director; Jason Sehon, Parks and Recreation Director, Russell Gans, District legal counsel, Jim Furtado, Dena McCullough, McKinleyville Union School District (Per Government Code Section 54956.8) Property: Gwin Road, APN 510-401-025.

## **ADJOURN TO CLOSED SESSION**

## **REPORT ON ACTIONS TAKEN IN CLOSED SESSION**

## **I. ADJOURNMENT**

**Posted 5:00 pm on January 15, 2010**

**MINUTES OF THE REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT HELD  
ON WEDNESDAY, DECEMBER 16, 2009 AT 7:00PM AT AZALEA HALL, 1620 PICKETT ROAD,  
MCKINLEYVILLE**

A regular meeting of the Board of Directors of McKinleyville Community Services District convened at 7:00pm at Azalea Hall, 1656 Sutter Road, McKinleyville, California.

The following Directors attended the meeting:

Bill Wennerholm, Board President	Present
Helen Edwards, Director	Present
Dennis Mayo, Director	Present
John Corbett	Absent
David Couch, Director	Present

The following MCSD staff attended the meeting:

Norman Shopay, General Manager  
Gregory Orsini, Operations Director  
Steve Edmiston, Finance Director  
Sharon Denison, Board Secretary

**AGENDA ITEM A-CALL TO ORDER AND INSTALLATION OF NEW DIRECTORS, ROLL CALL AND PLEDGE OF ALLEGIANCE:** President Wennerholm called the meeting to order and asked the Board Secretary to administer the oath of office to new Director David Couch and re-elected Directors Dennis Mayo and Bill Wennerholm. The Directors took the oath of office and were seated. Roll call was taken with Director Corbett absent. President Wennerholm asked Director Couch to lead the pledge of allegiance.

The Board Secretary read a letter from Director Dunk congratulating David Couch on his election and Directors Mayo and Wennerholm on their re-election.

**AGENDA ITEM A.1-CERTIFICATE OF ELECTION RESULTS FROM NOVEMBER 3, 2009 FOR MCSD:** This was an informational item only.

**AGENDA ITEM B-APPROVAL OF THE AGENDA:** General Manager Shopay requested that Agenda Item E5 be pulled from the agenda for re-scheduling at the February 2010 or a future meeting when all Directors will be present.

**AGENDA ITEM C-PUBLIC HEARINGS:** none

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(In accordance with Robert's Rules of Order, 10 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 D-CONSENT CALENDAR:**

1. Consider approval of minutes of the Regular meeting of November 18, 2009
2. Consider approval of Nov, 2009 Treasurer's Report
3. Consider approval of service disconnections for Double Check (DCV) Violations

President Wennerholm requested that items D1 & D2 be pulled as per public requests.

**MOTION:** It was moved to approve consent calendar item D3. Motion by Edwards; second by Mayo.

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

**MOTION SUMMARY:** Motion Passed—4 AYES

**Consent Calendar Item D1:**

As there was no Board discussion President Wennerholm opened public input and the following people addressed the Board:

1. Ron Coffman encouraged the Board to develop a way to monitor policies/projects and asked for a narrative addition to the minutes regarding missing audio recordings.
2. David Elsebusch referred to Page 4 of the minutes and again expressed his concern with a recent attendance by 3 Directors at a Board of Supervisors meeting. He also supported Ron Coffman's request regarding the audio recordings.

President Wennerholm closed public input. Director Edwards stated that she had recently attended a Brown Act Workshop and it was clear that attendance by 3 or more Directors at a Board of Supervisor's meeting was not a Brown Act violation.

**Consent Calendar Item D2:**

President Wennerholm opened public input and David Elsebusch expressed concern with a payment made for dues to the McKinleyville Kiwanis. President Wennerholm closed public input.

Manager Shopay said he had approved that expenditure and stated it was important for the District to be involved and represented with McKinleyville organizations. He added that he would look into the District policy regarding payment of dues. Director Couch felt that it would not hurt to include an explanation regarding the tapes in question in the minutes. After a brief Board discussion a motion was made to address both items pulled from the consent calendar:

**Motion:** It was moved to approve Consent Calendar Items D1 & D2 as presented. Motion by Edwards; second by Mayo.

**Motion Vote:** Ayes: Edwards, Mayo, Wennerholm Nays: Couch

**Motion Summary:** Motion Passed-3 AYES; 1 NAY

**AGENDA ITEM E.1-ELECTION OF BOARD OFFICERS FOR 2010 CALENDAR YEAR:** There was a brief Board discussion with Directors offering nominations for President and Vice President for the 2010 calendar year. President Wennerholm opened public input and closed with no comments received.

**MOTION:** It was moved to appoint Helen Edwards as President of the Board for 2010. Motion by Mayo; second by Couch.

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

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**MOTION SUMMARY:** Motion Passed-4 AYES; 0 NAYS

**2<sup>nd</sup> MOTION:** It was moved to appoint Dennis Mayo as Vice-President of the Board for 2010, Sharon Denison as Board Secretary and Steve Edmiston as Treasurer. Motion by Edwards; second by Couch.

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

**MOTION SUMMARY:** Motion passed- 4 AYES; 0 NAYS

**AGENDA ITEM E.2-CONSIDER APPROVAL OF REGULAR SCHEDULED BOARD MEETING DATES AND TIME FOR 2010 CALENDAR YEAR:** President Wennerholm opened public input and closed with no comments received.

**MOTION:** It was moved to approve Resolution 2009-24 confirming that the regular MCSD meetings will continue to be held on the third Wednesday of each month at 7:00pm at Azalea Hall, 1620 Pickett Road, McKinleyville. Motion by Edwards; second by Mayo.

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

**MOTION SUMMARY:** Motion passed-4 AYES; 0 NAYS

**AGENDA ITEM E.3-INITIAL DISCUSSION OF POSSIBLE DISTRICT STANDING COMMITTEES, DISTRICT TEMPORARY COMMITTEES, AND PARTICIPATION AND ATTENDANCE AT OTHER ORGANIZATION MEETINGS FOR CONSIDERATION FOR APPROVAL AT THE JANUARY 2010 BOARD MEETING:** Manager Shopay explained staff's request for review of the different types of committees to clarify the standing and temporary advisory committees for compliance with Brown Act notice requirements. There was a brief discussion of the types of existing committees and Director's interest in those and suggestions for new committees such as a Web Site committee and a McKinleyville Advisory Committee. It was consensus that appointment to HCOAG was not needed as MCSD is not a formal member. Director Mayo had suggested starting a McKinleyville Advisory Committee and it was discussed and determined that this would be brought to the Board for discussion and consideration if interest was expressed by the public. Assignment to committees was continued to the January meeting for further discussion and formal appointment.

**AGENDA ITEM E.4-CONSIDER ADOPTION OF RESOLUTION RECOGNIZING, HONORING AND COMMENDING CHERYL MALIN FOR HER FIFTEEN (15) YEARS OF SERVICE:** Manager Shopay read the Resolution honoring Cheryl Malin for her 15 years of service and President Wennerholm presented the Resolution to her.

**MOTION:** It was moved to approve Resolution 2009-25 honoring Cheryl Malin. Motion by Edwards; second by Couch.

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

**MOTION SUMMARY:** Motion Passed-4 AYES; 0 NAYS

**AGENDA ITEM E5-UPDATE ON DISTRICT WASTE WATER MARSH PROJECT, WATER QUALITY AND DISTRICT RECOMMENDED REDUCTION IN FREQUENCY IN SAMPLING RELATED TO THE REGIONAL WATER QUALITY CONTROL BOARD (RWQCB) NPDES PERMIT:** This item was pulled from the agenda by

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request of Manager Shopay to be brought back to the Board at a later date when all Directors are present.

#### **AGENDA ITEM E6-NO AGENDA ITEM**

**AGENDA ITEM E.7-CONSIDER APPROVAL OF LAW ENFORCEMENT FACILITY LEASE AGREEMENT WITH COUNTY OF HUMBOLDT:** Manager Shopay introduced this item and reviewed staff recommendations and revisions proposed to the lease. He added that staff had received an e-mail expressing concern with the lease. After a brief discussion President Wennerholm opened public input and two people addressed their concerns with the lease and one person supported the lease renewal and urged the Board to proceed. President Wennerholm closed public input.

**MOTION:** It was moved to approve the five year lease with the Humboldt County Sheriff's Department and authorize the Board President to sign the lease on behalf of the Board. Motion by Mayo; second by Edwards.

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

**MOTION SUMMARY:** Motion passed-4 AYES; 0 NAYS

#### **AGENDA ITEM E.8-CONSIDER APPROVAL TO FUND 50% OF COST AND INSTALL ONE NEW FIRE HYDRANT IN FY09/10 AND ONE NEW FIRE HYDRANT ON FY10/11 AT SELECT LOCATIONS ON CENTRAL AVENUE:**

Operations Director Orsini reviewed the request received from the Arcata Fire department for additional fire hydrants on Central Avenue for the purpose of enhancing fire protection. He explained the cost sharing proposal and timeline for the first two hydrant installations. There was a brief discussion with the Board in support of the proposal. President Wennerholm opened public input and one public comment expressed concern with the cost sharing and legal obligation to fund this. President Wennerholm closed public input.

**MOTION:** It was moved to approve staff recommendations to fund 50% of the cost to install one hydrant in FY09/10 and one hydrant in FY10/11. Motion by Edwards; second by Couch.

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

**MOTION SUMMARY:** Motion passed-4 AYES; 0 NAYS

#### **AGENDA ITEM F-REPORTS:**

**F1a-Recreation Advisory Committee:** The Board Secretary read a report received from Director Dunk from the last RAC meeting.

**F1b-Area Fund (John Kulstad):** Mr. Kulstad was not present.

**F1c-RREDC:** Director Edwards had nothing to report.

**F1d-McKinleyville Senior Center:** President Wennerholm had nothing to report.

**F1e-Audit Committee:** There was nothing to report.

**F1f-Negotiations:** There was nothing to report.

**F1g-Water Task Force:** Director Mayo gave a brief update from the last water task meeting. He reported that they hoped to come up with a consensus on direction to present at their next meeting for possible action. He announced that there was a scheduled water conference January 19<sup>th</sup> at the Elks Lodge that would be an all day event and encouraged all to attend.

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**F1h-AdHoc No Drugs & Toxics down the Drain:** Director Mayo had nothing to report other than another waste tire disposal day was scheduled for May and that vouchers will be available. Staff reported that vouchers were available at the District office.

**F2a-Support Services Department:** Finance Director Edmiston had nothing to add.

**F2b-Operations Department:** Operations Director Orsini had nothing to add.

**F2c-Parks and Recreation Department:** Park Director Sehon was absent.

**F2d-General Manager:** Manager Shopay reported that the School District will be sending a letter describing the surplus property they will be selling along with an appraisal and he would bring that information to the Board when received.

**F3-Chairman's Report:** Outgoing President Wennerholm said it was an honor to chair the Board for the past year and he enjoyed working with both staff and the Board.

**F4-Board Members' Comments, announcements and reports:** The Directors thanked President Wennerholm for a job well done. New Director Couch reported that he had completed the on-line ethics /sexual harassment class and was reading up on the Brown Act and District Rules and Regulations. He asked if the District used the newspaper to notify the public of monthly meetings. President Wennerholm reported that the agenda was posted in the Mck Press every month. Manager Shopay said he will check with Jack from the Press to verify that will continue.

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

1. Tera Prucha supported the McKinleyville Advisory Committee and urged the Board to pursue this.
2. David Elsebusch felt it was not appropriate for the District to be involved in land use planning; was pleased with the tire recycling being offered and concerned with pursuing the School property due to cost.
3. Penny Elsebusch agreed that the MAC was important due to her concern that the County may not follow the Mck Area Plan.

**AGENDA ITEM H-CLOSED SESSION-none**

**AGENDA ITEM I-ADJOURNMENT:** With all business complete President Wennerholm adjourned the meeting at 8:30pm.

Respectfully Submitted;

Sharon L. Denison  
Board Secretary

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**McKinleyville Community Services District  
Treasurer's Report  
December 2009**

Page 2	Investments and Cash Flow Report
Page 3	Capital Expenditure Report
Page 4	Activity Summary by Fund
Page 6	Analysis of Water Revenues
Page 7	Analysis of Water Volume Usage
Page 8	Cash Disbursement Report

**McKinleyville Community Services District**  
**Investments and Cash Flow Report**  
**December 2009**

General Disbursement and Money Market Account:

Beginning Balance		541,255.65	
Utility Billing (inc. \$26,271.39 in CC, EFT, web pay)	259,130.84		
New Services & Capacity Fees: Water	0.00		
New Services & Capacity Fees: Sewer	0.00		
Money Market Account Interest	172.62		
Other Cash Receipts	43,440.33		
Transfer from Humboldt Co. #2560	0.00		
Total Cash Receipts		302,743.79	
Cash Expenditures:			
Payroll, Taxes, etc.	(129,766.70)		
Capital Expenditures	(64,956.00)		
Debt Service	(118,374.92)		
Other Expenditures	(162,470.48)		
Total Cash Expenditures		(475,568.10)	Estimated Annual Interest Rate
Total Cash in Umpqua Bank		368,431.34	0.76%
Investment Funds:			
LAIF	126,076.71		
Interest Income	0.00		
Balance in LAIF		126,076.71	0.75%
Humboldt Co. #2560 - Beginning Balance	899,265.12		
Interest Income	1,798.12		
Secured Property Tax & Measure B Assessment	369,985.99		
Transfer to Operating Account	0.00		
Balance in Humboldt Co. #2560		1,271,049.23	2.00%
Humboldt Co. #4240 - Beginning Balance	5,103,951.75		
Interest Income	8,506.59		
Transfer from Fund #2560	0.00		
Balance in Humboldt Co. #4240		5,112,458.34	2.00%
Balance in Humboldt Co. #9390		110,584.48	
USDA Bond Reserve Fund	125,800.56		
Bond Reserve Payment	7,800.00		
Interest Income	29.99		
Debt Service Payment	0.00		
Balance in USDA Reserve Funds		133,630.55	0.75%
Total Investments		6,753,799.31	
Total Cash and Investments		7,122,230.65	
Total Cash and Investments Last Month		6,906,934.27	
Net Change to Cash and Investments This Month		215,296.38	

**McKinleyville Community Services District**  
**Capital Expenditure Report**  
**December 2009**

	December	YTD Total	FY 10 Budget	Remaining Budget	Budget %
<b>Water Department</b>					
Pump Upgrades	42,879	88,307	1,000,000	911,693	91%
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)	
<b>Subtotal</b>	<b>42,879</b>	<b>96,082</b>	<b>1,035,000</b>	<b>938,918</b>	
<b>Sewer Department</b>	-				
WWMF Upgrade Design	-	-	400,000	400,000	100%
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	11,172	114,501	80,000	(34,501)	-43%
Meter Replacements	-	-	2,000	2,000	100%
Grinder Repair	-	794	-	(794)	
<b>Subtotal</b>	<b>11,172</b>	<b>114,501</b>	<b>724,000</b>	<b>609,499</b>	
<b>Water and Sewer Operations</b>	-				
3/4 or 1 Ton Pickup	-	-	26,000	26,000	100%
Air Compressor	-	-	10,000	10,000	100%
Sutter Addition	5,805	120,467	250,000	129,533	52%
Digital Network Office Copier	-	-	18,000	18,000	100%
Emergency/Misc. Equipment	-	-	14,000	14,000	100%
Computer Replacement and Upgrades	-	2,200	8,000	5,800	73%
<b>Subtotal</b>	<b>5,805</b>	<b>122,667</b>	<b>326,000</b>	<b>203,333</b>	
<b>Enterprise Fund Total</b>	<b>59,856</b>	<b>333,250</b>	<b>2,085,000</b>	<b>1,751,750</b>	
<b>Parks and Recreation Department</b>	-				
Hewett Ranch Improvements	-	-	25,000	25,000	100%
Hiller Park Signage and Equipment	-	-	3,000	3,000	100%
Aerator	-	4,605	5,000	395	8%
Pierson Park Landscaping and Signage	-	-	2,000	2,000	100%
AH Equipment	-	-	2,000	2,000	100%
MAC Equipment	-	1,780	2,000	220	11%
Computers, Software & Copiers	-	3,738	2,000	(1,738)	-87%
Emergency/Miscellaneous Equipment Replacement	-	-	6,000	6,000	100%
Skate Park	-	-	25,000	25,000	100%
Library	1,056	1,571	10,000	8,429	84%
Bocce Ball Courts	4,044	6,201	5,000	(1,201)	-24%
Law Enforcement Facility Paving	-	-	3,500	3,500	100%
<b>General Fund Total</b>	<b>5,100</b>	<b>17,895</b>	<b>90,500</b>	<b>72,605</b>	
<b>MCSD Total</b>	<b>64,956</b>	<b>351,145</b>	<b>2,175,500</b>	<b>1,824,355</b>	



**McKinleyville Community Services District  
Activity Summary by Fund  
December 2009**

## Department Summaries

**Water:**

Water Sales	104,028	888,383	850,000	38,383	4.52%	1,700,000	811,617	47.74%	Water revenues are ahead of budgeted amounts due to seasonal usage.
Other Water Revenues	7,150	55,364	61,901	(6,537)	-10.56%	123,802	68,438	55.28%	
Total Operating Revenue	111,178	943,747	911,901	31,846	3.49%	1,823,802	880,055	48.25%	
Salaries & Benefits	57,724	344,261	326,807	(17,454)	-5.34%	653,614	309,353	47.33%	Water & Sewer wages are slightly above YTD budgeted amounts due to seasonal hiring.
Water Cost	42,800	276,576	300,000	23,424	7.81%	600,000	323,424	53.90%	
Other Expenses	17,398	124,403	155,737	31,334	20.12%	311,473	187,070	60.06%	
Depreciation	18,750	112,500	112,500	-	0.00%	225,000	112,500	50.00%	
Total Operating Expenses	136,672	857,740	895,044	37,304	4.17%	1,790,087	932,347	52.08%	
Net Operating Income	(25,494)	86,007	16,857	69,150		33,715	(52,292)		Interest earnings are less than initial budget estimates.
Interest Income	4,077	26,248	49,000	22,752	46.43%	98,000	71,752	73.22%	
Interest Expense	(4,694)	(28,159)	(28,101)	(58)	0.21%	(56,201)	(28,042)	49.90%	
Net Income	(26,111)	84,096	37,756			75,514			
Sewer:									
Sewer Service Charges	110,175	686,124	700,000	(13,876)	-1.98%	1,400,000	713,876	50.99%	Water & Sewer wages are slightly above YTD budgeted amounts due to seasonal hiring.
Other Sewer Revenues	4,299	90,637	109,798	(19,161)	-17.45%	219,596	128,959	58.73%	
Total Operating Revenue	114,474	776,761	809,798	(33,037)	-4.08%	1,619,596	842,835	52.04%	
Salaries & Benefits	61,007	351,317	380,836	29,519	7.75%	761,671	410,354	53.88%	Sewer testing expenses are greater during the winter months when discharging treated effluent in the Mad River.
Other Expenses	37,178	179,036	216,872	37,836	17.45%	433,744	254,708	58.72%	
Depreciation	35,500	213,000	212,500	(500)	-0.24%	425,000	212,000	49.88%	
Total Operating Expenses	133,685	743,353	810,208	66,855	8.25%	1,620,415	877,062	54.13%	
Net Operating Income	(19,211)	33,408	(410)	33,818		(819)	(34,227)		Interest earnings are less than initial budget estimates.
Interest Income	4,635	30,028	62,000	31,972	51.57%	124,000	93,972	75.78%	
Interest Expense	(6,065)	(78,181)	(57,902)	(20,279)	35.02%	(115,803)	(37,622)	32.49%	
Net Income	(20,641)	(14,745)	3,688			7,378			
Enterprise Funds Net Income	(46,752)	69,351	41,444			82,892			

## Enterprise Funds Net Income

**McKinleyville Community Services District  
Activity Summary by Fund  
December 2009**

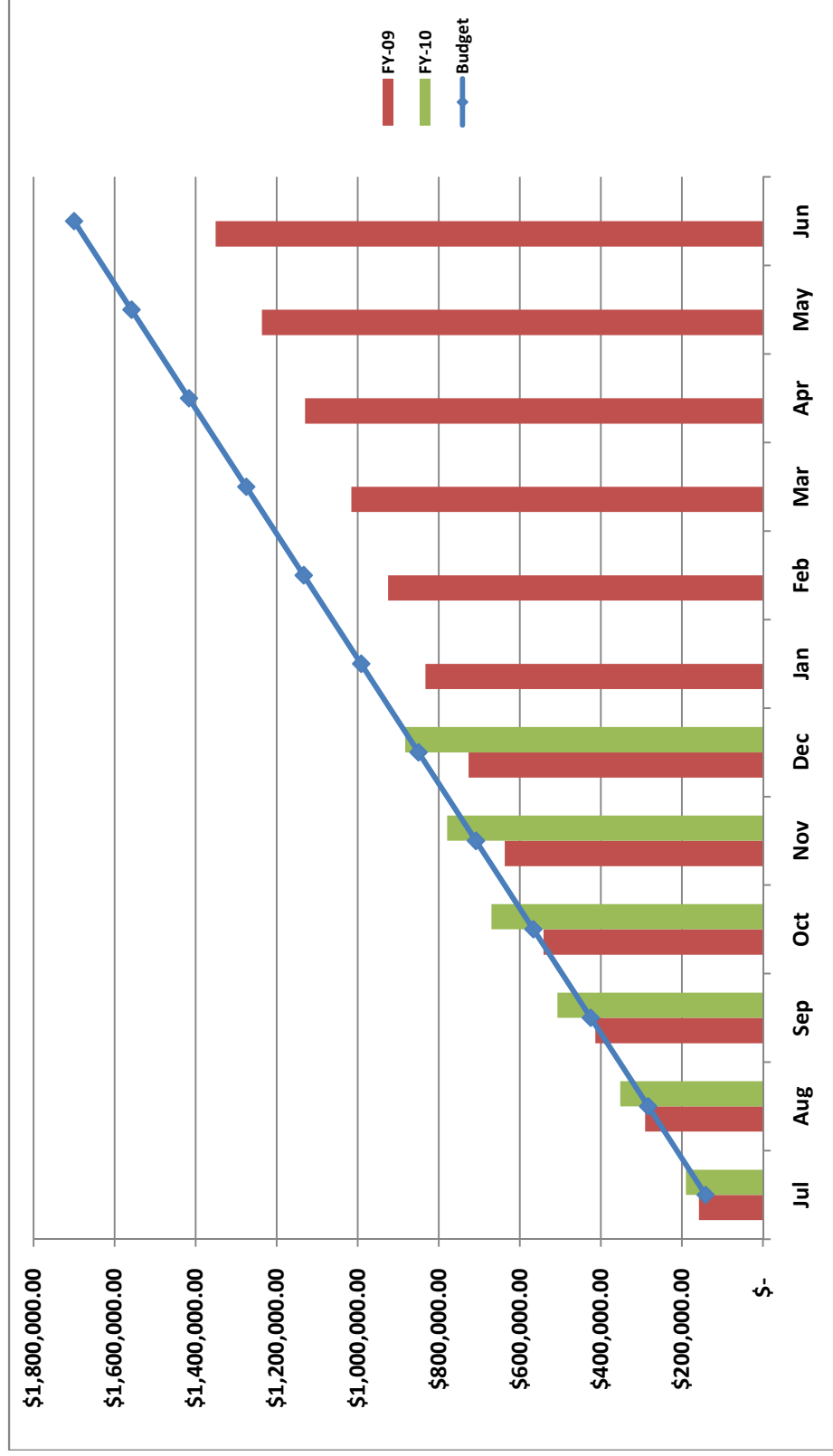
## Department Summaries

### Parks & Recreation:

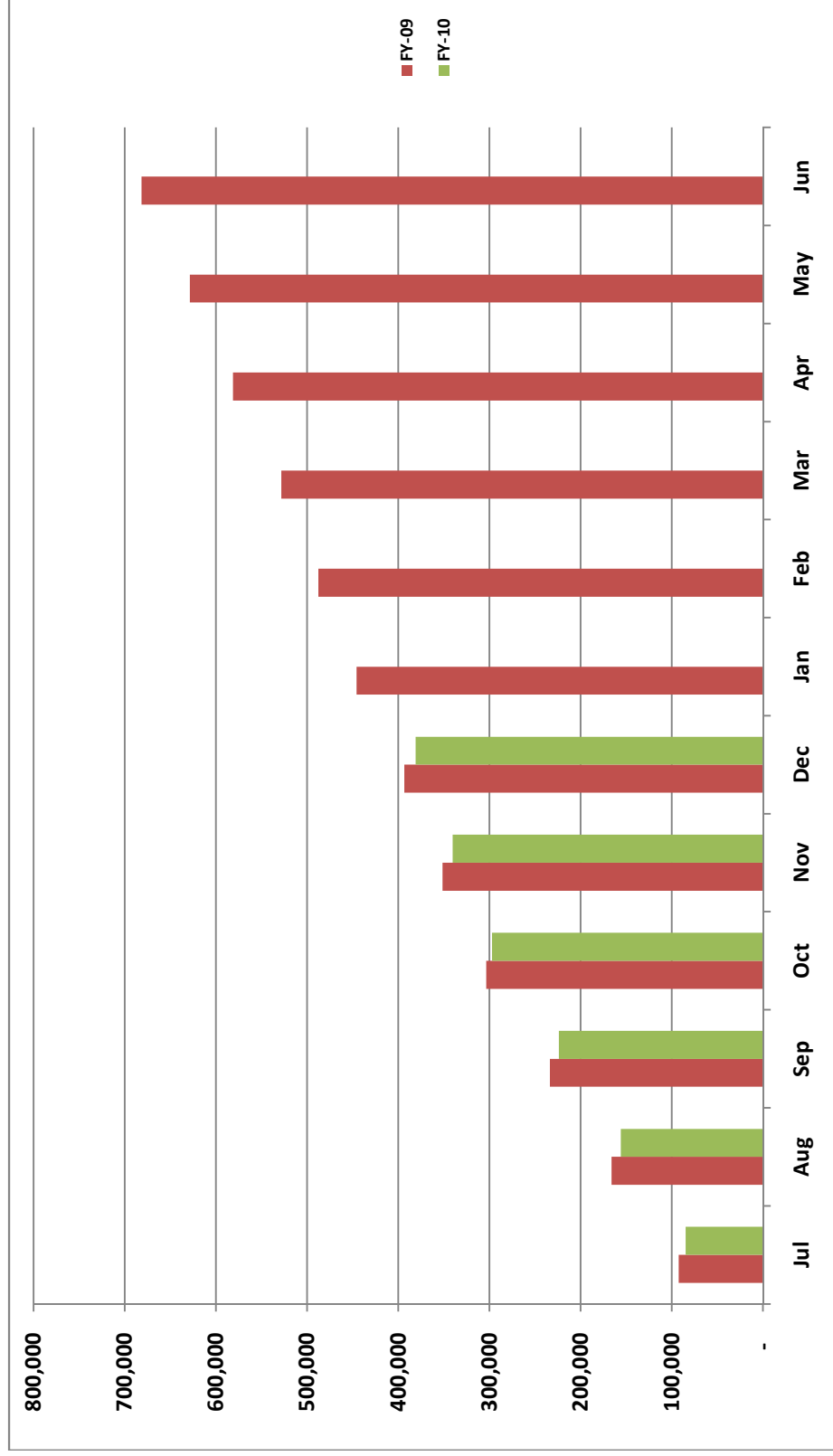
Programs	29,694	125,358	145,000	(19,642)	-13.55%	290,000	164,642	56.77%
Rentals	3,486	26,951	59,650	(32,699)	-54.82%	119,300	92,349	77.41%
Property Tax Assessments	254,558	254,558	215,000	39,558	18.40%	430,000	175,442	40.80%
Measure B Assessment	115,428	115,428	97,500	17,928	18.39%	195,000	79,572	40.81%
State Bonds & Grants	-	-	44,250	(44,250)	-100.00%	88,500	88,500	100.00%
Other Revenue	5,563	58,038	7,596	50,442	664.06%	15,191	(42,847)	-282.06%
Interest Revenue	1,791	11,526	10,000	1,526	15.26%	20,000	8,474	42.37%
Total Revenue	410,520	591,859	578,996	12,863	2.22%	1,157,991	566,132	48.89%
Salaries & Benefits	52,004	298,854	320,018	21,164	6.61%	640,035	341,181	53.31%
Other Expenses	12,185	70,948	88,260	17,312	19.61%	176,520	105,572	59.81%
Debt Service	-	187,286	92,712	(94,574)	-102.01%	185,424	(1,862)	-1.00%
Capital Expenditures	-	8,807	45,250	36,443	80.54%	90,500	81,693	90.27%
Total Expenses	64,189	565,895	546,240	(19,655)	-3.60%	1,092,479	526,584	48.20%
Net Income	346,331	25,964	32,756			65,512		
Net Lights:								
Total Revenue	6,664	40,532	39,604	928	2.34%	79,207	(1,512)	-1.91%
Salaries & Benefits	2,540	14,377	14,030	(347)	-2.47%	28,060	(2,048)	-7.30%
Other Expenses	3,826	19,283	18,110	(1,173)	-6.48%	36,219	62	0.17%
Debt Service	-	16,914	8,373	(8,541)	-102.01%	16,746	(4,156)	-24.82%
Total Expenses	6,366	50,574	40,513	(10,061)	-24.83%	81,025	(6,143)	-7.58%
Net Income	298	(10,042)	(909)			(1,818)		
Governmental Funds Net Income	346,629	15,922	31,847			63,694		

Treasurer's Report Page 5  
Activity Summary by Fund

# McKinleyville Community Services District Analysis of Water Revenues by Fiscal Year



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



REPORT.: Jan 13 10 Wednesday  
 RUN....: Jan 13 10 Time: 19:20  
 Run By.: STEVEN EDMISTON

McKinleyville C.S.D.  
 Cash Disbursement Detail Report  
 Check Listing for 12-09 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
021119	12/08/09	AGS01	AG SALES	412.01	.00	412.01	A91207 FILTERS & IRRIG HEAD STEM
021120	12/08/09	ARC02	Arcata Stationers	27.44	.00	27.44	A91207 STAMPS FOR K CLUB
021121	12/08/09	BAY02	BAY WEST SUPPLY, INC.	2198.88	.00	2198.88	A91208 DO MATS & JANITORIAL SUPP
021122	12/08/09	BUT01	BUTTE COMMUNITY BANK	70.00	.00	70.00	203012 RECYCLE USED OIL FILTERS
021123	12/08/09	CAM01	CAMPTON ELECTRIC SUPPLY	743.72	.00	743.72	A91208 STREET LAMPS
021124	12/08/09	CDW01	CDW GOVERNMENT, INC.	1548.61	.00	1548.61	A91208 MS OFFICE 2007
021125	12/08/09	COS03	COSTCO WHOLESALE	374.12	.00	374.12	A91208 CONC STAND SUPPLIES, K CL
021126	12/08/09	CSK01	CSK AUTO, INC. (KRAGEN)	23.62	.00	23.62	A91208 MINI BULBS
021127	12/08/09	EDM01	STEVEN EDMISTON	39.60	.00	39.60	A91207 NOV MILEAGE REIMBURSEMENT
021128	12/08/09	ERW03	KATHERINE ERWIN	20.00	.00	20.00	A91207 FINGERPRINTING REC PROGRA
021129	12/08/09	EUR05	Eureka Oxygen Co	254.79	.00	254.79	A91208 FIRE EXTING SERV @ AH & E
021130	12/08/09	EUR06	EUREKA READY MIX	876.83	.00	876.83	A91208 BASE FOR BOCCE BALL PROJE
021131	12/08/09	FER04	FERNBRIDGE TRACTOR	36.33	.00	36.33	A91207 OIL FILTER
021132	12/08/09	FNW01	FERGUSON ENTERPRISES, INC.	1852.00	.00	1852.00	A91208 WET BARREL HYDRANT & MISC
021133	12/08/09	HAR03	HARVEY M. HARPER CO.	232.05	.00	232.05	A91208 SERV FLEET TRUCKS
021134	12/08/09	HUB02	HUB INTERNATIONAL	144.58	.00	144.58	A91207 AH SPECIAL EVENT INS NOV
021135	12/08/09	HUM01	HUMBOLDT BAY MUNICIPAL WA	46169.05	.00	46169.05	A91207 WTR PURCHASED FOR NOV
021136	12/08/09	HUM08	HUMBOLDT SANITATION	832.50	.00	832.50	A91207 TRASH SERVICE @ DO & PARK
021137	12/08/09	IND02	Industrial Electric Serv	27.06	.00	27.06	4111834 CONTROL TRANSFORMER
021138	12/08/09	LES01	LES SCHWAB TIRE CENTER	118.20	.00	118.20	A91207 BATTERY
021139	12/08/09	MCK04	MCK ACE HARDWARE	965.25	.00	965.25	A91207 PAINT, GLOVES, REPAIR SUP
021140	12/08/09	MIL01	Miller Farms Nursery	370.22	.00	370.22	A91207 ROUNDUP AIR FILTERS, SPOO
021141	12/08/09	NOC01	NORTH COAST LABS	2060.00	.00	2060.00	A91208 LAB TESTS
021142	12/08/09	NOR36	NORTH COAST PARTS & SUPPL	1857.09	.00	1857.09	A91207 ANNUAL FILTER ORDER
021143	12/08/09	NYL01	NYLEX.NET	1035.00	.00	1035.00	A91208 DO 765.00 PARKS 270.00 HA
021144	12/08/09	PGE01	PG & E (Office & Field)	6528.68	.00	6528.68	A91207 MONTHLY BILLINGS LESS ELE
021145	12/08/09	PGE02	PACIFIC GAS & ELECTRIC	1295.52	.00	1295.52	A91207 ST. LIGHT BILLS
021146	12/08/09	REN01	RENNER PETROLEUM	2811.21	.00	2811.21	A91207 NOV FLEET FUEL
021147	12/08/09	SCH02	Schmidbauer Lumber, Inc.	938.22	.00	938.22	64930 LUMBER FOR BOCCE BALL COU
021148	12/08/09	SHN01	SHN ENGINEERING	7191.75	.00	7191.75	70281 NPDES COMP # 8189
021149	12/08/09	SIE01	SIERRA FOOTHILL LAB, INC.	350.00	.00	350.00	79254 LAB TESTS WWMF/RAMEY
021150	12/08/09	STA11	STAPLES CREDIT PLAN	333.99	.00	333.99	A91207 OFFICE SUPPLIES
021151	12/08/09	THO02	Thomas Home Center	623.51	.00	623.51	A91207 PLUMBING SUPPLIES FBOCCE
021152	12/08/09	UMP03	UMPQUA BANK--VISA	766.43	.00	766.43	A91207 PAINT, MEALS W/D FROM EMP
021153	12/08/09	USP02	USPS: ARCATA BMEU	1000.00	.00	1000.00	A91207 POSTAGE FOR PERMIT # 202
021154	12/08/09	VER01	VERISON WIRELESS	142.62	.00	142.62	A91207 MONTHLY CELL PHONE BILLS
021155	12/08/09	WIN02	Winzler & Kelly	28148.50	.00	28148.50	48728 RAMEY PUMP IMPROVE. DESIG
021156	12/08/09	*0018	JOHN PETTLON	161.00	.00	161.00	A91208 REC # 18695 PETTLON AH DE
021157	12/08/09	*0019	HCAOG	100.00	.00	100.00	A91208 REC # 18652 HCAOG-REFUND
021158	12/08/09	*0020	JANET BARNETT	203.50	.00	203.50	A91208 REFUND YBBL FEE PD
021159	12/08/09	*0021	JASON DAUGHERTY	120.00	.00	120.00	A91208 REFUND KIDSCLUB FEE PD
021160	12/08/09	*0022	KAREN HOOVEN	100.00	.00	100.00	A91208 REC # 18263 HOOVEN-REFUND
021161	12/08/09	A&L02	A & L FEED	337.10	.00	337.10	A91208 FENCING FOR PLANT REPAIR
021162	12/08/09	ACT02	THE ACTIVE NETWORK, INC.	2211.35	.00	2211.35	100002445 SAFARI REC WARE MAINT & SU
021163	12/08/09	CHE03	CHER-AE HEIGHTS CASINO	1000.00	.00	1000.00	A91208 X-MAS PARTY DINNER- DISTR
021164	12/08/09	COR01	CORBIN WILLITS SYSTEMS	833.42	.00	833.42	A91208 DEC SOFTWARE SUPPORT

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Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information-Description
021165	12/08/09	CSD01	CSDA	3799.00	.00	3799.00	165	2010 AGENCY DUES
021166	12/08/09	GUA01	THE GUARDIAN	3691.34	.00	3691.34	A91208	GRP. DENTAL INS
021167	12/08/09	HAR13	The Hartford - Priority A	619.09	.00	619.09	A91208	GRP. LIFE & DIS INS
021168	12/08/09	MAY02	DENNIS MAYO	542.40	.00	542.40	A91208	REIMBURSE TRAVEL EXP-ACWA
021169	12/08/09	OLI02	OLIN CORP. - CHLOR ALKALI	638.68	.00	638.68	1223567	CHLORINE
021170	12/08/09	RES05	RESERVE ACCOUNT	1000.00	.00	1000.00	A91208	POSTAGE FOR DO METER
021171	12/08/09	SDR01	SDRMA	9757.20	.00	9757.20	31401	3 Q PREMIUM 09-10 WORKERS
021172	12/08/09	SUD01	SUDDENLINK	173.95	.00	173.95	A91208	DEC INTERNET
021173	12/08/09	USB01	U.S. BANK TRUST N.A.	7800.00	.00	7800.00	000A912011	SEWER BOND PAYMENT
021174	12/08/09	\J001	JLF CONSTRUCTION,	57.03	.00	57.03	000A91201	MQ CUSTOMER REFUND FOR JL
021175	12/08/09	\K006	KEEHN, MARY	15.42	.00	15.42	000A91201	MQ CUSTOMER REFUND FOR KE
021176	12/08/09	\L002	LYLE, DAVID T	39.85	.00	39.85	000A91201	MQ CUSTOMER REFUND FOR LY
021177	12/08/09	\N002	NORTH PARK ESTATES,	441.97	.00	441.97	000A91201	MQ CUSTOMER REFUND FOR NO
021178	12/08/09	\N003	NYSTROM, NAOMI	17.25	.00	17.25	000A91201	MQ CUSTOMER REFUND FOR NY
021179	12/08/09	\O001	O'ROURKE, KATERI	58.33	.00	58.33	000A91201	MQ CUSTOMER REFUND FOR OR
021180	12/08/09	\S008	SHORTRIDGE, SHIRLEY	13.17	.00	13.17	000A91201	MQ CUSTOMER REFUND FOR SH
021181	12/17/09	*0023	LILITH TAYLOR	100.00	.00	100.00	A91216	REC # 18844 TAYLOR REFUND
021182	12/17/09	ACW01	ACWA HEALTH BENEFITS AUTH	32124.12	.00	32124.12	A91216	GRP. HEALTH INS FOR DEC
021183	12/17/09	ATT01	AT&T	914.21	.00	914.21	A91216	MONTHLY PHONE BILLS
021184	12/17/09	BON02	BONNIE L. OLIVER	1056.36	.00	1056.36	2	LIB EXP DEDSIGN & DRAWING
021185	12/17/09	CAS02	CASH	92.37	.00	92.37	A91217	REPLENISH PARKS P/C
021186	12/17/09	COU09	DAVID R. COUCH	100.00	.00	100.00	A91217	DIRECTORS FEE FOR DEC
021187	12/17/09	EDW01	HELEN L. EDWARDS	100.00	.00	100.00	A91217	DEC DIRECTORS FEE
021188	12/17/09	EVA01	EVANS MECHANICAL, INC.	128.31	.00	128.31	46041	AH HEATER SERV CALL
021189	12/17/09	FRE02	MICHAEL FREEMAN	46.11	.00	46.11	A91216	REIMBURSE FOR STEEL TOE S
021190	12/17/09	FRI05	LESLEY FRISBEE	34.21	.00	34.21	A91216	REIMBURSE MILEAGE EXP
021191	12/17/09	GAY01	GAYNOR TELESYSTEMS, INC	656.32	.00	656.32	100-71000	INITIAL PAYMENT ON PHONE
021192	12/17/09	GRA01	GRANDFLOW, INC.	151.01	.00	151.01	A91216	2009 SUPPLY OF W-2'S & 10
021193	12/17/09	HIL02	HILFIKER PIPE CO.	476.21	.00	476.21	20877	BOCCE CT SUPPLIES
021194	12/17/09	KEY01	KEY EQUIPMENT FINANCE	314.57	.00	314.57	A91217	COPIER LEASE PMT
021195	12/17/09	MAY02	DENNIS MAYO	100.00	.00	100.00	A91217	DIRECTORS FEE FOR DEC
021196	12/17/09	MIT01	Mitchell, Brisso, Delaney	1667.50	.00	1667.50	A91216	LEGAL SERVICES
021197	12/17/09	NOR13	NORTHERN CALIFORNIA SAFET	80.00	.00	80.00	16603	DEC CONSORT DUES
021198	12/17/09	NOR35	NORTHERN HUMBOLDT	196.65	.00	196.65	10-0108	NOV VEG MAINT
021199	12/17/09	PIT02	PITNEY BOWES	597.00	.00	597.00	A91216	QUARTERLY FEE ON POSTAGE
021200	12/17/09	PRO03	PROFESSIONAL CREDIT MGMT	16.09	.00	16.09	A91216	COLLECTION SERV
021201	12/17/09	RHO02	PAUL RHODES	23.00	.00	23.00	W12146	REIMBURSE MIRROR PURCHASE
021202	12/17/09	S&S02	S & S WORLDWIDE, INC.	335.00	.00	335.00	6449661	KIDSLUB SUPPLIES
021203	12/17/09	STA03	STATE OF CALIFORNIA	113730.44	.00	113730.44	A91217	DAVIS-GRUNSKY FY 10 PMT
021204	12/17/09	WEN01	WILLIAM WENNERHOLM, DC	100.00	.00	100.00	A91217	DIRECTORS FEE FOR DEC
021205	12/18/09	ORS01	GREG ORSINI	197.00	.00	197.00	A91218P	W/D FROM EMPLOYEE FUND
021206	12/22/09	ATT01	AT&T	449.47	.00	449.47	A91222	TELEMETRY
021207	12/22/09	CPS01	CPS HUMAN RESOURCE SERVIC	2100.00	.00	2100.00	328800	TRAINING
021208	12/22/09	CRO03	CROWN TROPHY PETALUMA	166.33	.00	166.33	11835	EMPLOYEE AWARDS
021209	12/22/09	CUM01	CUMMINS WEST, INC.	369.77	.00	369.77	00590549	WATER PUMP
021210	12/22/09	DEN01	SHARON L. DENISON	23.80	.00	23.80	A91222	REIMBURSE FOR NECKBAND HE

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Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	-----Payment Information-----	
							Invoice #	Description
021211	12/22/09	DEP05	DEPARTMENT OF JUSTICE	64.00	.00	64.00	766986	FINGERPRINTING APPLICATIO
021212	12/22/09	FIN01	FINE LINE CONSTRUCTION	5181.47	.00	5181.47	1305	5% PROJECT COST- DO ADDIT
021213	12/22/09	HIG01	HIGH YIELD IND. PRODUCTS	722.04	.00	722.04	123598	GLOVES & LAB SUPPLIES
021214	12/22/09	HUC01	DELILAH HUCK	390.00	.00	390.00	A91222	BASIC DOG OBED CLASS INST
021215	12/22/09	MCK02	MCKINLEYVILLE GLASS CO.	178.61	.00	178.61	38123	TEMP GLASS
021216	12/22/09	NOR37	NORTH COAST UNIFIED AIR Q	50.00	.00	50.00	A91222	GENERATOR AIR PERMIT
021217	12/22/09	PGE02	PACIFIC GAS & ELECTRIC	168.15	.00	168.15	A91222	GAS & ELECTRIC ST. LIGHT
021218	12/22/09	SHN01	SHN ENGINEERING	11172.40	.00	11172.40	70558	NPDES COMPLIANCE
021219	12/22/09	SIE01	SIERRA FOOTHILL LAB, INC.	350.00	.00	350.00	A91222	LAB TESTS
021220	12/22/09	STA08	SWRCB ACCOUNTING OFFICE	15812.00	.00	15812.00	A91222	ANNUAL FEE FOR WASTE DISC
021221	12/22/09	ULI01	ULINE	348.71	.00	348.71	30544438	WALL MOUNT SMOKERS RECEPT
021222	12/22/09	UPS01	UPS	145.20	.00	145.20	509	SHIP LAB SAMPLES
021223	12/22/09	USP02	USPS: ARCATA BMEU	1000.00	.00	1000.00	A91222	REPLENISH PERMIT # 202
Cash Account Total.....:				338178.86	.00	338178.86		
Total Disbursements.....:				338178.86	.00	338178.86		



# **McKinleyville Community Services District**

## **BOARD OF DIRECTORS**

January 20, 2010

TYPE OF ITEM: **ACTION**

---

**ITEM: D.4. Consider approval of January 2010 McKinleyville Newsletter and Recreation Activity Guide**

**PRESENTED BY: Jason Sehon, Parks & Recreation Director**

**TYPE OF ACTION: Voice Vote**

**Recommendation:**

Staff Requests the Board approve the attached January 2010 McKinleyville Newsletter and Recreation Activity Guide.

**Discussion:**

The District publishes three (3) McKinleyville Newsletters and Recreation Activity Guides each year. These publications are mailed to over 5,000 MCSD customers in January, June, and September.

The District is required to mail the June Newsletter because it includes a Consumer Confidence Report. All other Newsletters are not required to be mailed directly to customers.

**Alternatives:**

Staff's analysis includes the following potential alternative:

- Take no action

**Environmental Requirements:**

Not applicable

**Exhibits/Attachments**

- McKinleyville Newsletter
- Recreation Activity guide

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General Manager  
Norman Shopay

---

Jason Sehon  
Parks & Recreation director



MCKINLEYVILLE  
COMMUNITY SERVICES DISTRICT

P.O. Box 2037, McKinleyville, CA 95519 (707)839-3251

PRESORTED  
STANDARD  
U.S. POSTAGE PAID  
Arcata, CA  
Permit No. 239

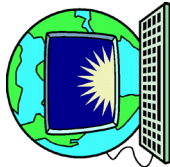
- Water
- Sewer
- Parks
- Recreation
- Open Space
- Streetlights
- Library

Visit our Website ... [www.mckinleyvillecsd.com](http://www.mckinleyvillecsd.com)  
or e-mail our office at [mcscd@mckinleyvillecsd.com](mailto:mcscd@mckinleyvillecsd.com)

Upcoming Public Meetings

Notice: There is a current opening on the Recreation Advisory Committee. For more information on how to become a member, please call 839-9003.

- ✓ February  
17 Board Meeting Azalea Hall 7:00 pm
- ✓ March  
17 Board Meeting Azalea Hall 7:00 pm  
25 Recreation Committee Azalea Hall 6:30 pm
- ✓ April  
21 Board Meeting Azalea Hall 7:00 pm
- ✓ May  
19 Board Meeting Azalea Hall 7:00 pm  
27 Recreation Committee Azalea Hall 6:30 pm
- ✓ June  
16 Board Meeting Azalea Hall 7:00 pm
- ✓ July  
21 Board Meeting Azalea Hall 7:00 pm  
22 Recreation Committee Azalea Hall 6:30 pm



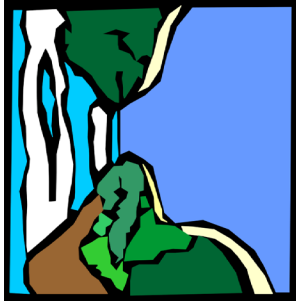
Online NEWS at [www.mckinleyvillecsd.com](http://www.mckinleyvillecsd.com)  
Have you checked out the District's website lately? If not, make sure you do...and give us some feedback. We are constantly striving to improve the information available to you, our customer!



MCKINLEYVILLE  
COMMUNITY SERVICES DISTRICT

A Message from the  
General Manager:

The McKinleyville Community Services District (MCSD) is governed by a five-member publicly elected Board of Directors. Each member is elected to a four-year term, with terms overlapping. The Board of Directors develops the policies of the District. The District General Manager is appointed by the Board of Directors and oversees the day-to-day operations of the District. The regularly scheduled Board meetings are held on the third Wednesday of each month at Azalea Hall, 1620 Pickett Road, McKinleyville, California at 7:00 P.M. and are open to the public. Your participation and input can make a positive impact on our community, so please contact us about ideas or issues important to you.



The customers of MCSD rely on the Mad River water, supplied by the Humboldt Bay Municipal Water District, as our only current source of water supply. That has in part shaped the development of MCSD and its policies. The need to depend on the Mad River water, with its varied challenges, has forged MCSD into a dynamic organization that must work cooperatively with water interests to ensure the Mad River water quality is protected and enhanced.

January 2010  
Newsletter

Inside this Issue

Message from the General manager.....	1
Employee of the Year.....	2
Pay your bill online!.....	3
New Playground at Hiller Park.....	3
McKinleyville Playgroup.....	4
Round up for Recreation.....	5
Leisure Class Instructors Needed.....	5
Dispose of waste tires.....	6
McKinleyville Library Expansion.....	6
Message from Parks & Rec Director.....	7
Bocce Ball Courts at Pierson Park.....	7
Measure B.....	7
Upcoming Public Meetings.....	8

Did You Know?



- Recreation and active living helps people live longer - adding up to two years to life expectancy.
- Without food a person can live for weeks, but without water you can expect to live only a few days.
- Less than 1% of the world's fresh water (or about 0.007% of all water on earth) is readily accessible for direct human use.
- McKinleyville was once known as Minorsville.

More updates inside...

General Manager (continued):

Some projects that MCSD is currently working on include:

- Construction of an emergency water supply pipeline in the northbound section of the bridge being constructed on Highway 101 over the Mad River;
- Upgrading and making improvements to the Grant A. Ramey Pump Station that supplies water to our central water distribution system;
- Completing the design for the expansion of the library with funds from the Friends of the Library;
- Completion of the Bocce ball courts, with funding from the Mad River Rotary Club;
- New Tot-Lot playground equipment will be installed at Hiller Park with funding from Coast Central Credit Union;
- Measure B funding, initially passed by MCSD customers in 1992, will be ending soon. We want to continue the success and outstanding Parks and Recreation facilities that have been constructed and available to the community as a result of this measure. District staff, MCSD Board members as well as the Recreation Advisory Board will be working on efforts to renew this measure starting in mid 2010;
- MCSD is in the process of evaluating alternatives related to comprehensive long-range planning



that focuses on our water supply and wastewater discharge. We plan to have a Public Workshop to obtain input from the community in early 2010;

- We are also in the process of updating our Web-site to make it more user friendly and provide you with information that better meets your needs.

All of us at MCSD are committed to meeting current and future challenges while providing excellent customer service.

Thank You,

Norman Shopay,  
General Manager

Employee of the Year:

Congratulations to Sharon Denison for being awarded Employee of the Year for 2009.

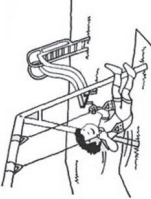
Sharon has faithfully served twenty-five (25) continuous years as an employee of the McKinleyville Community Services District (the "District") from July 16, 1983 to July 16, 2008.



So, on behalf of MCSD Board of Directors and its employees, congratulations Sharon!

Message from Parks & Recreation Director:

We are pleased to have completed our 2010 Winter/Spring Activity Guide. Recognizing the growing needs in our community, McKinleyville Parks & Recreation is continually developing new and exciting programs and events for residents of all ages. Having fun is an important part of maintaining a high quality of life, so check out our Winter/Spring Activity Guide and discover great ways to play! We take pride in "Creating Community through People, Parks & Programs." Our goal is to help you to find programs that meet your individual and family needs. We love to help people play! For more information about local parks and recreation opportunities, please call the friendly folks at McKinleyville Parks & Recreation (839-9003).



Bocce Ball Courts in McKinleyville:

McKinleyville will soon have two bocce ball courts at Pierson Park. Thanks to a grant from the Mad River Rotary Club and support from our community, construction is nearly complete and we are looking forward to hosting a Grand Opening Ceremony in March 2010.



We are also in the process of starting a bocce ball club in McKinleyville. Joining the club will be a great way to meet other bocce ball players in the area. Please call us at 839-9003 for more info.



Measure B:

In 1992, McKinleyville voters approved the Measure B Assessment District for a 20-year term for the purpose of developing public recreation facilities including the McKinleyville Activity Center, Azalea Hall and Hiller Sports Complex. The Board has authorized collection of the assessment in each year beginning in FY1992/1993. The current measure B has a sunset clause ending in the year 2012. Although all debt service for the construction of parks and facilities will be paid off at that time, our



Parks & Recreation Department will lose over \$100,000 in maintenance and operations funding. This funding is important as it is used to help keep our parks and facilities safe and clean for the community of McKinleyville. McKinleyville Parks & Recreation prides itself in "Creating Community through Please look for more information regarding Measure B in upcoming issues in the McKinleyville Press. People, Parks and Programs." Without the support of such a supportive community, we would not be able to offer the same level of parks, facilities and recreation programs for the residents in McKinleyville.



## Dispose of 9 or fewer waste tires:

Humboldt Waste Management Authority is offering the disposal of 9 or fewer waste tires FREE for Humboldt County residents. Not avail-



able to City of Fortuna residents - Normal tire disposal rates will apply.

## Passenger car and light truck tires only.

Do not mix tires with garbage or other solid waste. One coupon per vehicle or residence - sorry, no businesses.

Coupons can be picked up at MCSD, Eureka, Arcata, and Blue Lake City Halls, and HCSD.



Coupons can be redeemed at:

**Humboldt Waste Management Authority  
Transfer Station**

1059 West Hawthorne Street, Eureka  
CA - 707-268-8680.

OFFER EXPIRES ON FRIDAY, MAY 14, 2010. Sponsored by HWMA and the CA Integrated Waste Management Board  
Zero Waste - We Make It Happen!

"We can help educate our families and communities about the importance of recycling for our environment, and how each of us can make a difference for a better world by recycling."

-- Robert Alan

## McKinleyville Library:

The Friends of the McKinleyville Library have reached their fundraising goal enabling the construction of a new wi-fi and conference room at the McKinleyville Library.

The project is being funded by the Friends of the McKinleyville Library along with \$10,000 from McKinleyville Community Services District, who will manage the project construction.

Construction is scheduled to start in June 2010. For more information about this great community project, please contact us at 839-9003.



## ACTIVITIES:

Storytime each Saturday at 1:00 pm

Share a story: The second Wednesday of each month at 6:30 pm except in July and August (Held at Azalea Hall across from the library).

## McKINLEYVILLE LIBRARY HOURS:

Monday	Closed
Tuesday	Noon - 5 pm
Wednesday	Noon - 8 pm
Thursday	10 am - 5 pm
Friday	Noon - 5 pm
Saturday	10 am - 5 pm
Sunday	Closed

## CONTACT INFORMATION:

Address: 1606 Picket Road

McKinleyville CA 95519

Phone: (707) 839-4459

# PAAY YOUR UTILITY BILL ONLINE!



To pay your bills online,  
Please visit our website  
[www.mckinleyvillecsd.com](http://www.mckinleyvillecsd.com)

- o VISA CARD
- o MASTER CARD
- o E-CHECK
- o E-BILL
- o AUTO PAY

Call us for more info: (707) 839-3251

## New Tot-Lot Playground Coming Soon!

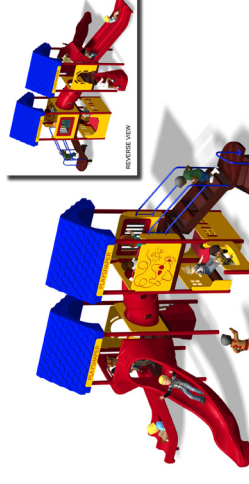


Thanks to a \$12,000 matching grant from Coast Central Credit Union Community Investment Program, McKinleyville Parks & Recreation is purchasing new playground equipment for children ages 2-5.

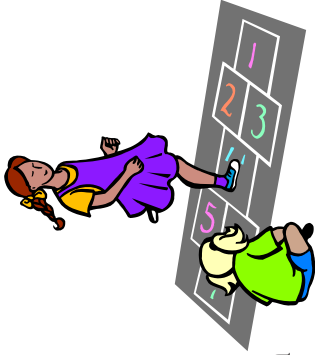
Thank you for being patient while the new equipment is ordered and installed.  
Estimated completion date of this project is March 2010.

Please call us at 839-9003 if you have any questions.

*Belonging Never Felt Better*



# McKinleyville Playgroup



**WHO:** Parents and children ages 0 - 5  
**WHEN:** Thursdays, 10:00 am - 12:30 pm  
 Fridays, 10:00 am - 12:30 pm  
**WHERE:** McKinleyville Activity Center  
**FEE:** FREE - \$3 daily donation accepted



This playgroup is a small gathering of parents and their pre-school aged children, who get together for play and interaction. A playgroup can significantly help children develop social skills, gain independence, and build self-confidence.

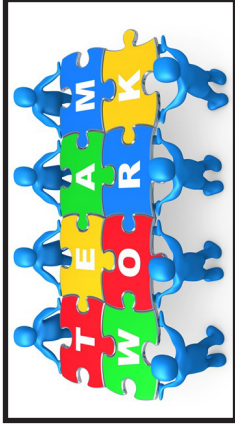
It can also give you a chance to meet and learn from other parents - all adding up to newfound friendships and a healthy, nurturing environment.

Thanks to a grant from First 5 Humboldt, we are able to supply many games and toys for your children to enjoy.



**Mike Freeman**  
Utility Person/  
Facilities Inspector  
Serving McKinleyville  
Since 1993

McKinleyville Community Services District and it's Board of Directors wishes to honor Mike Freeman and Cheryl Malin for more than fifteen (15) years of service!



**Cheryl Malin**  
Customer Service  
Representative  
Serving McKinleyville  
Since 1993

## "Round Up for Recreation Program"

The "Round Up for Recreation" Program gives MCSD customers the opportunity to round up their water and sewer payment to the nearest dollar for the purpose of donating that extra amount to the McKinleyville Parks & Recreation Department.



The way it works is simple. If a customer voluntarily checks the "Round Up for Recreation" box on their water and sewer bill and provides a payment that is more than the amount due, the additional amount will be donated to the Parks & Recreation Department. For example, if the amount due for a customer's water and sewer bill is \$31.25 and they submit a payment of \$32.00, and check the "Round Up for Recreation" box on the payment stub, then \$0.75 will be donated to the Parks & Recreation Department.

All proceeds from the "Round Up for Recreation" Program will be placed into the Parks and Recreation General Fund. The funds will then be used to help pay for park maintenance and facility improvements, Youth Fee Reduction Fund, and program equipment and improvements. Remember, every penny counts!

## Leisure Class Instructors Needed!

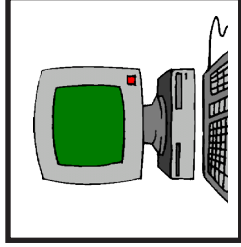
Are you an Interesting Person with a Special Skill and a Desire to Teach?



**WE NEED YOU!**

We are looking for instructors to teach a variety of classes such as: Guitar and Music, Arts & Crafts, Cooking, Dance/Ballet, Gardening, & other Special Interest Classes.

Call our office at 839-9003 to inquire about teaching for your community TODAY!







## CANDYLAND



Join us this year for a life-size version of the all-time popular children's game plus other fun Candyland activities. Don't miss out on all the fun! If it is raining CandyLand will take place in the Activity Center.

WHO:

Everyone

WHEN:

Saturday, April 3rd

TIME:

11:00 - 1:00

WHERE:

Pierson Park

FEE:

\$3.00 player/per game

Buy 2 games get one FREE



## Pony Express Days

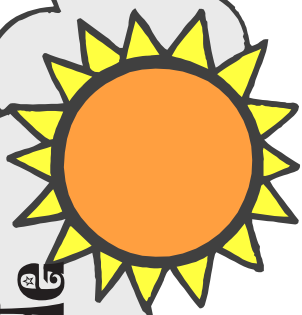
**June 4-6, 2010**

Keep a look out for a schedule of Community events associated with Pony Express days including:  
th Fireman's Muster, Food & Wine tasting, Children's events  
Pony Express Parade and more!!

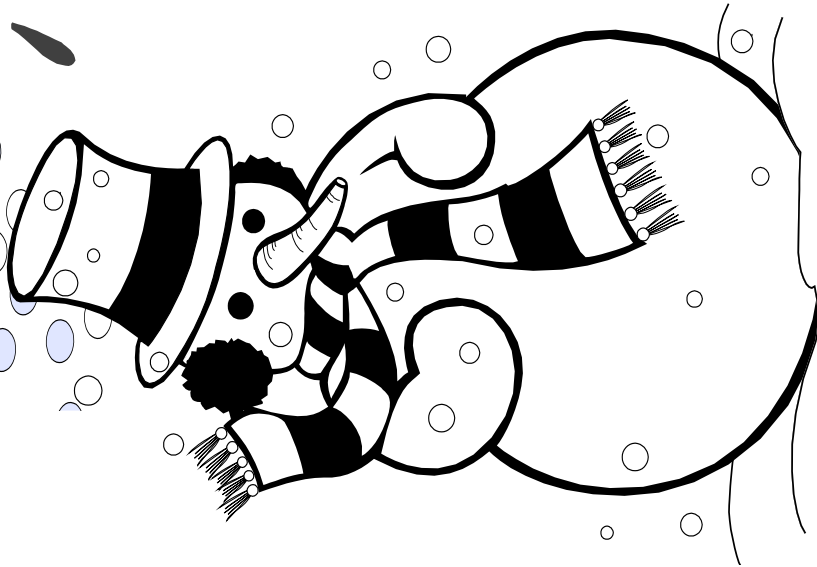
**McKinleyville Parks & Recreation**  
A Department of the McKinleyville Community Services District

**2010**

**Winter-Springs  
Activity Guide**



For more information  
call 839-9003  
[www.mckinleyvillecsd.com](http://www.mckinleyvillecsd.com)



McKinleyville Community Services District  
1656 Sutter Road  
McKinleyville CA 95519  
(707) 839-9003

**OFFICE HOURS:**  
Monday - Friday  
9:00 am - 5:00 pm  
[www.mckinleyvillecsd.com](http://www.mckinleyvillecsd.com)

**PARKS & RECREATION STAFF:**

**Administrative:**  
Jason Sehon  
Barbara Egbert

Parks & Recreation Director  
Customer Service Rep.

**Recreation Department:**  
Lesley Frisbee  
Jens Andersen

Recreation Supervisor  
Recreation Supervisor

**Parks Department:**  
Tony Rutten  
Paul Rhodes  
Tom Klimowski

Park Maintenance  
Park Maintenance  
Park Maintenance

**TABLE OF CONTENTS:**

FACILITY RENTALS.....

1

YOUTH SPORTS.....

2

ADULT SPORTS.....

3

TEEN ACTIVITIES.....

3

AFTERSCHOOL PROGRAMS.....

4

SCHOOL VACATION CAMPS.....

4

MCKINLEYVILLE PLAYGROUP.....

4-5

HUMBOLDT HOOPS 3 on 3 B-BALL.....

6

KIDSCAMP SUMMER PROGRAM.....

7

LEISURE CLASSES.....

8

DROP-IN RECREATION.....

8

ROLLER SKATING & SKATING EVENTS.....

9

GENERAL INFO.....

10

SPECIAL EVENTS.....

11


For more information, please call 839-9003


**FACILITIES & RENTALS**


Planning an event? We have facilities and equipment available to rent for socials, club meetings, employee parties, weddings, receptions, picnics and more. For information regarding rental policies and procedures, please contact the District office at 839-9003, or check out our District website at [www.mckinleyvillecsd.com](http://www.mckinleyvillecsd.com)


**THE FOLLOWING FACILITIES ARE AVAILABLE FOR RENT:**

McKinleyville Activity Center  
Azalea Hall  
Pierson Park  
Hiller Park Picnic Area  
Hiller Sports Complex

  
**Great place to BBQ!**

  
Activity Center

  
Pierson Park

  
Azalea Hall

**AMERICANS WITH DISABILITIES ACT**  
McKinleyville Community Services District makes every effort to comply with the Americans with Disabilities Act. If you require special assistance for participation in our recreation programs, please notify staff at the time of registration or call 839-9003.

Round up for Recreation Program:

The “Round Up for Recreation” Program gives MCSD customers the opportunity to round up their water and sewer payment to the nearest dollar for the purpose of donating that extra amount to the McKinleyville Parks & Recreation Department. Just check the box on your next MCSD bill!

All proceeds from the “Round Up for Recreation” Program will be placed into the Parks and Recreation General Fund. The funds will then be used to help pay for park maintenance and facility improvements, to help support the Youth Fee Reduction Fund, and to help pay for program equipment and improvements. Remember, every penny counts! Please call the Parks & Recreation Office at 839-9003 for more information on how you can help support this program.

DROP-IN RECREATION

Hoop @ Night

DATE:

Sundays

TIME:

7:30 pm - 9:00 pm

LOCATION:

McKinleyville Activity Center


AGES:

13 years and older

FEE:

\$1 for 13 - 17 years of age  
\$2 for 18 & older

*“Life is best enjoyed when time periods are evenly divided between labor; sleep, and recreation....all people should spend one-third of their time in recreation which is rebuilding, voluntary activity; never idleness.”*



18 HOLE CHAMPIONSHIP COURSE  
DRIVING RANGE - PUTTING & CHIPPING PRACTICE AREAS  
CLINICS & PRIVATE LESSONS  
COMPLETE PRO SHOP

RESTAURANT OPEN 6 AM - 6 PM - BREAKFAST AND LUNCH

1777 NORTON ROAD  
McKinleyville CA 95519  
707-839-2342

website: [www.beaupregc.com](http://www.beaupregc.com) email: [golf@beaupregc.com](mailto:golf@beaupregc.com)

*“Enrolling your child in a recreational sport sponsored by your neighborhood recreation community centers is a great way to keep kids active.”*

- Lee Haney

*“Nothing reveals so much about us as how we play the games we play.”*

**Meg Kallen ID #422111**  
**Multi-Pure Area Representative**

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Web Address: [www.multipureusa.com/mkallen](http://www.multipureusa.com/mkallen)



**Who says the sky has to be the limit?**  
707-269-7349 - McKinleyville

With 6 locations in Humboldt County to serve you. To find the store near you, visit us online at [umpquabank.com](http://umpquabank.com) or call 1-866-4UMPQUA

MEMBER FDIC - Equal Housing Lender - SBA PREFERRED LENDER



Friday Night Roller Skating

For a great time for all ages... This is the place to be on Friday evenings!

DAYS: Fridays from 7:00 pm - 9:30 pm  
LOCATION: McKinleyville Activity Center  
FEE: 4:00 per person (\$.25 skate rental)

Sunday Afternoon Roller Skating

Join us for this new addition to our skating program! The program is open to all ages and scheduled to make it convenient for families with young children.

DAYS: Sundays from 2:00 pm - 4:00 pm  
LOCATION: McKinleyville Activity Center  
FEE: \$3 adults - \$2 children 17 & under

It's Party Time - Skating Style!

Looking for a fun, different, and exciting party... We have a place for you. Call our Skating Supervisor at 839-9003 to plan a party during our regular skating program for all ages. Choose a basic package or a theme.

DATES: Fridays - 7:00 pm - 10:00 pm  
Sundays - 2:00 pm - 4:00 pm  
LOCATION: McKinleyville Activity Center  
AGES: All ages  
FEE: Call for information



Private Skating & Theme Parties

Reserve the McKinleyville Activity Center for your private party today! Several theme options are available including SKATING, BASKETBALL, INDOOR SOCCER, FLOOR HOCKEY, VOLLEYBALL, DANCE, DODGEBALL, ETC.

Lic. #663866

Hooven & Co., Inc.

General Engineering Contractor

Office 707.839.1291 PO Box 2158  
Fax 707.839.2836 3445 Central Ave  
McKinleyville CA 95519

Valentine's Skate



Join us for an evening of skating and great music. Purchase a \$1 Valentine Gram for that special someone. Our Valentine Grams come with candy & is read over the PA system!

DATE: Sunday, February 14, 2010  
TIME: 2:00pm-4:00pm  
LOCATION: McKinleyville Activity Center  
AGES: All ages  
FEE: \$4.00 per couple or standard Sunday Skate prices.



March Mix-up

Enjoy an evening of skating and music. Wear mismatched clothes and receive \$1.00 off admission.

DATE: Friday, March 12, 2010  
TIME: 7:00 pm - 9:30 pm  
LOCATION: McKinleyville Activity Center  
AGES: All ages  
FEE: \$4.00 - or - \$3.00 if you mix it up!

Schools Out Skate

Schools out! So lets go skating!!!!

DATE: June 11, 2010  
TIME: 7:00 pm - 9:30 pm  
LOCATION: McKinleyville Activity Center  
AGES: All ages  
FEE: \$4.00 - or - \$3.00 for all school-aged participants



839-2171

- Oil & Filter Change
- Lubrication
- Vacuum Interior
- Check all fluids

Toni Schnette  
Owner

1590 NURSERY Rd. MCKINLEYVILLE, CA 95519

“All Star” Basketball Camp

Join us for this positive and motivating camp where each player “Achieves Basketball Excellence” through a progression of skills focusing on “triple threat” (shooting, passing and dribbling). Our staff places emphasis on skill development, sportsmanship, participation, and fun! All participants are encouraged to bring a snack. Space is limited, so please register early! **Please notice! We are offering (2) camp time slots to meet your scheduling needs.**



DATE: Saturday, April 10, 2010  
AM CAMP: 9:30 am to 12:00 pm  
PM CAMP: 12:30 pm to 3:00 pm  
LOCATION: McKinleyville Activity Center  
GRADES: Kindergarten - 2nd grades  
FEES: \$10 w/ Pee Wee Registration  
\$12 pre-register  
\$15 the day of camp.



Summer Youth Basketball league

Join us for this great opportunity to play some ball this summer! This league is co-ed and will take place Tuesdays & Thursdays from June 22 through August 5, 2010. Separate leagues are offered for the following grades: 3rd-4th, 5th-6th, & 7th-8th. Depending on registration, some grades may be combined. **Early bird registration Deadline is Friday, June 11, 2010.** \$10 late fee applies after Friday, June 11, 2010 (if space is available). Don't miss out! Oh yeah, and what a bargain... Seven (7) weeks of basketball for only \$25 per player!



Registration opens Monday, April 5, 2010.

DAYS: Tuesday & Thursday evenings  
DATES: June 22 through August5, 2010  
TIME: TBA  
LOCATION: McKinleyville Activity Center  
GRADES: 3rd - 8th grades  
FEE: \$25 per person (\$30 non-resident)

Pee Wee Basketball Program

The Pee Wee Basketball Program is open to children in Kindergarten through second grade. The program is focused on introducing young children to the basics of the game of basketball. Registration will open Monday, February 1, 2010. The registration deadline is March 26, 2010. All Games played in McKinleyville. There will be a separate division for Kindergarten and a combined division of 1st & 2nd grades.



DATES: April 17 through June 5, 2010  
TIME: Various (TBA)  
LOCATION: McKinleyville Activity Center  
GRADES: Boys & Girls K - 2nd Grade  
FEE: \$55/\$60 (non resident)

“Hot Shots” Basketball Competition

This unique youth basketball game is played with a two-player team. Each team has one minute to score as many baskets as possible from any of (7) shooting spots. Registration deadline Thursday, February 5.

DATES: Friday, February 5, 2010  
TIME: 6:30 pm  
LOCATION: McKinleyville Activity Center  
GRADES: Boys & Girls 3rd - 8th Grades  
FEE: \$12.00 per team



Humboldt Hoops 3 on 3 Tournament

CHECK OUT PAGE 6 OF THIS GUIDE FOR MORE INFORMATION!

Attention Pet Owners!!

Dogs Night Out is now,

COMFY AT HOME

In Home Pet Sitting

(From farm animals to dogs to fish)

Owner/Operator Alyson Sobehrad

Comfy At Home is a member of Pet Sitters International

LICENSED-BONDED-INSURED

For more information and rates call Alyson at

839-0207 or 499-7947

\*5% of proceeds will be donated to local rescue shelter of adopted pets!

ADULT SPORTS

Adult 3 on 3 Basketball League

Join us on Thursday evenings at the Activity Center for this fun and exciting Adult 3 on 3 Basketball League! All games are half court and self-officiated. Team rosters may include 3 to 8 players. Registration deadline is Monday, March 15, 2010.

DATES: Thursdays, March 18 - May 13  
TIME: 6:30 pm - 9:30 pm  
LOCATION: McKinleyville Activity Center  
AGES: 16 years & older  
FEE: \$50.00 per team

**Don't miss out!**

Adult Dodgeball League!

Thats right folks! *Dodgeball is Back!!!* Join us for this opportunity to play dodgeball within an organized, structured program while fostering sportsmanship and fair competition. Great fun & no experience necessary. “If you can dodge a wrench, then you can dodge a ball.” Teams will play with six players on the court and rosters may include up to 10 players. Registration deadline is Friday, March 12, 2010.

DATES: Tuesdays, March 16 - May 11  
TIME: 7:00 pm - 9:00 pm  
LOCATION: McKinleyville Activity Center  
AGES: 18 years & older  
FEE: \$80.00 per team

ADULT SOFTBALL - SUMMER 2010!

5th Annual “0-2 & BBQ” Softball Tourney

Join us for this great one-day tournament & BBQ held at Hiller Sports Complex in McKinleyville.  
Saturday, July 17, 2010

SIGN UP BY: **JULY 9, 2010**

2010 “Beat the Heat”

Softball Tourney

Join us for the 4th Annual “Beat the Heat” Softball Tournament at Hiller Sports Complex. Games will be played in August 2010. Call or stop by our Parks & Recreation Office for more information.

Co-ed Woodbat Softball League

Join us at Hiller Sports Complex for another co-ed wood bat softball league for adults on Sundays in August and September 2010. \$200 per team.

TEEN ACTIVITIES

Youth Driven - Saturday Nights!

McKinleyville Parks & Recreation’s Activity Center is open to all youth in 6th - 12th grades on Saturday Nights from 7:00 pm - 9:30 pm. Theme activities will be offered every week.

In addition to theme activities, Youth Driven ALWAYS has video games, board games, snacks, music and a place to just “hang-out” with your friends.

This program is sponsored by McKinleyville Kiwanis and McKinleyville Parks & Recreation.

DAYS: Saturday Nights  
TIME: 7:00 pm - 9:30 pm  
FEE: FREE!  
GRADES: 6th - 12th Graders  
LOCATION: Mck Activity Center

Junior High Dances

An evening of dancing fun! Must present current student I.D. or recent report card verifying grade in order to get into the dance. Bring exact change and enter through the VIP Entrance! Must have a Dance Contract on File. Come early if you need to complete one. Tickets sold at the door.

DAYS/TIMES: Fridays, 7:00 pm - 9:30 pm  
FEE: \$6.00 (I.D. Required)  
GRADES: 6th - 8th Graders  
LOCATION: Mck Activity Center



DATES:

January 22, 2010 Mck Activity Center  
March 19, 2010 Mck Activity Center  
May 21, 2010 Mck Activity Center

Babysitting Certification Course

Join instructor Nancy Young for an eight (8) hour Babysitting Certification Course for participants 11 to 16 years of age. Pre-registration is required. All participants will receive the Red Cross Babysitting Certificate upon successful completion of the course.

DATE: Saturday, March 6, 2010  
TIME: 8:00 am - 5:00 pm  
LOCATION: Azalea Hall - Meeting Room  
AGES: 11 to 16  
FEE: \$45/\$15 handbook



LEISURE

Basic Dog & Puppy Obedience Classes

Join experienced and knowledgeable instructor Delilah Huck for a six week course to teach you how to train your dog. Dogs and puppies will learn commands such as come, sit, down, stay, and heeling on a leash. Classes will be held Monday evenings in January, March, & May. Participants must be 12 years or older.



PUPPY/DOG OBEDIENCE CLASS: 6:00 - 7:00 pm  
DAYS: Mondays  
DATES: Session 1 Jan 18 - Feb 22  
Session 2 Mar 15 - Apr 19  
Session 3 May 10 - June 21  
FEE: \$75



All Classes take place at Azalea Hall, 1620 Pickett Rd.

Blake’s House of Boxing

Join boxing instructor Eric Blake and his coaching staff for instruction in the Fundamentals of Boxing. Utilize the training methods of boxing in a **non-contact** setting to strengthen character, and cardiovascular health . Classes feature a specific theme and 8 workout stations using a variety of boxing equipment. Don’t miss this great opportunity to train like the pros! Experience the “sweet science” of boxing. Ages 7 and older welcome. This is non-contact fitness and fun so bring the whole family!

DATES: Mon. & Wed. Mar. 15th thru Apr. 12th  
Mon. & Wed. Apr. 19th thru May 17th  
TIME: 6:45pm-8:45pm  
FEE: \$45 (\$50 non-residents)  
WHO: Anyone 7 yrs and older  
LOCATION: McKinleyville Activity Center

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MCKINLEYVILLE

Dr. Bill Wennerholm D.C.

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**McKinleyville - (707) 839-4344**

CLASSES

KinderSports: Basketball

Do you have a 3-5 year old full of energy and ready to participate in sports? If you do, then KinderSports is the program for your child. KinderSports gives toddlers the opportunity to learn team work, good sportsmanship, the value of physical fitness, sports safety and the basic skills needed for various sports. Classes are non-competitive and run in a friendly and nurturing environment where parents, family and friends are encouraged to cheer and support the children in the program. The last class meeting will include a children vs. parents game and an awards ceremony.

This Season’s Sport focus will be on: **Basketball**

DATES: Sat. Feb. 20th thru Mar. 27th  
TIME: Sat. 9:00am-10:00am @ Morris Elem.  
Sat. 10:30am-11:30am @ Morris Elem.

LOCATION: Morris Elementary school gym

AGES: 3 yrs-5 yrs  
FEE: \$45 (\$50 non-residents)  
\$7 materials fee paid to instructor

Be on the lookout for the next Kindersports session: T-Ball! Coming this Spring. Dates TBA



Limit Setting With Young Children

Instructor Emi Botzler is a licensed marriage & Family Therapist. Join her for this 2 hour workshop that addresses effectively setting limits with young children. Participants will learn: Why limits are important; How to identify what’s underlying limit testing; How to effectively set limits.

DATE: February 27th, 2010  
TIME: 10:00 Am - 12:00 pm  
LOCATION: Azalea Hall - Meeting Room  
Ages: 18 years or older  
FEE: \$10.00  
\* Ask about childcare options for care during workshop!

*Our staff prides itself in “Creating Community through People, Parks and Programs.”*





Monday through Friday  
beginning June 14th & ending August 13th  
Registration Opens May 3, 2010



Join McKinleyville Parks & Recreation for a dynamic summer day camp program in which youth age 6-12 years old will have the opportunity to choose their summer experience. The Kids' Camp Program offers a variety of activities each day. Participants will have the opportunity to choose between Active Games and Arts & Crafts for each "Activity" segment of the daily schedule.

In addition to games and arts and crafts participants will have the option of participating in cooking projects, walking field trips, skit performance, sing-alongs and more! Summer is a time for fun and freedom, so we like to provide each participant the opportunity for freedom of choice whenever possible. We offer opportunities for free play both indoors and outdoors each day.

Field trips are offered weekly. Some field trips may require an additional fee and may only be available for Full Day participants.

A complete Field trip schedule, including costs will be available one week before camp starts.

Roller Skating is a daily activity. Participants are welcome to bring their own skates or borrow some of ours!

Weekly Full Day: \$105      Weekly Half Day: \$65  
Daily Full Day: \$23      Daily Half Day: \$15  
(Half Days are Mornings: 7:30am-12:30pm or Afternoons: 12:30pm-6:00pm)

\*\*Payment for first week of attendance is due in full at time of registration. \$10 deposit can be placed on all future weeks to reserve a spot.



KidsClub Afterschool Program

KidsClub is a unique and dynamic afterschool enrichment program in which participants take part in a variety of activities including academic assistance, arts and crafts, games, sports, cooking, cultural activities, drama and theatre, field trips, and guest presentations. A healthy snack is provided at no additional charge.

DATES: Daily afterschool until 6:00pm  
LOCATIONS: Morris (Dows Prairie Students are bussed)  
GRADES: Students Grades K - 5th  
FEE: K -3rd grade - \$12/day  
4th-5th grade - \$10/day



Leader-in-Training Program

The Leader-in training (LIT) Program is a volunteer program designed to offer teens an opportunity to learn leadership skills and gain work experience in a fun recreation atmosphere



Volunteers in the program will assist KidsCamp Recreation Leaders in teaching and leading a variety of group games, arts & crafts, and other activities. This volunteer work EXPERIENCE program is open to youth age 13 years and older. Registration deadline is May 21st.

SHIFTS: Mon - Fri, Jun. 14 - Aug. 13, 2010  
AM: 7:30 am - 12:30 pm  
PM: 12:30 pm - 5:30 pm  
TRAINING: Sunday, June 6, 2010 & Saturday, June 12, 2010  
(Attendance at BOTH training dates is mandatory)



What do you call a boomerang that doesn't work?  
...A stick.  
What do you call a dancing cow?  
...Milkshake.  
What do ducks eat?  
...Quackers

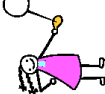
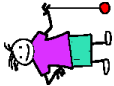


How do you get a kleenex to dance?  
...Put a little boogey in it.  
Why do basketball players love doughnuts?  
...Because they can dunk them!  
Two snowmen are standing in a field. One says to the other: ... "Funny, I smell carrots too."

Breakout - weekly holidays

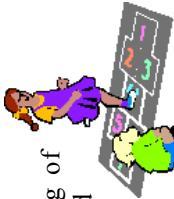
Looking for something to keep the kids busy and entertained when school is out of session? Join our staff for a week of fun-filled games, arts & crafts, and sports. Don't miss out! Participants need to bring a lunch, drinks, and two snacks. Space is limited, so please register early!

DATES: February 15-19, 2010  
April 5-9, 2010  
TIME: 7:30 am - 6:00 pm  
LOCATION: McKinleyville Activity Center  
AGES: Kindergarten to 12 yrs old  
FEE: \$23/day or \$15/half-day  
\$105/wk or \$65/wk (half-day)



McKinleyville Playgroup

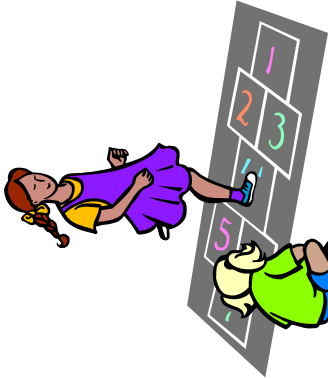
This playgroup is a gathering of parents and their pre-school aged children, who get together for play and interaction. A playgroup can significantly help children develop social skills, gain independence, and build self-confidence.



It can also give you a chance to meet and learn from other parents—all adding up to newfound friendships and a healthy, nurturing environment. This program is funded by First 5 Humboldt.

WHO: Parents and children ages 0 - 5  
WHEN: Thursdays, 10:00 am - 12:30 pm  
Fridays, 10:00 am - 12:30 pm  
WHERE: McKinleyville Activity Center  
FEE: \$3 daily donation

# McKinleyville Playgroup



**WHO:** Parents and children ages 0 - 5  
**WHEN:** Thursdays, 10:00 am - 12:30 pm  
Fridays, 10:00 am - 12:30 pm  
**WHERE:** McKinleyville Activity Center  
**FEE:** FREE - \$3 daily donation accepted



This playgroup is a small gathering of parents and their pre-school aged children, who get together for play and interaction. A playgroup can significantly help children develop social skills, gain independence, and build self-confidence.

It can also give you a chance to meet and learn from other parents - all adding up to newfound friendships and a healthy, nurturing environment.

Thanks to a grant from First 5 Humboldt, we are able to supply many games and toys for your children to enjoy.

## New Parents Group!

**WHO:** Parents & babies (newborn to sitting)  
**WHEN:** Fridays 9-10 am  
**WHERE:** McKinleyville Activity Center  
**CONTACT:** McKinleyville Parks & Recreation (839-9003)

Bring your new baby and meet other new parents to share your experiences with. Snacks and coffee provided Free!

# 2010

## Humboldt HOOPS



Youth 3 on 3 Basketball Tournament

*A Benefit for Youth Scholarships and Fee Reductions*

.....

**When:** Friday, March 26, &  
Saturday, March 27, 2010  
**Where:** Various Locations in McK  
**Fee:** \$110.00 per team  
.....

### Categories of Competition

<u>Boys Divisions:</u>	<u>Girls Divisions:</u>
3rd-4th grade	3rd-4th grade
5th-6th grade	5th-6th grade
7th-8th grade	7th-8th grade
9th-10th grade	9th-10th grade
11th-12th grade	11th-12th grade



### REGISTRATION DEADLINE

Friday, March 19, 2010

**Early-Bird Registration Deadline:** March 12, 2010

*(Register early and get a free event t-shirt!)*

**Official Registration Deadline:** March 19, 2010

*(All registration must be in by this date)*

# McKinleyville Community Services District

## BOARD OF DIRECTORS

January 20, 2010

TYPE OF ITEM: **INFORMATIONAL**

---

**ITEM: E.1.**                      **Update on McKinleyville Library Expansion Project and presentation by Bonnie Oliver Architect**

**PRESENTED BY:**              **Jason Sehon, Parks & Recreation Director**

**TYPE OF ACTION:**            **None**

**Recommendation:**

None

**Discussion:**

The McKinleyville Library Expansion Project is proceeding on schedule. The plans were submitted to Humboldt County on January 6, 2010. We estimate it will take the county approximately thirty (30) days to review the plans.

Several months ago we understood that the County would waive the permit fees since the County Library leases the facility from MCSD. However, when the plans were submitted on January 6 at the Planning Department, County staff told our Architect and General Manager that they would no longer be able to waive the fees. We are encouraging the Friend's of the McKinleyville Library to contact the County to ask for the permit fees to be waived.

After the plans are approved, the project will go out to bid sometime in late February. We want to be sure to have the plans approved prior to going out to bid so that we avoid any unnecessary change orders during the construction of the project. We estimate construction to begin between April and June 2010.

Bonnie Oliver, Architect drew up the plans and is planning on giving a presentation to the Board of Directors at the meeting.

**Alternatives:**

Staff's analysis includes the following potential alternative:

- Take action

**Fiscal Analysis:**

The Friends of the McKinleyville Library have raised \$70,000 for the project. In addition, the MCSD Board of Directors has committed \$10,000 in Quimby Inland Park Dedication Funds towards the project.

At the request of the District, the Friends of the McKinleyville Library have deposited \$7,000 to the District for Phase I of the project (geotechnical soils report & drawing of the plans).

At the time of this report, MCSD has paid the following:

- \$1,100 for geotechnical soils report (SHN Consulting, Inc.)
- \$3,600 for the Architect to draw up the plans and submit to the County.

- Unknown, estimated to be \$2,000 if not waived.

***Total: \$4,700***

**Environmental Requirements:**

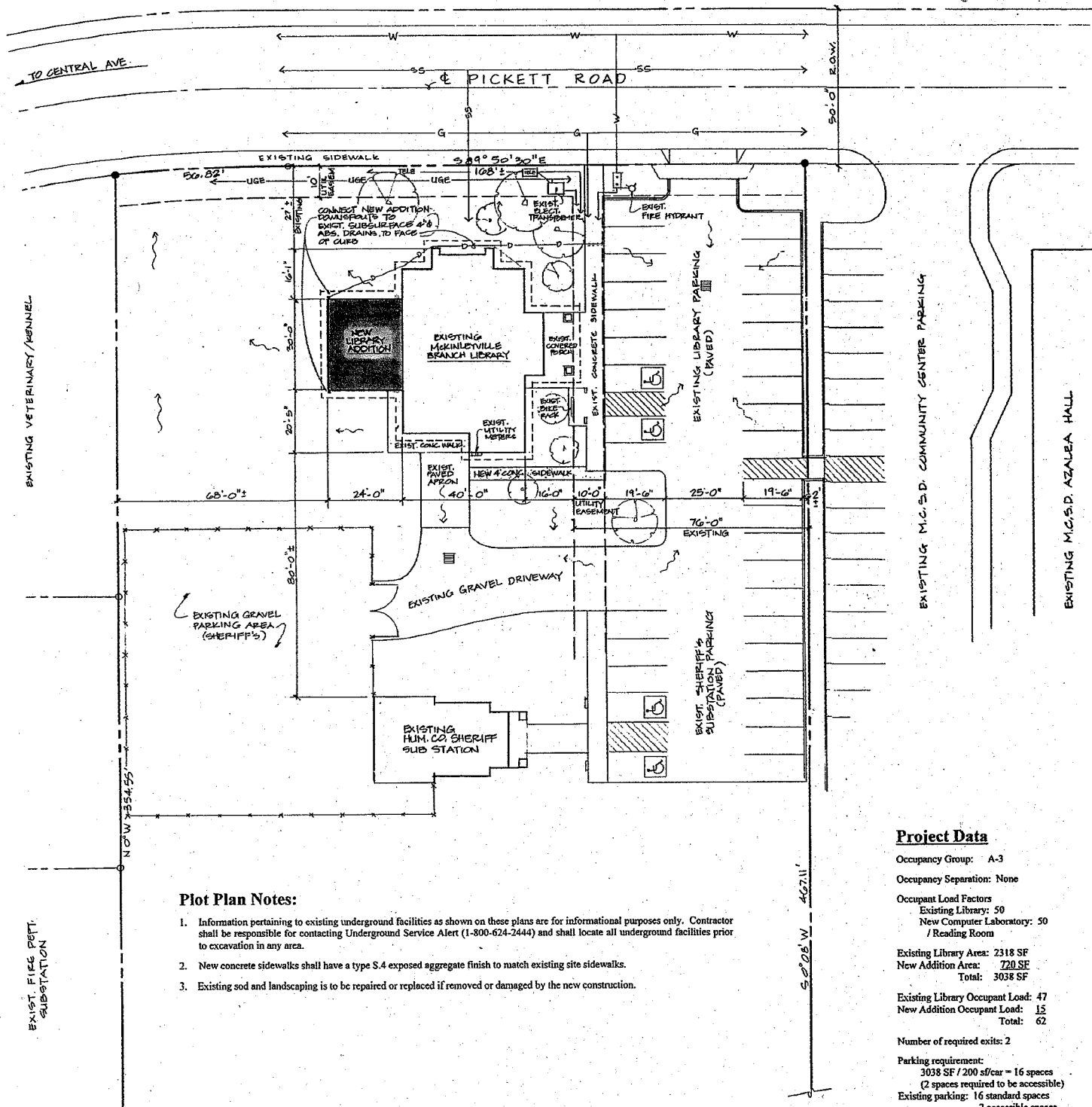
None

---

Norman Shopay  
General Manager

---

Jason Sehon  
Parks & Recreation Director



# **Plot Plan Notes:**

- Information pertaining to existing underground facilities as shown on these plans are for informational purposes only. Contractor shall be responsible for contacting Underground Service Alert (1-800-624-2444) and shall locate all underground facilities prior to excavation in any area.
- New concrete sidewalks shall have a type S.4 exposed aggregate finish to match existing site sidewalks.
- Existing sod and landscaping is to be repaired or replaced if removed or damaged by the new construction.

## **Project Data**

Occupancy Group: A-3  
 Occupancy Separation: None  
 Occupant Load Factors  
   Existing Library: 50  
   New Computer Laboratory: 50 / Reading Room  
 Existing Library Area: 2318 SF  
 New Addition Area: 720 SF  
   Total: 3038 SF  
 Existing Library Occupant Load: 47  
 New Addition Occupant Load: 15  
   Total: 62  
 Number of required exits: 2  
 Parking requirement:  
   3038 SF / 200 sq/ft = 16 spaces  
   (2 spaces required to be accessible)  
 Existing parking: 16 standard spaces  
   2 accessible spaces



## **PLOT PLAN**

SCALE: 1" = 20'-0"  
 REDUCED

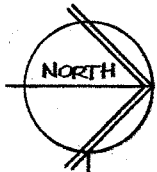


APN. 510-401-20

NEW ADDITION TO THE  
 MCKINLEYVILLE BRANCH  
 HUMBOLDT COUNTY LIBRARY  
 1606 PICKETT RD., MCKINLEYVILLE  
 FOR: MCKINLEYVILLE COMMUNITY  
 SERVICES DISTRICT

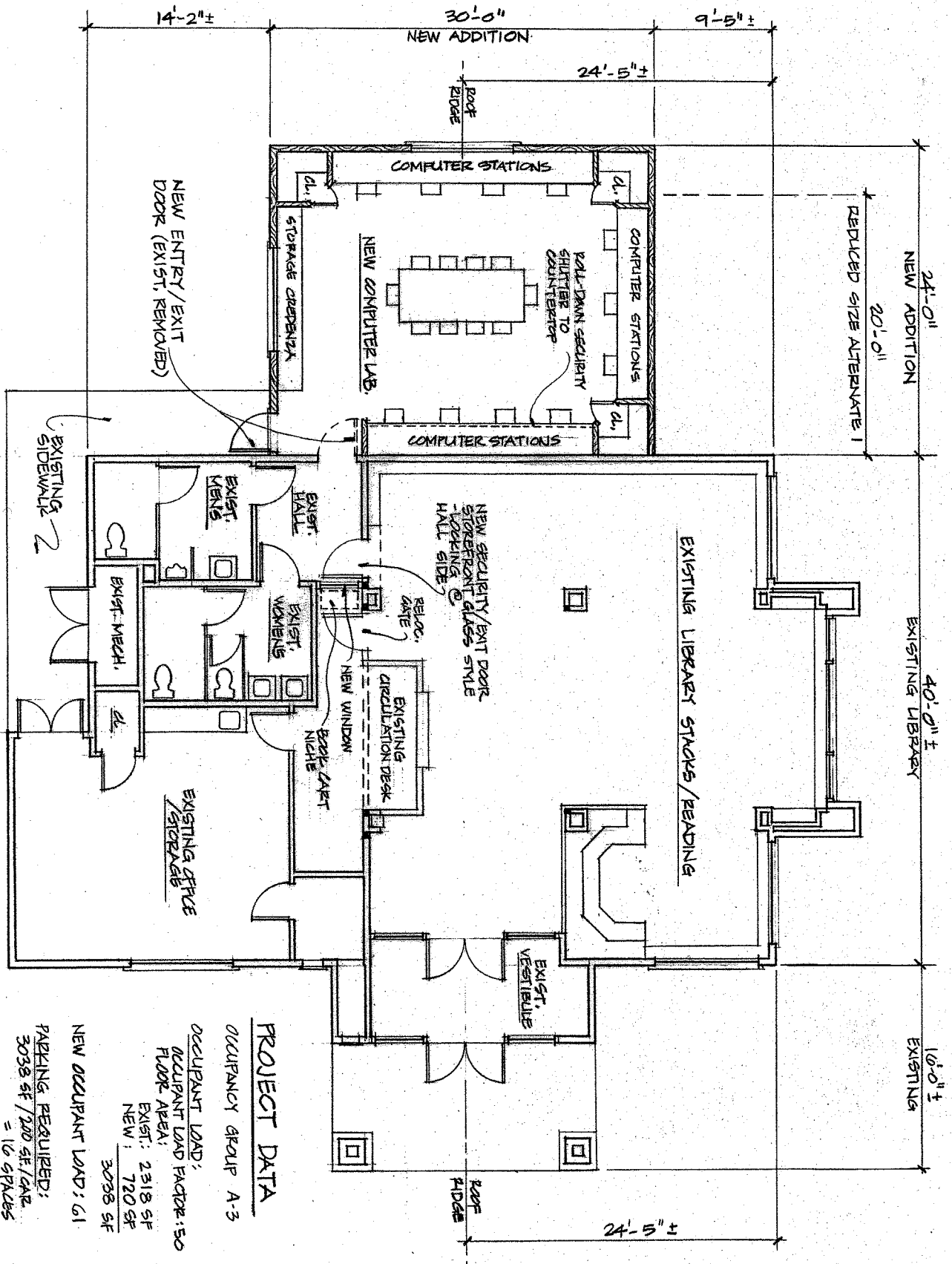
DATE:  
 JAN 2010  
 SHEET  
 A1





# PRELIMINARY FLOOR PLAN

SCALE: 1/8" = 1'-0"  
 REMOVED



## PROJECT DATA

OCCUPANCY GROUP A-3  
 OCCUPANT LOAD:  
 OCCUPANT LOAD FACTOR: 50  
 FLOOR AREA:  
 EXIST: 2318 SF  
 NEW: 720 SF  
 3038 SF  
 NEW OCCUPANT LOAD: 61  
 PARKING REQUIRED:  
 3038 SF / 200 SF / CAR  
 15 SPACES  
 (2 ACCESSIBLE SPACES)  
 EXISTING PARKING:  
 16 REGULAR  
 2 ACCESSIBLE

DATE  
 JAN. 2010  
 SHEET  
 A2



BONNIE L. OLIVER  
 ARCHITECT  
 1953 COTTONWOOD AVE  
 MCKINLEYVILLE, CA 95519  
 (707) 839-8829

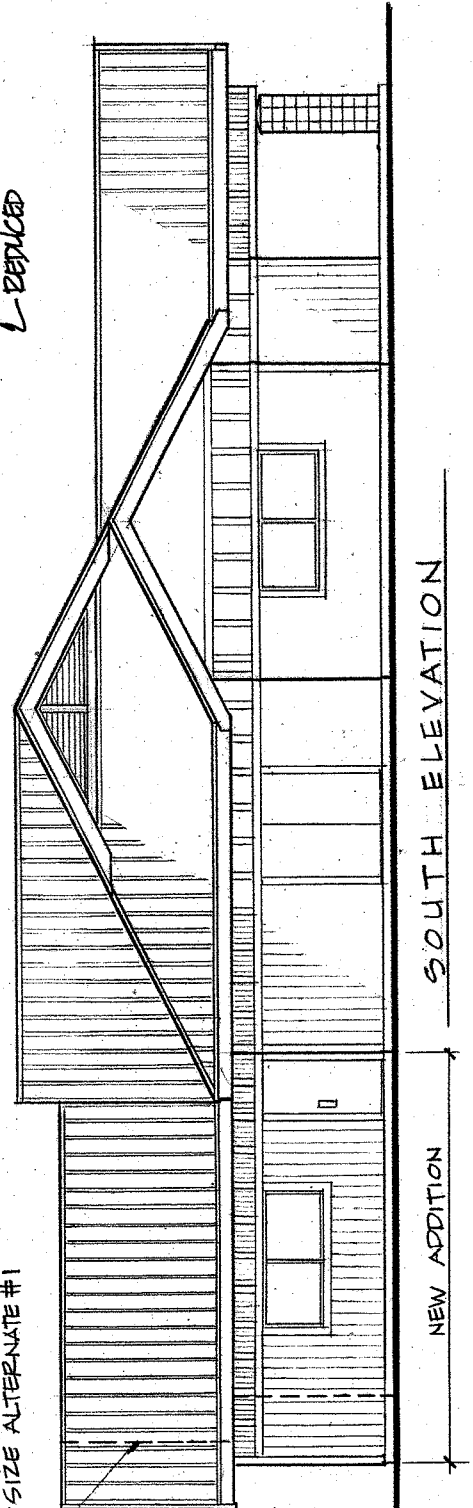
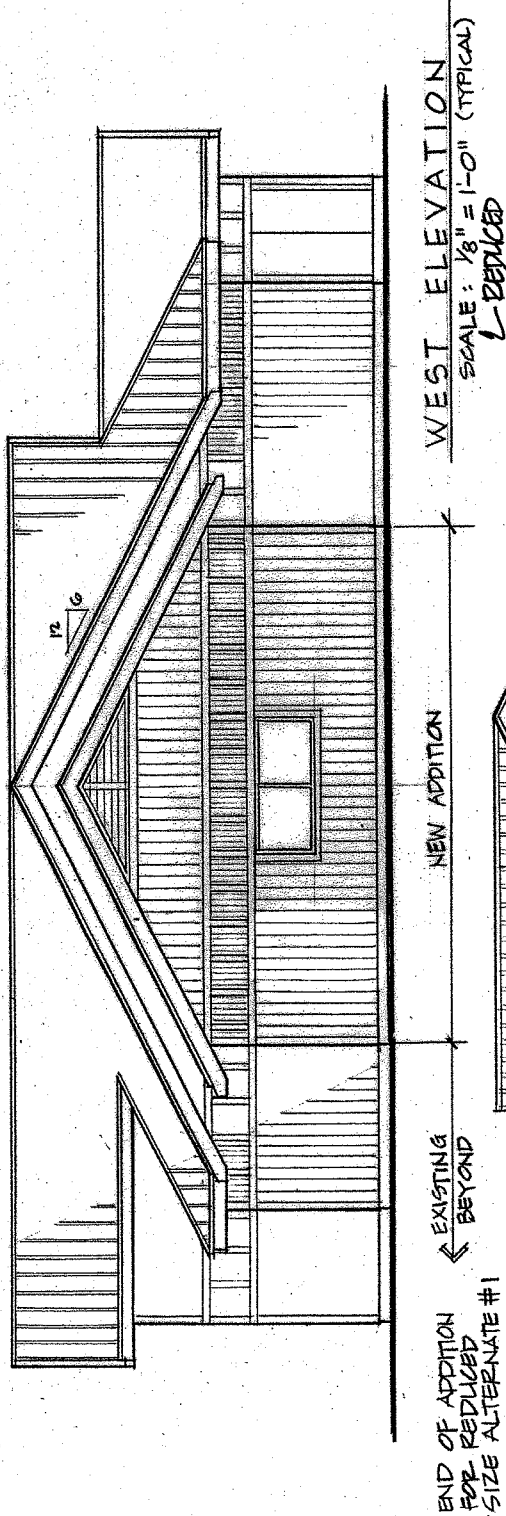
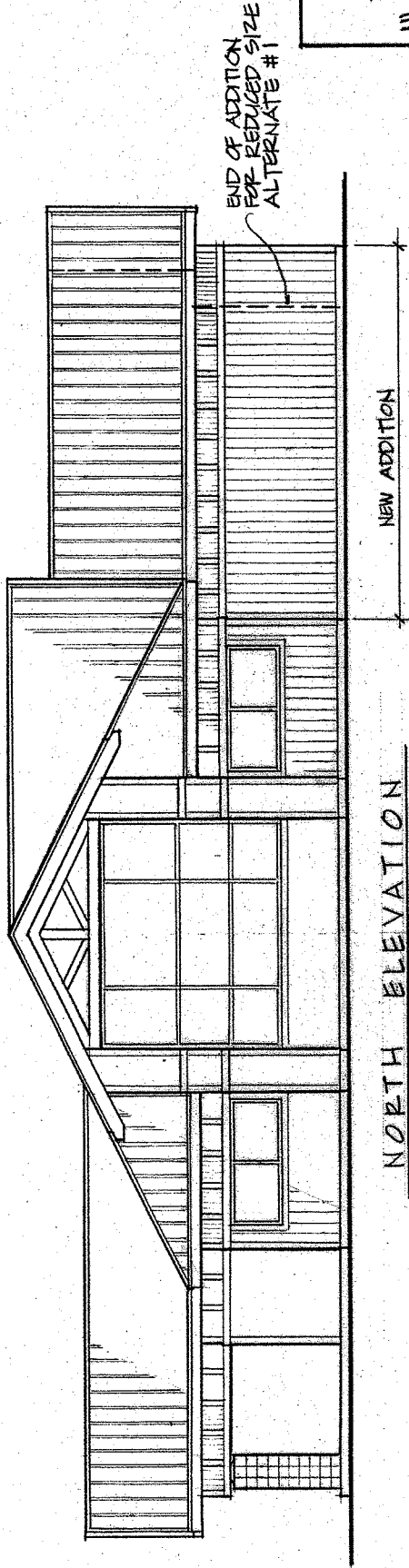
NEW ADDITION TO THE  
 MCKINLEYVILLE BRANCH  
 HUMBOLDT COUNTY LIBRARY  
 1610 PICKETT ROAD  
 MCKINLEYVILLE, CA 95519  
 MCKINLEYVILLE COMMUNITY SERVICES DIST.

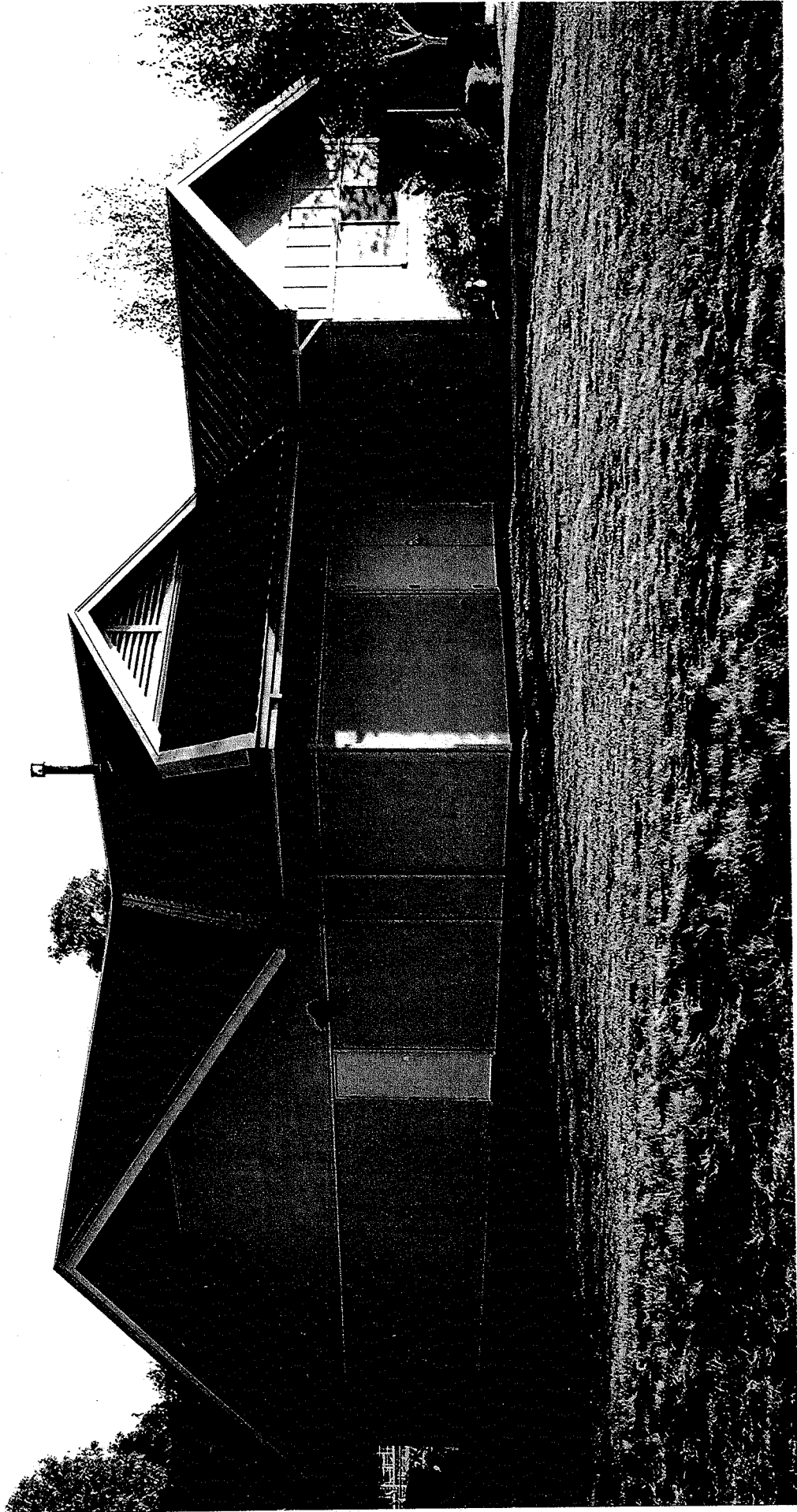
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 MCKINLEYVILLE COMMUNITY SERVICES DIST.

BONNIE L. OLIVER  
 ARCHITECT  
 1933 COTTONWOOD AVE  
 MCKINLEYVILLE, CA 95519  
 (707) 839-8829



DATE  
 JAN  
 2010  
 SHEET  
 A3





EXISTING LIBRARY - FROM SOUTHWEST



# New Edition to the McKinleyville Library



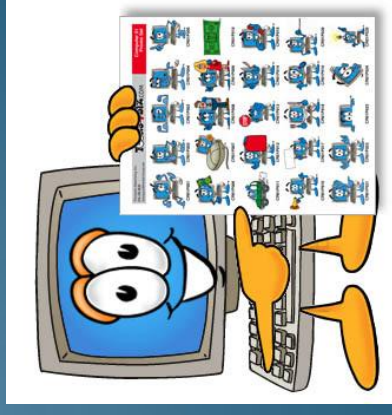
Presentation by:

**Bonnie L. Oliver, Architect**

# Project Description:

Design and construct new Computer wi fi / Conference Room addition to the west side of the existing McKinleyville Library.

The new edition is to be approximately 720 square feet in size and will be accessed through the existing corridor near the existing restrooms.



# Project Description:

The new room will include an exterior door, windows and/or skylights and built-in countertops for computers, which will be secured.

Interior and exterior finishes and lighting are to be similar to the existing library building.



# Project Description:

An additional lockable interior door, separating the existing library area from the restroom corridor will be added.





# McKinleyville Library Expansion Project Coming Soon!

The Friends of the McKinleyville Library have reached their fundraising goal enabling the construction of a new wi-fi-and conference room at the McKinleyville Library.

The project is being funded by the Friends of the McKinleyville Library along with \$10,000 from McKinleyville Community Services District, who will manage the project construction.

Construction is scheduled to start in June 2010. For more information about this great community project, please contact us at 839-9003.



*"Creating Community through  
People, Parks & Programs"*

Thank you, McKinleyville Parks & Recreation.



## McKinleyville Library Expansion Project Coming Soon!

The Friends of the McKinleyville Library have reached their funding goal enabling the construction of a new wi-fi and conference room at the McKinleyville Library.

The project is being funded by the Friends of the McKinleyville Library along with \$10,000 from McKinleyville Community Services District, who will manage the project construction.

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*"Creating Community through  
People, Parks & Programs"*

Thank you, McKinleyville Parks & Recreation.







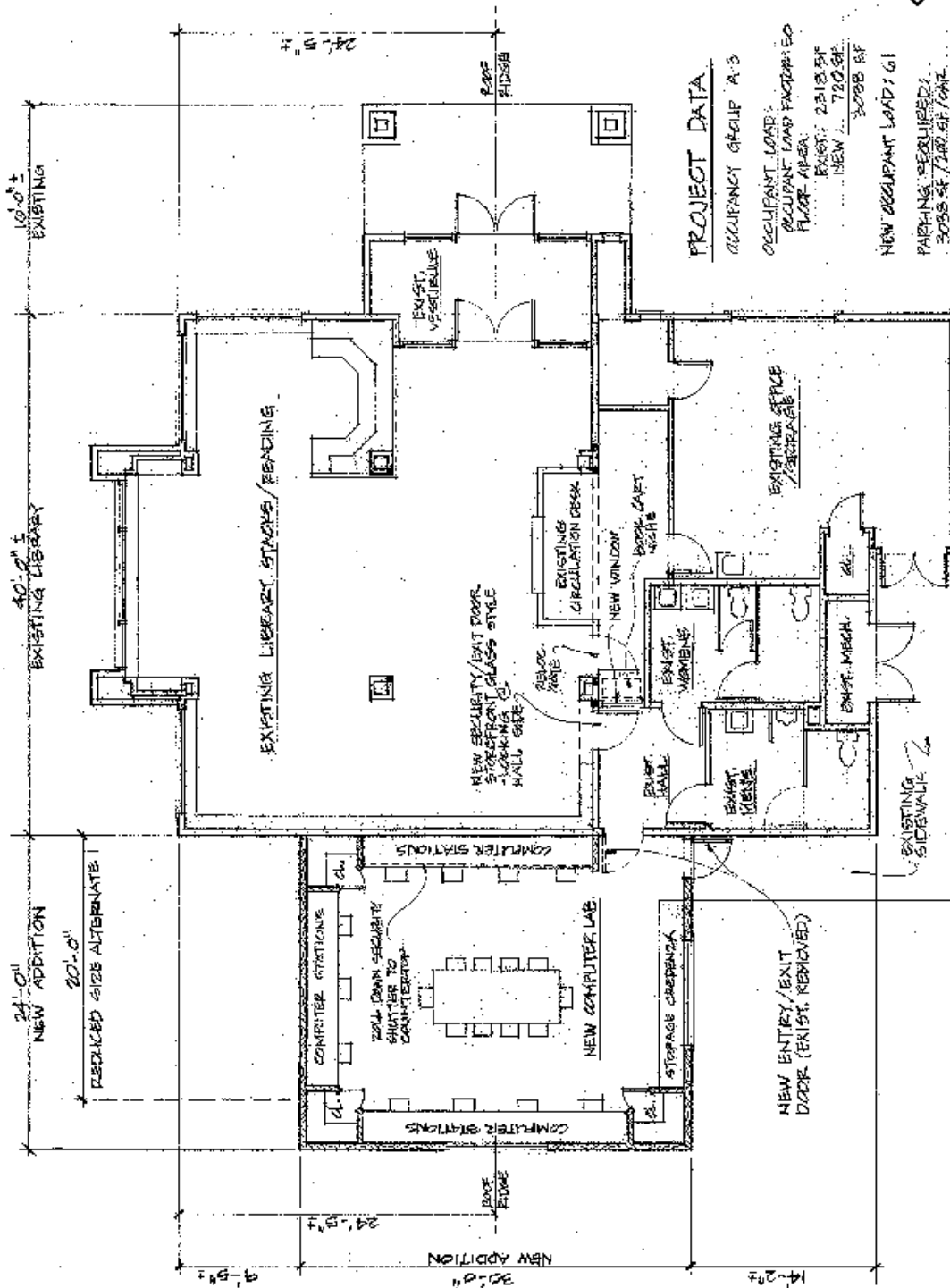
**CONSUMER**

OCCUPANT LOAD  
OCCUPANT LOAD FACTOR: 50  
FLOOR AREA  
EXIST: 2313 SF  
NEW: 720 SF  
2093 SF

NEW OCCUPANT LOAD: 61

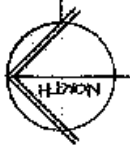
PARKING REQUIRED:  
3033 SF / 200 SF / CAR  
= 16 SPACES  
(9 ACCESSIBLE SPACES)

EXISTING: PAXING  
G. REGULAR  
2 ACCESSIBLE



PRELIMINARY FLOOR PLAN

SCALE: Val = 0



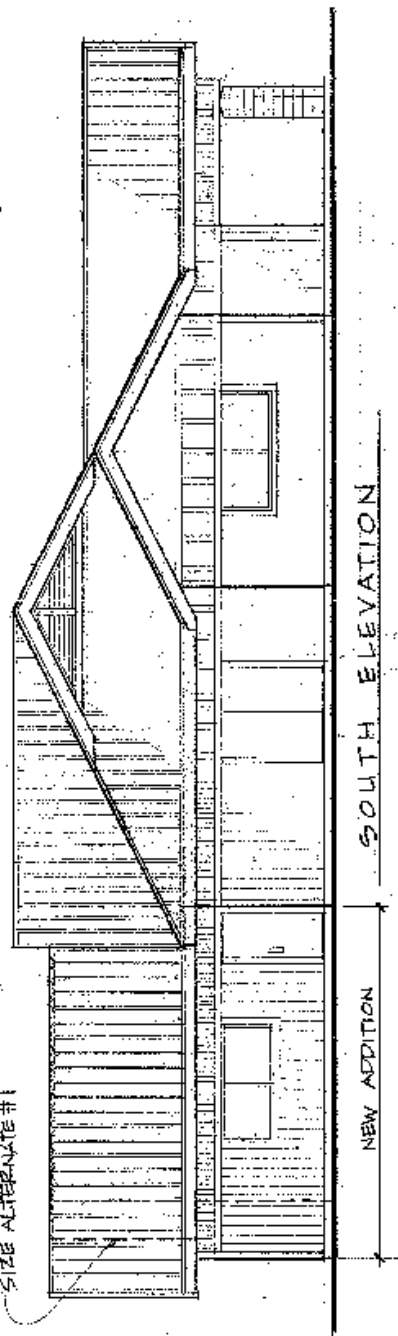
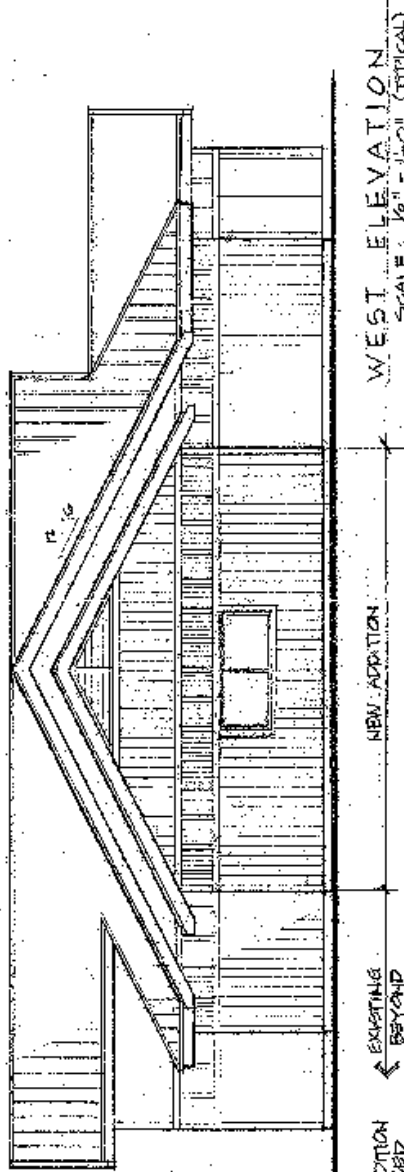
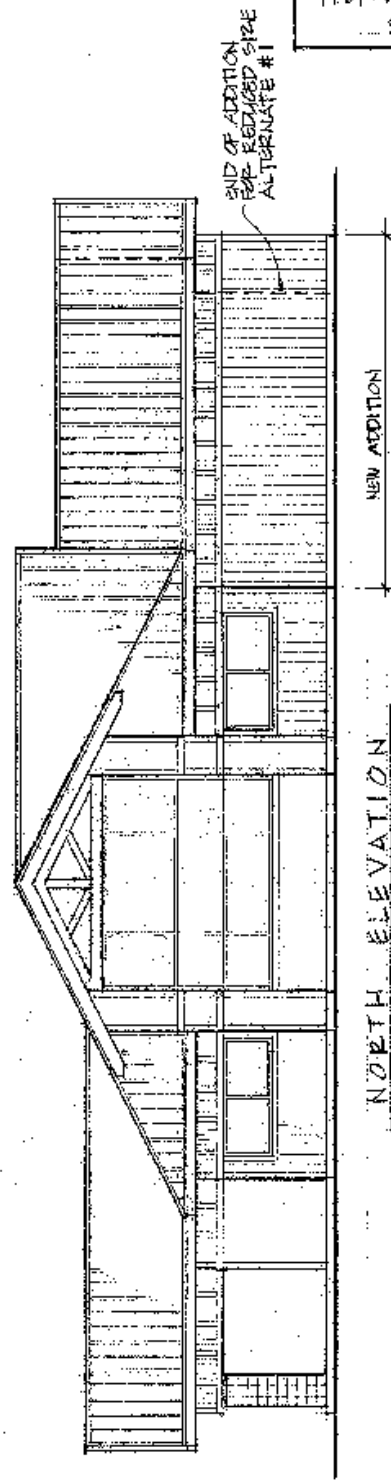


NEW ADDITION TO THE  
 MCKINLEYVILLE BRANCH  
 HUMBOLDT COUNTY LIBRARY  
 1610 PICKETT ROAD  
 MCKINLEYVILLE, CA 95519  
 MCKINLEYVILLE COMMUNITY SERVICES DIST.

BONNIE OLIVER  
 ARCHITECT  
 1953 COTTONWOOD AVE  
 MCKINLEYVILLE, CA 95519  
 (707) 859-1829



DATE  
 SHEET



# Project Timeline:

## October 2009:

- Project start up
- Design and drawing of Preliminary Plan Options
- Presenting various solutions to code
- Resolve exiting related issues



# Project Timeline:

## November 2009:

- Meet with library staff, Friends of the McKinleyville Library and MCSD to choose a plan option.
- Receive input and direction on various design details.
- Begin design and drawing of Construction Documents.



# Project Timeline:

## December 2009:

- Continuation of Construction Documents work.
- Coordination with project consultants.
  - Structural Engineer
  - Energy Analyst
  - Cabinet Makers
  - Etc.



# Project Timeline:

## January 2010:

- Construction Document copies turned into Humboldt County Building Department for plan review (1-6-10).
- Projected time for completion of the plan.
- Review and building permit preparation.
- by HCBDD is around the end of January.





# Project Timeline:

## January 2010 (continued):

- Development of the bid form in coordination with MCSD staff is ongoing during January as the Friends of the Library secure commitments for donated work and building materials.



# Project Timeline:

## February 2010:

- Project goes out for construction bids.

## March 2010:

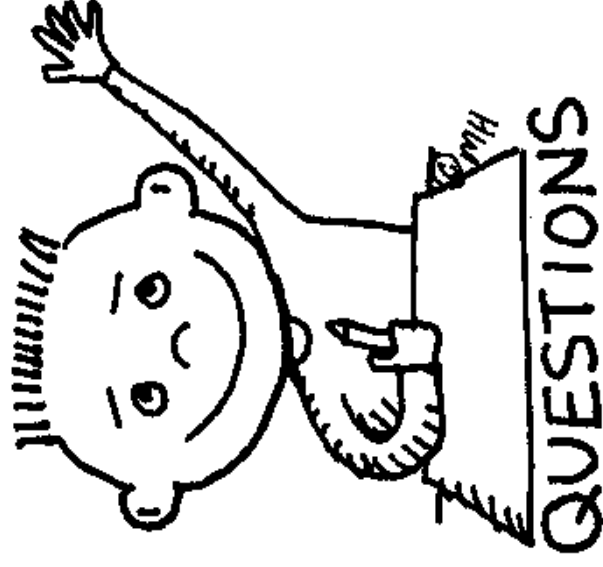
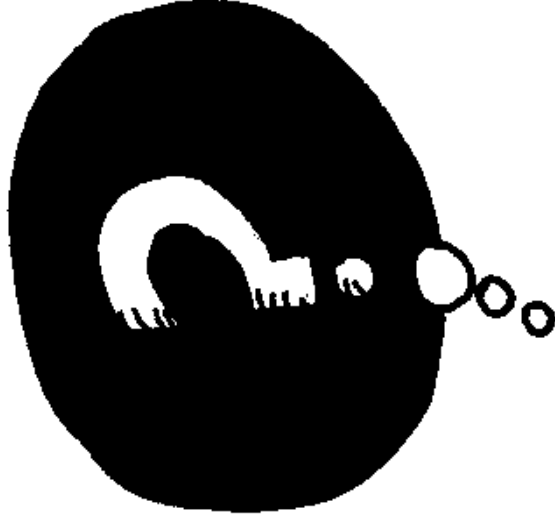
- Selection of Building Contractor

## April – June 2010:

- Beginning of Construction

# Thank you!

Any questions?



# McKinleyville Community Services District

## BOARD OF DIRECTORS

January 20, 2010

TYPE OF ITEM: **ACTION**

---

**ITEM: E.2. Adopt Resolution Initiating Proceedings to Collect FY10/11 Measure B Assessments**

**PRESENTED BY: Steve Edmiston & Jason Sehon**

**TYPE OF ACTION: Roll Call Vote**

**Recommendation:**

Staff recommends that the Board adopt Resolution **2010-01** initiating collection of the FY10/11 Measure B Assessments and naming MCSD General Manager Norman Shopay as the Engineer of Record.

**Discussion:**

In 1992, McKinleyville voters 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 in each year beginning in FY92/93. At the January 2009 meeting, the Board initiated proceedings to collect FY09/10 assessments.

The Humboldt County Tax Collector, acting as MCSD's agent, has begun collecting FY09/10 Assessments. In accordance with the Streets and Highway Code, the Board has traditionally started the process of collecting the Assessments for the upcoming fiscal year at its January Board meeting by adopting a Resolution Initiating Proceedings to Collect the Assessment.

**Alternatives:**

Staff's analysis includes the following potential alternative:

- Take no action

**Fiscal Analysis:**

The FY09/10 Engineer's Report anticipates that Measure B collections from the 5,347 taxable parcels in the assessment district will be \$205,068. The FY10/11 Assessments are expected to be about the same. Those funds will be required to meet existing applicable FY09/10 General Fund debt service requirements of \$86,986. The remaining Measure B funds are required for

the operation and maintenance of the sports complex and existing recreation facilities.

**Environmental Requirements:**

Not applicable

**Exhibits/Attachments**

- Resolution 2010-01

---

Norman Shopay  
General Manager

---

Jason Sehon  
Parks and Recreation Director



## **RESOLUTION 2010-01**

### **A RESOLUTION OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT INITIATING PROCEEDINGS TO COLLECT FY10/11 MEASURE B ASSESSMENTS**

**WHEREAS,** the Board of Directors formed the Measure B Assessment Zone in 1992 and collected assessments in FY92/93, FY93/94, FY94/95, FY95/96, FY96/97, FY97/98, FY98/99, FY99/00, FY00/01, FY01/02, FY02/03, FY03/04, FY04/05, FY 05/06, FY 06/07, FY 07/08, FY08/09, and FY09/10;

**WHEREAS,** the Board of Directors has implemented all Measure B elements with continuing obligations and work remaining on those implemented measures. Now, therefore, be it

**RESOLVED,** that the Board of Directors of the McKinleyville Community Services District hereby:

1. Initiates proceedings to collect FY10/11 assessments for all properties inside the District with the same assessment charges and methods set forth in the FY09/10 Engineer's Report; and
2. Designates MCSD General Manager Norman Shopay as the Engineer of Record for the purpose of preparing the FY10/11 Engineer's Report and directs him in conjunction with District staff to prepare and file a report in accordance with Article IV of Chapter 1 of the Landscape and Lighting Act of 1972; and
3. Describes the improvements as follows: "Construction and Operation of the Pierson Park Community Centers and Purchase, Development and Operation of the Hiller Sports Site".

**PASSED AND ADOPTED** at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on the 20<sup>th</sup> day of January 2010 by the following polled vote:

AYES:

NOES:

ABSENT:

---

Helen Edwards, President  
of the Board of Directors

ATTEST: \_\_\_\_\_

Sharon Denison, Secretary  
to the Board of Directors

# McKinleyville Community Services District

## BOARD OF DIRECTORS

January 21, 2010

TYPE OF ITEM: **ACTION**

---

**ITEM: E.3. Accept the District's annual audit report for the fiscal year ended June 30, 2009**

**PRESENTED BY: Steven Edmiston**

**TYPE OF ACTION: Roll Call Vote**

**Recommendation:**

Staff recommends that the District's audited financial statements for the year ended June 30, 2009, and the independent auditor's report thereon, be accepted.

**Discussion:**

The District's annual audit for the year ended June 30, 2009, is complete. The independent auditor issued an unqualified opinion on the District's financial statements which have been included as an attachment. The audit committee has reviewed and accepted the auditor's report.

**Alternatives:**

Staff's analysis includes the following potential alternative:

- Take no action

**Fiscal Analysis:**

Not applicable

**Exhibits/Attachments**

- McKinleyville Community Services District Basic Financial Statements with report of Independent Auditor for the year ended June 30, 2009.
- Communication to Those Charged With Governance.

---

Steven Edmiston  
Finance Director

**McKinleyville Community  
Services District  
Basic Financial Statements  
June 30, 2009**

**McKinleyville Community Services District  
Basic Financial Statements  
June 30, 2009**

**Table of Contents**

	<u><b>Page</b></u>
<b>Report of Independent Accountants</b>	<b>1</b>
<b>Management's Discussion and Analysis</b>	<b>2</b>
<b>Basic Financial Statements:</b>	
<i>Government-Wide Financial Statements:</i>	
Statement of Net Assets	6
Statement of Activities	7
<i>Fund Financial Statements</i>	
Balance Sheet-Governmental Funds	8
Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds	9
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances to Statement of Activities-Governmental Funds	10
Statement of Net Assets-Proprietary Funds	11
Statement of Revenues, Expenses, and Changes in Net Assets-Proprietary Funds	12
Statement of Cash Flows-Proprietary Funds	13
<i>Notes to the Basic Financial Statements</i>	15
 <b>Required Supplemental Information Section</b>	
Budgetary Comparison Schedule-General Fund	30
Notes to Budgetary Comparison Schedule-General Fund	31
<b>Report on Internal Control and Compliance and Other Matters</b>	<b>32</b>



**Terry E. Krieg, CPA**

Certified Public Accountant

**Independent Auditor's Report**

Board of Directors  
McKinleyville Community Services District  
McKinleyville, California

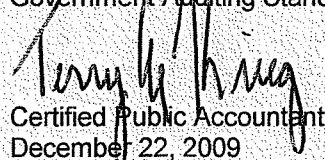
I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the McKinleyville Community Services District, California, (the District) as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the McKinleyville Community Services District management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the McKinleyville Community Services District, California, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 2 through 5 and pages 30 through 31 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

In accordance with Government Auditing Standards, I have also issued my report dated December 22, 2009 on my consideration of the McKinleyville Community Services District's, California internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

  
Certified Public Accountant  
December 22, 2009



## MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the McKinleyville Community Services District offer readers of the McKinleyville Community Service District's financial statements this narrative overview and analysis of the District's financial activity for the year ended June 30, 2009. Please read it in conjunction with the Report of the Independent Auditor and the District's financial statements.

### FINANCIAL HIGHLIGHTS

- The District's Net Assets increased by \$358,074 or 1.61%, as a result of this year's operation. The District's Net Assets are now \$22,688,861. Net Assets of our business-type activities (providing water and sewer services) increased by \$101,657 or 0.55%.
- Over the past five years, the District's Net Assets have increased by \$1,461,853, for an average increase of 1.38% per year.
- The District invested \$183,264 in capital improvements and equipment upgrades during 2009. Projects during the year included replacement of the booster pumps at the Ramey Pumping Station and fencing at the waste water treatment plant. Infrastructure upgrades included preliminary studies for the waste water treatment plant upgrade, network server improvement and upgrades, and operating equipment (trucks, radios, computers, etc.). Additional information regarding capital assets can be found starting on page 22 of the notes to the financial statements.
- The total cost of District programs was \$4.1 million for the fiscal year compared to \$3.9 million for the prior year. The 3.1% increase is consistent with the change in the consumer prices for the fiscal year.
- During the fiscal year, the District increased its cash and investments by \$697,469 while decreasing its liabilities (loans, notes payable, leases, and other amounts due to customers, vendors and others) by \$432,839.
- Over the past five years, the District has increased its cash and investments by \$2,781,475 while decreasing its liabilities by \$2,093,645.

### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances. The fund financial statements for governmental activities tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

#### The Statement of Net Assets and the Statement of Activities

One of the most important questions asked about the District's finances is "Is the District as a whole better off or worse off as a result of this year's activities?" The Statement of Net Assets and the Statement of Activities report activities of the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net assets and changes in them. You can think of the District's net assets--the difference between assets and liabilities--as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating. Other considerations not of a financial nature, such as changes in the District's property tax base and the condition of the District's physical infrastructure, should be considered while assessing the overall financial health of the District.

The Statement of Net Assets and the Statement of Activities divides the District into two types of activities:

- Governmental activities--The District's parks, recreation programs, open space zones, streetlight zones and management of the District's buildings at Pierson Park (Azalea Hall, the Activity Center, the Library and the Law Enforcement Facility). These activities are funded by property taxes, the Measure B Assessments (for recreational facility development), zone assessments, grants, donations and user fees.
- Business-type activities--The District charges fees to customers to cover the cost of services it provides. The District's water and sewer systems are reported here.

### Fund Financial Statements

The fund financial statements provide information about the most significant funds, not the District as a whole. The District's two kinds of funds--governmental and proprietary--use different accounting approaches.

- Governmental funds--The District's parks, recreation programs, open space zones, streetlight zones and building management functions are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for future expenditures. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the District's general governmental operations and the basic services it provides. Governmental fund information demonstrates whether there are greater or fewer financial resources, available in the near future to finance the District's programs. A description of relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is shown in the reconciliation at the bottom of the fund financial statements.
- Proprietary funds--When the District charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same manner that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the District's enterprise funds are the same as the business-type activities reported in the government-wide financial statements but provide more detail and additional information as well as cash flows.

### THE DISTRICT AS A WHOLE

For the year ended June 30, 2009, net assets changed as follows:

	Governmental Activities	Business-type Activities	Total
Beginning Net Assets	\$ 3,673,255	\$ 18,657,532	\$ 22,330,787
Increase in Net Assets	256,417	101,657	358,074
Ending Net Assets	<u>\$ 3,929,672</u>	<u>\$ 18,759,189</u>	<u>\$ 22,688,861</u>

That reflects an increase of 6.98% for governmental activities and an increase of 0.55% for business-type activities. The overall increase of \$358,074 represents a 1.60% increase in the net assets of the District as a whole. Over the past five years, the net assets of the District as a whole increased by \$3,555,798. That is an average annual increase of 3.72%.

## THE DISTRICT'S FUNDS

### Governmental Type Funds

Following is a comparison of revenues and expenditures for governmental activities, which includes operation of the District's parks, recreation programs, open space zones, streetlight zones and building management functions. It also includes revenues from fees assessed for operation of those programs, general property tax revenues and property assessments for the development and operation of the District's sports fields and recreation programs.

Recreation program revenues, of \$283,862, remained about the same as the prior year. Increased building operation cost of \$132,217 we primarily due to additional maintenance costs of \$92,774 for the Activity Center. Compared with FY08, General Fund revenues decreased by \$64,745 (5.07%) and expenditures decreased by \$6,166 (0.60%).

### General Fund Excess of Revenues Over Expenditures

	FYE 6/30/09	Percent	Increase (Decrease) From FYE 6/30/08	Percent Increase (Decrease)
	Amount	of Total		
Recreation programs fees \$	283,862	22.43%	\$ 1,865	0.70%
Property taxes	486,297	38.43%	(22,148)	-5.49%
Measure B assessments	193,724	15.31%	(320)	-0.17%
Donations and state grants	55,901	4.42%	(32,084)	-23.96%
Park and building rents and service fees	56,317	4.45%	(9,669)	-12.84%
Streetlight Zone Fees	78,257	6.18%	2,390	4.16%
Open space zone fees	50,031	3.95%	1,154	1.79%
Interest income	30,464	2.41%	(5,173)	-22.94%
Other revenues	30,592	2.42%	(760)	-1.23%
<b>Total revenues \$</b>	<b>1,265,445</b>	<b>100.00%</b>	<b>\$ (64,745)</b>	<b>-5.07%</b>
<b>Expenditures:</b>				
Principal and interest on debt \$	251,465	22.29%	\$ (25,437)	-11.23%
Recreation programs	270,149	23.94%	(102,020)	-46.85%
Capital expenditures	19,138	1.70%	(34,977)	-43.39%
Building operations	247,990	21.98%	132,217	111.41%
Streetlight zones	24,297	2.15%	(36,730)	-60.33%
Open space zone maintenance	35,536	3.15%	(485)	-1.09%
Other salaries and benefits	213,023	18.88%	21,233	9.90%
Other expenditures	66,763	5.92%	40,033	57.06%
<b>Total expenditures \$</b>	<b>1,128,361</b>	<b>100.00%</b>	<b>\$ (6,166)</b>	<b>-0.60%</b>
<b>Excess of operating revenues over expenditures \$</b>	<b>137,084</b>		<b>\$ (58,579)</b>	

### Business-Type Funds

In reviewing departmental net revenue, it should be noted that the growth McKinleyville has experienced in recent years has leveled. Water and sewer connection (capacity) fees for new construction totaled \$137,620, an increase of \$21,148 from the prior year. The District has sustained an approximate 2% population growth rate over the past ten years. It is clear that there will be increasing demand on the District's facilities as McKinleyville continues to grow. Overall operating revenues increased by 2.76% while operating expenses increased by 4.8%. The net operating (loss) for the year was \$83,745. The loss was primarily due to unexpected lab testing costs for sewer effluent discharge and a termination benefit relating to severance pay for a retiring employee (see note 5.F at page 29).

**Business-type Activities (Enterprise)  
Operating (Loss)**

	<b>FYE 6/30/09 Amount</b>	<b>Percent of Total</b>	<b>Increase (Decrease) from FYE 6/30/08</b>	<b>Percent Increase (Decrease)</b>
<b>Operating Revenues:</b>				
User Fees for Water \$	1,360,169	47.75%	\$ 23,127	1.77%
User Fees for Sewer	1,298,515	45.59%	82,385	7.09%
Connection, Extension and Other Fees	137,620	4.83%	21,148	5.25%
Leases and Other Operating Revenue	52,088	1.83%	(46,153)	-99.90%
<b>Total Operating Revenues</b>	<b>\$ 2,848,392</b>	<b>100.00%</b>	<b>\$ 80,507</b>	<b>2.76%</b>
<b>Operating Expenses:</b>				
Salaries and Benefits \$	1,363,663	46.51%	\$ 139,966	11.74%
Purchased Water	318,159	10.85%	(38,683)	-10.96%
Utilities, Maintenance and Repairs	263,551	8.99%	(3,541)	-1.06%
Depreciation of Plant	621,575	21.20%	793	0.13%
Other Operating Expenses	365,189	12.45%	30,118	16.43%
<b>Total Operating Expenses</b>	<b>\$ 2,932,137</b>	<b>100.00%</b>	<b>\$ 128,653</b>	<b>4.80%</b>
<b>Net Operating (Loss)</b>	<b>\$ (83,745)</b>		<b>\$ (48,146)</b>	

**THE DISTRICT'S FUNDS**

**Debt**

At year-end, the District had \$4,981,466 in outstanding State, Federal and commercial loans and a capital lease agreement compared with \$5,439,845 as of the end of the prior year. That is a decrease of \$458,379 or 8.43% of the principal balance. The District anticipates that additional long term debt will be required in order to meet its impending capital improvements. Additional information regarding the District's long-term debt can be found starting on page 24 of the notes to the financial statements.

**Variations from Final Budget for the General Fund**

The District's budget was not amended during the fiscal year. General Fund operating revenues were \$170,980 above budgeted amounts. This was primarily due to property tax revenues received being \$138,477 greater than anticipated. General Fund expenditures (including debt service and capital outlays) were within a \$21,500 variance from budgeted amounts.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the District's citizenry, customers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for funds in its care. Additional information about the District is available on the website; [www.mckinleyvillecsd.com](http://www.mckinleyvillecsd.com). Questions regarding the contents of this report or additional financial information can be directed to the District's business office at 1656 Sutter Road, McKinleyville, California.

**MCKINLEYVILLE COMMUNITY SERVICES DISTRICT**  
**Statement of Net Assets**  
**June 30, 2009**

	Governmental Activities	Business Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 1,234,147	\$ 5,096,687	\$ 6,330,834
Net receivables	14,624	142,286	156,910
Prepayments	4,494	5,430	9,924
Inventory	-	108,874	108,874
Total current assets	<u>1,253,265</u>	<u>5,353,277</u>	<u>6,606,542</u>
Noncurrent assets:			
Restricted cash and cash equivalents	-	751,181	751,181
Debt issuance costs	-	46,537	46,537
Net capital assets	<u>3,344,614</u>	<u>17,254,449</u>	<u>20,599,063</u>
Total noncurrent assets	<u>3,344,614</u>	<u>18,052,167</u>	<u>21,396,781</u>
Total assets	<u>\$ 4,597,879</u>	<u>\$ 23,405,444</u>	<u>\$ 28,003,323</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 7,859	\$ 83,285	\$ 91,144
Accrued liabilities	69,694	-	69,694
Deposits	7,000	12,559	19,559
Compensated absences	7,774	46,018	53,792
Interest payable	8,169	20,433	28,602
Capital leases, bonds and loans due within one year	<u>235,988</u>	<u>234,661</u>	<u>470,649</u>
Total current liabilities	<u>336,484</u>	<u>396,956</u>	<u>733,440</u>
Noncurrent liabilities:			
Davis Grunsky Act Loan	-	2,545,198	2,545,198
State revolving loans	-	444,743	444,743
Bonds payable	-	855,000	855,000
Bank loan	-	341,675	341,675
Capital lease obligations	324,201	-	324,201
Compensated absences payable	<u>7,522</u>	<u>62,683</u>	<u>70,205</u>
Total noncurrent liabilities	<u>331,723</u>	<u>4,249,299</u>	<u>4,581,022</u>
Total liabilities	<u>668,207</u>	<u>4,646,255</u>	<u>5,314,462</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	2,784,425	12,879,709	15,664,134
Restricted for:			
Debt service	-	751,181	751,181
Unrestricted	<u>1,145,247</u>	<u>5,128,299</u>	<u>6,273,546</u>
Total net assets	<u>3,929,672</u>	<u>18,759,189</u>	<u>22,688,861</u>
Total liabilities and net assets	<u>\$ 4,597,879</u>	<u>\$ 23,405,444</u>	<u>\$ 28,003,323</u>

See accompanying notes to the basic financial statements



**MCKINLEYVILLE COMMUNITY SERVICE DISTRICT**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2009**

Functions/Programs	Program Revenues					Net (Expenses) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Governmental Activities	Business-type Activities	Total	District Government
<b>District government:</b>									
Governmental activities:									
Parks and recreation services	\$ 964,351	\$ 403,034	\$ -	47,097	(514,220)	-	-	(514,220)	
Street lighting	66,958	78,257	-	-	11,299	-	-	11,299	
Interest	20,271	-	-	-	(20,271)	-	-	(20,271)	
Total governmental activities	1,051,580	481,291	-	47,097	(523,192)	-	-	(523,192)	
<b>Business-Type Activities:</b>									
Water	1,500,863	1,455,991	-	15,478	-	(29,394)	-	(29,394)	
Wastewater	1,559,296	1,392,401	-	174,054	-	7,159	-	7,159	
Total business-type activities	3,060,159	2,848,392	-	189,532	(22,235)	-	-	(22,235)	
Total District government	\$ 4,111,739	\$3,329,683	\$ -	\$ 236,629	(523,192)	(523,192)	(22,235)	(545,427)	
<b>General revenues and transfers</b>									
Property taxes					\$ 486,297	\$ -	-	\$ 486,297	
Special assessments					193,724	-	-	193,724	
Unrestricted investment earnings					30,464	166,443	-	196,907	
Other general revenues					26,573	-	-	26,573	
Transfers					42,551	(42,551)	-	-	
Total general revenues					779,609	123,892	-	903,501	
<b>Change in net assets</b>					256,417	101,657	-	358,074	
Net assets, beginning					3,673,255	18,657,532	-	22,330,787	
Net assets, ending					\$ 3,929,672	\$ 18,759,189	-	\$ 22,688,861	

See accompanying notes to the basic financial statements

**MCKINLEYVILLE COMMUNITY SERVICES DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2009**

	<b>General Fund (Parks and Recreation)</b>	<b>Street Lighting Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash and investments	\$ 1,216,634	\$ 17,513	\$ 1,234,147
Interest receivable	8,765	-	8,765
Accounts receivable	2,374	3,485	5,859
Prepayments	3,854	640	4,494
Total assets	<u>\$ 1,231,627</u>	<u>\$ 21,638</u>	<u>\$ 1,253,265</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 7,713	\$ 146	\$ 7,859
Accrued liabilities	77,468	-	77,468
Deposits	6,900	100	7,000
Total liabilities	<u>92,081</u>	<u>246</u>	<u>92,327</u>
Fund balances:			
Reserved	3,854	640	4,494
Unreserved:			
Undesignated	<u>1,135,692</u>	<u>20,752</u>	<u>1,156,444</u>
Total fund balances	<u>1,139,546</u>	<u>21,392</u>	<u>1,160,938</u>
Total liabilities and fund balances	<u>\$ 1,231,627</u>	<u>\$ 21,638</u>	<u>\$ 1,253,265</u>
Total Governmental Fund Balances			\$ 1,160,938
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds			3,344,614
Some liabilities, including compensated absences are not due and payable in the current period and, therefore, are not reported in the funds			<u>(575,880)</u>
Net Assets of Governmental Activities			<u>\$ 3,929,672</u>

See accompanying notes to the basic financial statements

**MCKINLEYVILLE COMMUNITY SERVICES DISTRICT**  
**Statements of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2009**

	General Fund (Parks and Recreation)	Street Lighting Fund	Total Governmental Funds
<b>REVENUES</b>			
Property taxes	\$ 486,297	\$ -	\$ 486,297
Assessments	193,724	-	193,724
Intergovernmental	47,097	-	47,097
Interest	30,308	156	30,464
Charges for services	403,034	78,257	481,291
Miscellaneous	26,573	-	26,573
	<hr/>	<hr/>	<hr/>
Total revenues	1,187,033	78,413	1,265,446
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Current:			
Recreation programs, parks, open space, facilities and other cultural activities	790,801	-	790,801
Street lighting	-	66,958	66,958
Debt service:			
Principal	227,871	-	227,871
Interest	23,594	-	23,594
Capital outlay	19,138	-	19,138
	<hr/>	<hr/>	<hr/>
Total expenditures	1,061,404	66,958	1,128,362
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over expenditures	125,629	11,455	137,084
	<hr/>	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	59,856	-	59,856
Transfers out	-	(17,305)	(17,305)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	59,856	(17,305)	42,551
	<hr/>	<hr/>	<hr/>
Net change in fund balances	185,485	(5,850)	179,635
	<hr/>	<hr/>	<hr/>
Fund balances, July 1	954,061	27,242	981,303
	<hr/>	<hr/>	<hr/>
Fund balances, June 30	\$ 1,139,546	\$ 21,392	\$ 1,160,938
	<hr/>	<hr/>	<hr/>

See accompanying notes to the basic financial statements

**MCKINLEYVILLE COMMUNITY SERVICE DISTRICT**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures and Changes in Fund Balances of**  
**Governmental Funds to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2009**

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 179,635</u>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$19,138) exceed depreciation (\$176,516) in the current period.	(157,378)
Changes in accrued interest payable are not a use or source of current financial resources and are therefore not reported in the funds	3,323
Changes in compensated absences payable are not a source or use of current financial uses and are therefore not reported in the funds	2,966
Repayment of long-term obligations such as capital leases is an expenditure in the governmental funds, but the repayment reduces liabilities in the statement of net assets; and is therefore not reported as an expense in the statement of activities	<u>227,871</u>
Net differences	<u>76,782</u>
Change in Net Assets of Governmental Activities	<u>\$ 256,417</u>

See accompanying notes to the basic financial statements

**MCKINLEYVILLE COMMUNITY SERVICES DISTRICT**

**Statement of Net Assets**

**Proprietary Funds**

**June 30, 2009**

	Enterprise Funds		
	Water	Wastewater	Totals
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 1,971,987	\$ 3,124,700	\$ 5,096,687
Receivables(net)	73,981	68,305	142,286
Inventory	76,185	32,689	108,874
Prepayments	-	5,430	5,430
Total current assets	2,122,153	3,231,124	5,353,277
Noncurrent assets:			
Other assets:			
Cash and cash equivalents	592,111	159,070	751,181
Debt issuance costs	-	46,537	46,537
Total other noncurrent assets	592,111	205,607	797,718
Capital assets:			
Land and land rights	344,798	3,232,589	3,577,387
Buildings and shops	149,197	147,597	296,794
Water treatment plant	2,623,688	-	2,623,688
Water Lines and pumping stations	6,557,923	-	6,557,923
Wastewater lines and collection system	-	9,719,023	9,719,023
Wastewater pumping stations and facilities	-	6,772,120	6,772,120
Vehicles	250,276	451,696	701,972
Equipment and other	445,216	530,980	976,196
Construction in progress	27,579	109,432	137,011
Less accumulated depreciation	(5,233,970)	(8,873,695)	(14,107,665)
Net capital assets	5,164,707	12,089,742	17,254,449
Total noncurrent assets	5,756,818	12,295,349	18,052,167
Total assets	\$ 7,878,971	\$ 15,526,473	\$ 23,405,444
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 54,256	\$ 29,029	\$ 83,285
Deposits and refunds	12,559	-	12,559
Interest payable	-	20,433	20,433
Compensated absences	23,009	23,009	46,018
Bonds and loans			
due within one year	85,726	148,935	234,661
Total current liabilities	175,550	221,406	396,956
Noncurrent liabilities:			
Davis Grunsky Act Loan	2,545,198	-	2,545,198
State Revolving Fund Loan	-	245,521	245,521
State Revolving Fund Loan	-	199,222	199,222
FMHA bonds payable	-	855,000	855,000
Bank Loan	-	341,675	341,675
Compensated absences	31,342	31,341	62,683
Total noncurrent liabilities	2,576,540	1,672,759	4,249,299
Total Liabilities	2,752,090	1,894,165	4,646,255
<b>Net Assets</b>			
Invested in capital assets, net of related debt	2,533,783	10,345,926	12,879,709
Restricted	592,111	159,070	751,181
Unrestricted	2,000,987	3,127,312	5,128,299
Total net assets	\$ 5,126,881	\$ 13,632,308	\$ 18,759,189

See accompanying notes to the basic financial statements



**MCKINLEYVILLE CUMMUNITY SERVICES DISTRICT**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2009**

	Enterprise Funds		
	Water	Wastewater	Totals
<b>Operating Revenues:</b>			
Sale of water	\$ 1,360,169	\$ -	\$ 1,360,169
Services fees	-	1,298,515	1,298,515
Other operating revenues	95,822	93,886	189,708
Total operating revenues	1,455,991	1,392,401	2,848,392
<b>Operating Expenses:</b>			
Personnel services	661,031	702,632	1,363,663
Purchased water	318,159	-	318,159
Utilities	44,775	85,301	130,076
Insurance	22,746	22,746	45,492
Other supplies and expenses	176,332	269,334	445,666
Depreciation and amortization	221,484	407,597	629,081
Total operating expenses	1,444,527	1,487,610	2,932,137
Operating income (loss)	11,464	(95,209)	(83,745)
<b>Non-Operating Revenues</b>			
<b>(Expenses)</b>			
Interest expense	(56,336)	(71,686)	(128,022)
Interest and investment revenue	76,662	89,781	166,443
Net non-operating revenues			
(expenses)	20,326	18,095	38,421
Income(loss)before capital contributions			
and transfers	31,790	(77,114)	(45,324)
<b>Capital Contributions and Transfers</b>			
Transfers out	-	(42,551)	(42,551)
Capital contributions	15,478	174,054	189,532
Total capital contributions and transfers	15,478	131,503	146,981
Change in net assets	47,268	54,389	101,657
Total net assets, July 1	5,079,613	13,577,919	18,657,532
Total net assets, June 30	\$ 5,126,881	\$ 13,632,308	\$ 18,759,189

See accompanying notes to the basic financial statements

**MCKINLEYVILLE COMMUNITY SERVICE DISTRICT**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2009**

	Enterprise Funds		
	Water	Wastewater	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$1,363,750	\$ 1,299,407	\$ 2,663,157
Payments to suppliers	(543,752)	(373,891)	(917,643)
Other operating receipts	95,822	93,886	189,708
Payments to employees	(678,783)	(724,892)	(1,403,675)
Net cash provided by (used for) operating activities	237,037	294,510	531,547
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers out	-	(42,551)	(42,551)
Advances to other funds	14	-	14
Net cash provided by (used for) noncapital financing activities	14	(42,551)	(42,537)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Principal paid on long-term debt	(84,050)	(146,458)	(230,508)
Interest paid on long-term debt	(56,336)	(74,405)	(130,741)
Capital contributions	15,478	174,054	189,532
Purchases of capital assets	(54,222)	(109,906)	(164,128)
Net cash provided by (used for) capital and related financing activities	(179,130)	(156,715)	(335,845)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest receipts	84,657	98,915	183,572
Net cash provided by investing activities	84,657	98,915	183,572
Net change in cash and cash equivalents	142,578	194,159	336,737
Balances-beginning of the year	2,421,520	3,089,611	5,511,131
Balances-end of the year	\$2,564,098	\$ 3,283,770	\$ 5,847,868

See accompanying notes to the basic financial statements

**MCKINLEYVILLE COMMUNITY SERVICE DISTRICT**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2009**

	Enterprise Funds		
	Water	Wastewater	Totals
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>			
Operating income (loss)	\$ 11,464	\$ (95,209)	\$ (83,745)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	221,484	407,597	629,081
Change in assets and liabilities:			
Receivables, net	3,795	892	4,687
Inventory	4,716	(1,342)	3,374
Prepayments	1,481	(3,985)	(2,504)
Accounts payable	12,063	8,817	20,880
Other liabilities	(17,966)	(22,260)	(40,226)
Net cash provided by (used for) operating activities	<u>\$ 237,037</u>	<u>\$ 294,510</u>	<u>\$ 531,547</u>

**Noncash capital financing activities:**

None:

See accompanying notes to the basic financial statements

# MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

## Notes to the Basic Financial Statements June 30, 2009

### 1. Summary of Significant Accounting Policies

#### A. Reporting Entity

The District is a Community Services District governed by an elected five member Board of Directors. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable.

There are no legally separate component units or entities for which the District is financially accountable.

#### B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely, to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

#### C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the *proprietary fund financial statements*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

# MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

## Notes to the Basic Financial Statements June 30, 2009

### Note 1. Summary of Significant Accounting Policies (continued)

#### C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Property taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The District reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Street Lighting Fund*, a *nonmajor special revenue fund*, is maintained to account for the fees collected and used to fund street lighting services.

The District reports the following major proprietary funds:

The *water fund* accounts for the operations of the District's water treatment and distribution system. The *wastewater fund* accounts for the operation of the District's wastewater collection activities.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the District's water and wastewater function and other functions of the District. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the costs of sales and services, administration costs and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.



# **MCKINLEYVILLE COMMUNITY SERVICES DISTRICT**

## **Notes to the Basic Financial Statements June 30, 2009**

### **Note 1. Summary of Significant Accounting Policies (Continued)**

#### **D. Assets, Liabilities, and Net Assets or Equity**

##### **1. Deposits and Investments**

The District is authorized by its most recent investment policy to invest in the State of California Local Agency Investment Fund, U.S. Treasury bonds, bills, and notes, obligations issued by US Government agencies, banker's acceptances, repurchase agreements, and time deposits and savings and demand accounts and the Humboldt County Treasurer's Investment Fund.

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short term investments with original maturities of three months or less from the date of acquisition.

Investments for the District are reported at fair value. The State Treasurer's Investment Pool and the Humboldt County Treasurer's Investment Pool operate in accordance with appropriate state laws and regulations. The reported value of the pools is the same as the fair value of the pool shares.

##### **2. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable government funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are not shown net of an allowance for uncollectibles.

Property taxes are levied as of March 1 on property values assessed as of the same date. State statutes provide that the property tax rate be limited generally to one percent of market value, be levied by only the County, and be shared by applicable jurisdictions. The County of Humboldt collects the taxes and distributes them to taxing jurisdictions on the basis of assessed valuations subject to voter-approved debt. Property taxes are due on November 1 and March 1, and become delinquent on December 10 and April 10. The District receives property taxes pursuant to an arrangement with the County known as the "Teeter Plan". Under the plan, the County assumes responsibility for the collection of delinquent taxes and pays the full allocation to the District. The District recognizes property tax revenues in the fiscal year in which they are due to the District.

##### **3. Inventories and Prepaid Items**

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when used or consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

# MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

## Notes to the Basic Financial Statements June 30, 2009

### Note 1. Summary of Significant Accounting Policies (Continued)

#### D. Assets, Liabilities, and Net Assets or Equity (Continued)

#### 4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental-type or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Under the GASB 34 Implementation Rules, the District is a Phase 3 entity and was not required to record infrastructure assets existing or acquired prior to July 1, 2003 at the date these new financial reporting standards were implemented; and the District has not recorded such assets. The costs of normal maintenance and repairs that do not add to the value of asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of the business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20 to 50
Water system	30 to 50
Other infrastructure	10 to 50
Machinery and equipment	5 – 10
Improvements	10 to 20

#### 5. Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is a liability for a portion of unpaid accumulated sick leave since the District does have a policy to pay certain amounts when employees separate from service with the District. All vacation pay and applicable sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

#### 6. Long-term Obligations

In the government-wide financial statements, and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets.

#### 7. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

# MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

## Notes to the Basic Financial Statements June 30, 2009

### 8. Comparative Data

Comparative total data for the prior year have been presented in order to provide an understanding of the changes in net assets. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current years' presentation.

### 2. Reconciliation of Government-wide and Fund Financial Statements

#### A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statements of net assets. One element of that reconciliation explains that "capital assets are not financial resources and are not reported in the funds." The details of this \$ 3,344,614 difference are as follows:

Capital assets	\$ 5,239,299
Less: Accumulated depreciation	<u>(1,894,685)</u>
Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u>\$ 3,344,614</u>

Another element of the reconciliation explains that "long-term liabilities" are not due and payable in the current period and are therefore not reported in the funds. The details of this \$575,880 difference are as follows:

Long-Term Debt Obligations	
Capital lease obligations	\$ 560,189
Accrued interest payable	8,169
Compensated absences	<u>7,522</u>
Net adjustment to decrease fund balance total governmental Funds to arrive at net assets - governmental activities	<u>\$ ( 575,880)</u>

#### B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$ 76,782 difference and other significant components of the difference are as follows:

Capital outlay	\$ 19,138
Depreciation expense	(176,516)
Other items	6,289
Repayment of long-term debt principal	<u>227,871</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 76,782</u>

MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

Notes to the Basic Financial Statements  
June 30, 2009

2. Stewardship, Compliance, and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis of consistent with generally accepted accounting principles for all governmental funds. Appropriations lapse at fiscal year end. The appropriated budget is prepared by fund, function and department. The District Manager may make transfers of appropriations within a department. Transfers between departments and other changes require Board of Director's approval. The legal level of control is the department and fund level. The District made supplemental appropriations during the fiscal year. Encumbrance accounting is not employed in governmental funds. The general fund exceeded its budget by \$21,243.

4. Detailed Notes on All Funds

A. Deposits and Investments

Deposits and investments at June 30, 2009 consisted of the following:

Demand deposits and cash on hand	\$ 267,296
Investments with Humboldt County Treasurer	6,530,157
Investments with Local Agency Investment Fund	125,492
Investments with US Bank	<u>159,070</u>

Total deposits and investments \$ 7,082,015

*Custodial Credit Risk* - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy for deposits is that they will be made only in institutions in California, they shall be insured or collateralized with United States backed securities, and time certificates of deposit shall have a maturity of less than five years. At June 30, 2009, \$73,785 of the District's bank balances of \$ 323,785 was exposed to credit risk.

Investments - At June 30, 2009, the District had the following investments.

<i>Investment</i>	<i>Maturities</i>	<i>Fair Value</i>
Humboldt County Treasurer's Investment Fund	Average 830 days	\$ 6,530,157
U.S.Bank Money Market Funds	Unknown	159,070
Local Agency Investment Fund (LAIF)	Average 235 days	<u>125,492</u>
Totals		<u>\$ 6,814,719</u>

*Interest Rate Risk* - As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy limits the District's investment portfolio to investments in securities having maturities less than five years at the time of purchase.

*Credit Risk* - State law limits investments in various securities to certain level of risk ratings issued by nationally recognized statistical rating organizations. It is the District's policy to comply with State law as regards securities ratings. The Local Agency Investment Fund (LAIF) and the Humboldt County Treasurer's Investment Fund are unrated. The U.S.Bank money market funds were rated as AAA at year end.



# MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

## Notes to the Basic Financial Statements June 30, 2009

### 4. Detailed Notes on All Funds (Continued)

#### A. Deposits and Investments(Continued)

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's only investments are in the LAIF, the Humboldt County Treasurer's Investment Fund and in money Markey funds; and these investments are not evidenced by specific securities in the name of the District and are therefore not subject to custodial credit risk.

#### B. Receivables

Receivables as of year-end for the government's individual major and nonmajor funds in the aggregate, net of the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Street Lighting Fund	Total Governmental	Water	Wastewater	Total Business- Type
Interest	\$ 8,765	\$ -	\$ 8,765	\$ 17,300	\$ 19,971	\$ 37,271
Accounts	2,374	3,485	5,859	56,681	48,334	105,015
Totals	<u>\$ 11,139</u>	<u>\$ 3,485</u>	<u>\$ 14,624</u>	<u>\$ 73,981</u>	<u>\$ 68,305</u>	<u>\$ 142,286</u>

#### C. Interfund Transfers

1. The composition of interfund balances was:

Receiving Fund	Transferring Fund	Amount
General fund for debt service	Wastewater enterprise	\$ 42,551
	Total	<u>\$ 42,551</u>

**MCKINLEYVILLE COMMUNITY SERVICES DISTRICT**

**Notes to the Basic Financial Statements  
June 30, 2009**

**4. Detailed Notes on All Funds (Continued)**

**D. Capital Assets**

Capital asset activity relating to governmental activities for the year ended June 30, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated				
Land	\$ 1,214,858	\$ -	\$ -	\$ 1,214,858
Total capital assets, not being depreciated	<u>1,214,858</u>	<u>-</u>	<u>-</u>	<u>1,214,858</u>
Capital assets, being depreciated:				
Buildings	2,221,291	-	-	2,221,291
Street lighting	331,520	-	-	331,520
Tools and equipment	235,545	8,545	-	244,090
Vehicles	44,071	10,593	-	54,664
Improvements	<u>1,172,876</u>	<u>-</u>	<u>-</u>	<u>1,172,876</u>
Total capital assets being depreciated	<u>4,005,303</u>	<u>19,138</u>	<u>-</u>	<u>4,024,441</u>
Less accumulated depreciation for:				
Buildings	(921,402)	(76,120)	-	(997,522)
Street lighting	(98,373)	(11,051)	-	(109,424)
Tools and equipment	(161,086)	(19,864)	-	(180,950)
Vehicles	(38,982)	(2,544)	-	(41,526)
Improvements	<u>(498,326)</u>	<u>(66,937)</u>	<u>-</u>	<u>(565,263)</u>
Total accumulated depreciation	<u>(1,718,169))</u>	<u>(176,516)</u>	<u>-</u>	<u>(1,894,685))</u>
Total capital assets, being depreciated, net	<u>2,287,134</u>	<u>(157,378)</u>	<u>-</u>	<u>2,129,756</u>
Governmental activities capital assets, net	<u>\$ 3,501,992</u>	<u>\$ (157,378)</u>	<u>\$ -</u>	<u>\$ 3,344,614</u>

# MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

## Notes to the Basic Financial Statements June 30, 2009

### 4. Detailed Notes on All Funds (Continued)

#### D. Capital Assets

Capital asset activity relating to business-type activities for the year ended June 30, 2009 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated				
Land and rights of way	\$ 3,577,387	\$ -	\$ -	\$ 3,577,387
Construction in progress	85,304	51,707	-	137,011
Total capital assets, not being depreciated	3,662,691	51,707	-	3,714,398
Capital assets, being depreciated:				
Buildings and shops	286,505	10,289	-	296,794
Water treatment plant	2,623,688	-	-	2,623,688
Water lines and pumping stations	6,528,635	29,288	-	6,557,923
Wastewater lines and collection system	9,719,023	-	-	9,719,023
Wastewater pumping stations and facilities	6,730,663	41,457	-	6,772,120
Vehicles	686,099	15,873	-	701,972
Equipment and other capital items	960,683	15,513	-	976,196
Total capital assets being depreciated	27,535,296	112,420	-	27,647,716
Less accumulated depreciation for:				
Buildings and shops	(124,469)	(9,750)	-	(134,219)
Water treatment plant	(1,148,119)	(61,420)	-	(1,209,539)
Water lines and pumping stations	(3,249,366)	(131,098)	-	(3,380,464)
Wastewater lines, stations and facilities	(7,695,596)	(344,867)	-	(8,040,463)
Vehicles, equipment and other items	(1,268,540)	(74,440)	-	(1,342,980)
Total accumulated depreciation	(13,486,090)	(621,575)	-	(14,107,665)
Total capital assets, being depreciated, net	14,049,206	(509,155)	-	13,540,051
Business-type activities capital assets, net	\$ <u>\$17,711,897</u>	\$ <u>(457,448)</u>	\$ -	\$ <u>17,254,449</u>

# MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

## Notes to the Basic Financial Statements June 30, 2009

### 4. Detailed Notes on All Funds (Continued)

#### D. Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the District as follows:

**Governmental activities:**

Street lighting	\$ 11,051
Parks and recreation	165,465
Total depreciation expense-governmental activities	<u>\$ 176,516</u>

**Business-type activities:**

Water	\$ 221,484
Wastewater	400,091
Total depreciation expense-business type activities	<u>\$ 621,575</u>

#### E. Long-Term Debt

##### *Capital Lease Obligation – Governmental Activities*

The District, in 2003, entered into a refunding lease agreement with Delta Financing Corporation for the purpose of advance refunding a previous refunding lease entered into in 1998 related to obtaining financing for the acquisition by the District of real property. The 2003 lease had an original principal amount of \$1,956,768 with interest at 3.50 percent per annum. The lease is secured by the related real property and the District has not pledged any specific revenue for its repayment. The District has agreed to make the lease payments from any source of legally available revenues. Future debt service on the lease is as follows:

Fiscal Year Ending June 30	Totals
2010	\$ 251,465
2011	167,824
2012	<u>167,824</u>
Total minimum lease payments	587,113
Less amount representing interest	<u>(26,924)</u>
Present value net minimum lease payments	<u>\$ 560,189</u>

##### *Davis Grunsky Act Loan – Water Enterprise*

The District in 1971 entered into a loan agreement with the State of California for a construction loan to finance improvements to the District's water system. The original loan amount was not to exceed \$3,673,000 and was to bear interest at 2.5 percent per annum. Under the arrangement, the District was permitted to defer payment of interest on the loan for the first 10 years with such interest to be repaid over the remaining 40 year term of the loan. The District was required to establish a reserve fund in an amount specified by the State. The District as an entity has pledged to make the loan principal and interest repayments; and it has not pledged any specific revenue for repayment. The District is obligated to levy taxes or assessments for the loan repayments should it not have sufficient resources available to make the scheduled payments. Future debt service on the loan is:



**MCKINLEYVILLE COMMUNITY SERVICES DISTRICT**

**Notes to the Basic Financial Statements  
June 30, 2009**

**4. Detailed Notes on All Funds (Continued)**

**E. Long-Term Debt (Continued)**

*Davis Grunsky Act Loan- Water Enterprise (Continued)*

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 85,726	\$ 54,701	\$ 140,427
2011	87,443	52,962	140,405
2012	89,203	51,249	140,452
2013	91,008	49,285	140,293
2014	92,856	47,481	140,337
2015-2019	493,683	207,639	701,322
2020-2024	547,365	152,329	699,694
2025-2029	608,100	91,769	699,869
2030-2034	535,540	23,775	559,315
Totals	<u>\$ 2,630,924</u>	<u>\$ 731,190</u>	<u>\$ 3,362,114</u>

*State Revolving Fund Loans*

The District in 1996 obtained a \$810,628 no interest loan from the State Water Resources Control Board for the purpose of obtaining financing to expend the District's wastewater treatment plant. The District as an entity is obligated to make the loan repayments and a specific revenue source is not pledged for its repayment. The District is obligated to levy taxes or assessments should it not have other revenues available for repayment of this obligation. Future debt service is:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 40,920	\$ -	\$ 40,920
2011	40,920	-	40,920
2012	40,920	-	40,920
2013	40,920	-	40,920
2014	40,920	-	40,920
2015-2016	81,841	-	81,841
Totals	<u>\$ 286,441</u>	<u>\$ -</u>	<u>\$ 286,441</u>

The District in 1998 obtained a \$430,293 loan from the State Water Resources Control Board bearing interest at 2.6 percent per annum for the purpose of obtaining financing for Phase 2 of its sewer capacity expansion project. The District as an entity is obligated to fund the loan repayments. The District is obligated to levy taxes or assessments should it not have other revenues available for repayment of the obligation. Future debt service is:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 22,150	\$ 5,756	\$ 27,906
2011	22,727	5,179	27,906
2012	23,317	4,589	27,906
2013	23,924	3,982	27,906
2014	24,546	3,360	27,906
2015-2018	104,709	6,891	111,600
Totals	<u>\$ 221,373</u>	<u>\$ 29,757</u>	<u>\$ 251,130</u>

# MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

## Notes to the Basic Financial Statements June 30, 2009

### 4. Detailed Notes on All Funds (Continued)

#### Long-Term Debt (Continued)

##### *Sewer Revenue Bonds*

The District in 1982 sold \$1,575,000 in its 1982 Sewer Revenue Bonds which bonds were purchased by the Rural Development Division of the United States Department of Agriculture. Under the arrangement, the District was to construct wastewater system improvements. The District is obligated to make semiannual payments of principal and interest in amounts sufficient to pay the principal and interest on the bonds. The District's repayment obligation is secured by a pledge of the net revenues of its wastewater enterprise. The bonds bear interest at 5.0 percent and mature each August 1 through August 1, 2022. The District's debt service on the bonds is as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 50,000	\$ 44,000	\$ 94,000
2011	50,000	41,500	91,500
2012	50,000	39,000	89,000
2013	60,000	36,250	96,250
2014	60,000	33,250	93,250
2015-2019	330,000	119,000	449,000
2020-2023	305,000	29,375	334,375
Totals	<u>\$ 905,000</u>	<u>\$ 342,375</u>	<u>\$ 1,247,375</u>

Annual principal and interest payments on the bonds are expected to require less than 17 percent of system net revenues. Total principal and interest remaining to be paid on the bonds is \$1,247,375. Principal and interest paid for the current fiscal year and total system net revenues as defined were, \$96,500 and \$576,223, respectively.

##### *Bank Loan*

The District in fiscal year 1998 obtained a \$675,000 Loan from Umpqua for the purpose of financing wastewater system improvements. The loan bears interest at 5.50 percent per annum and is repayable in monthly payments of \$4,644 interest and principal taken together and matures on December 4, 2107.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 35,864	\$ 19,870	\$ 55,734
2011	37,887	17,847	55,734
2012	40,024	15,710	55,734
2013	42,282	13,452	55,734
2014	44,667	11,067	55,734
2015-2018	176,815	18,251	195,066
Totals	<u>\$ 377,539</u>	<u>\$ 96,197</u>	<u>\$ 473,736</u>

# MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

## Notes to the Basic Financial Statements June 30, 2009

### 4. Detailed Notes on All Funds (Continued)

#### Long-Term Debt (Continued)

##### *Changes in Long-term liabilities*

Long-term debt activity for the 2009 fiscal year was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental</b>					
<b>Activities:</b>					
Capital lease obligations	\$ 788,060	\$ -	\$ 227,871	\$ 560,189	\$ 235,988
Compensated absences	19,013	4,808	8,525	15,296	7,774
<b>Total</b>	<b>\$ 807,073</b>	<b>\$ 4,808</b>	<b>\$ 236,396</b>	<b>\$ 575,485</b>	<b>\$ 243,762</b>
<b>Business-Type Activities:</b>					
Davis-Grunsky Act Loan	\$ 2,714,974	\$ -	\$ 84,050	\$ 2,630,924	\$ 85,726
State Revolving Loan	327,361	-	40,920	286,441	40,920
State Revolving Loan	242,962	-	21,589	221,373	22,151
USDA Bonds	955,000	-	50,000	905,000	50,000
Bank loan	411,488	-	33,949	377,539	35,864
Compensated absences	132,522	108,701	132,522	108,701	46,018
<b>Totals</b>	<b>\$ 4,784,307</b>	<b>\$ 108,701</b>	<b>\$ 363,030</b>	<b>\$ 4,529,978</b>	<b>\$ 280,679</b>

### 5. Other Information

#### A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries insurance. The District, due to the costs of available coverage, participates as a member of the Special District Risk Management Authority (SDRMA) for purposes of general liability, property coverages and for workers compensation insurance.

SDRMA provides joint protection programs for public entities covering automobile, general liability, errors and omissions claims. Under the program, the District has a \$500 retention limit similar to a deductible with the SDRMA being responsible for losses above that amount up to \$2.5 million for liability combined single limit. Property coverage is also provided up to the replacement cost of the property with a combined total for SDRMA members of one billion dollars per occurrence.

The SDRMA provides also employee dishonesty coverage with limits of \$400,000 per loss. Boiler and machinery coverage is provided to members with coverage of up to \$100 million of replacement cost, and comprehensive and collision on selected vehicles. The District's obligations under the arrangement are to pay billed premiums for the specified coverages. The SDRMA may pay dividends to members or may make additional assessments depending on loss experience, but no dividends have been declared and no additional assessments have been levied.

## MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

### Notes to the Basic Financial Statements June 30, 2009

#### 5. Other Information (Continued)

##### A. Risk Management (Continued)

The SDRMA provides workers compensation statutory insurance coverage and \$5 million for Employer's liability coverage subject to the terms, conditions, and exclusions provided in the memorandum of Coverage. Financial information pertaining to SDRMA can be obtained from its administrative offices at 1112 I Street, Suite 300, Sacramento, California 95814.

Liabilities of the District are reported in the statement of net assets when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The District's only exposure to claim liabilities would be for losses or additional assessments, if any, not covered by or imposed by SDRMA.

There have been no significant changes in insurance coverages in fiscal 2009 other than disclosed in the above paragraphs. Settlements have not exceeded coverage for each of the past three fiscal years. The District had no material uninsured claim liabilities at June 30, 2009 or 2008.

##### B. Contingencies and Commitments

*Litigation.* The District is involved in litigation incurred in the normal course of conducting District business. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the District.

*Grants and allocations.* Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal and state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

*Wastewater Discharge Permit and the California Toxic Rule.* The District was issued a new Discharge permit by the State which permit contains compliance provisions that may require the District to expend considerable sums of money in order to fulfill compliance requirements. Similar compliance and financing issues surround the District's ability to meet future effluent standards regarding pesticides, insecticides, copper, lead, and other compounds.

##### C. Public Employees Retirement System

*Plan Description.* The District contributes to the California Public Employees Retirement System (PERS), a cost sharing, multiple-employer, public employee, defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by the State statute and District ordinance. The PERS issues publicly available financial reports that include financial statements and required supplementary information. Copies of PERS annual financial report may be obtained from their executive office, 400 "P" Street, Sacramento, California 95814.



# MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

## Notes to the Basic Financial Statements June 30, 2009

### 5. Other Information (Continued)

#### C. Public Employees Retirement System (Continued)

*Funding Policy and Annual Pension Cost.* Plan members are required to contribute 7.0 percent of their annual covered salary for regular employees and the District is required to make contributions at actuarially determined rates. The current District rates were 7.841 percent of covered payroll. The contribution requirements of plan members and the District are established by resolutions and contracts and may be amended by PERS. The District's annual pension cost for the most recent three years for each plan is as follows:

#### Three-year Trend of Information

Plan	Year Ending	Annual Pension Cost	Percentage of APC Contributed	Net Pension Obligation
Regular employees	6/30/07	\$ 77,114	100%	\$ -
	6/30/08	\$ 78,159	100%	\$ -
	6/30/09	\$ 82,753	100%	\$ -

#### D. Restricted Net Assets and Designated Fund Balances

The \$751,181 restricted net assets in the business type activities represents assets that can be used only in accordance with restrictions imposed by debt service financing agreements.

Reserved fund balances consisted of the following:

Purpose	General Fund	Street Lighting Fund	Totals
Prepayments	\$ 3,854	\$ 640	\$ 4,494
	<u>\$ 3,854</u>	<u>\$ 640</u>	<u>\$ 4,494</u>

#### E. Post Employment Benefits Other Than Pensions

The District provides post employment health insurance benefits in accordance with local agreements for certain employees who retire from District employment. Currently, there are two retirees receiving such benefits. The District funds these costs on a pay as you go basis. For the fiscal year ended June 30, 2009, the District paid \$36,882.

#### F. Termination Benefits

The District in its discretion may pay termination benefits to employees being terminated from District employment either voluntarily or involuntarily. For the fiscal year ended June 30, 2009, the District paid \$56,670 in a termination benefit relating to severance pay for one employee.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Required Supplementary Information**  
**McKinleyville Community Services District**  
**Budgetary Comparison Schedule - General Fund**  
**For the Fiscal Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Fund Balance, July 1</b>	\$ 954,061	\$ 954,061	\$ 954,061	\$ -
<b>Resources (inflows):</b>				
Property taxes	347,820	347,820	486,297	138,477
Assessments Measure B	198,716	198,716	193,724	(4,992)
Intergovernmental	48,000	48,000	47,097	(903)
Interest	16,000	16,000	30,308	14,308
Chages for services	435,373	435,373	403,034	(32,339)
Miscellaneous	30,000	30,000	26,573	(3,427)
Transfers in	-	-	59,856	59,856
Amounts available for charges to appropriations	<u>2,029,970</u>	<u>2,029,970</u>	<u>2,200,950</u>	<u>170,980</u>
<b>Charges to appropriations:</b>				
<b>General government:</b>				
Recreation and cultural services	774,552	774,552	790,801	(16,249)
<b>Debt service</b>				
Principal	168,015	168,015	227,871	(59,856)
Interest	23,594	23,594	23,594	-
<b>Capital outlay</b>	<u>74,000</u>	<u>74,000</u>	<u>19,138</u>	<u>54,862</u>
Total charges to appropriations	<u>1,040,161</u>	<u>1,040,161</u>	<u>1,061,404</u>	<u>(21,243)</u>
Fund Balance, June 30	<u>\$ 989,809</u>	<u>\$ 989,809</u>	<u>\$ 1,139,546</u>	<u>\$ 149,737</u>

**Required Supplementary Information**  
**McKinleyville Community Services District**  
**Budgetary Comparison Schedule - General Fund**  
**Note to RSI**  
**For the Fiscal Year Ended June 30, 2009**

**Note A. Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and expenditures:**

**Sources/inflows resources:**

Actual amounts "available for appropriation" from budgetary comparison schedule:	\$ 2,200,950
Differences - budget to GAAP:	
Interfund transfres in are a budgetary financial inflow but are not revenues for financial reporting purposes	(59,856)
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	<u>(954,061)</u>
Total revenues as reported in the statement of revenues, expenditures and changes in fund balances - governmental funds	<u><u>\$ 1,187,033</u></u>



## Terry E. Krieg, CPA

Certified Public Accountant

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Board of Directors  
McKinleyville Community Services District  
McKinleyville, California

I have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the McKinleyville Community Services District, California as of and for the year ended June 30, 2009, which collectively comprise the McKinleyville Community Services District, California's basic financial statements and have issued my report thereon dated December 22, 2009, which report was unqualified. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing my audit, I considered the McKinleyville Community Services District, California's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the McKinleyville Community Services District, California's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the McKinleyville Community Services District, California's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the McKinleyville Community Services District, California's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion.



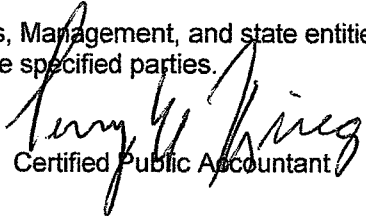
McKinleyville Community Services District  
June 30, 2009 Fiscal Year  
Page 2

The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards, and which are described in the accompanying schedule of findings and responses as item 2009-1

The District's responses to the finding identified in my audit is described in the accompanying schedule of findings and responses. I did not audit the District's responses and, accordingly, I express no opinion on it.

This report is intended solely for the information of the Board of Directors, Management, and state entities, and is not intended to and should not be used by anyone other than these specified parties.

December 22, 2009

  
Certified Public Accountant

**McKinleyville Community Services District  
Schedule of Findings and Responses  
Fiscal Year Ended June 30, 2009**

**Finding 2009-1 Appropriations Limit and Comparison To Proceeds of Property Taxes**

**Condition:**

The District's adopted fiscal year 2008-2009 Appropriations Limit was set at \$371,058. General Fund property tax revenues subject to the limit were reported as \$486,297 which appears to exceed the limit by about \$115,239.

**Criteria:**

State regulations provide for certain actions to be taken if in fact a unit of local government's proceeds of taxes exceed its adopted appropriation limit.

**Effect:**

The effect of this condition is that the reported fiscal year 2008-2009 property tax revenues were in excess of the District's adopted appropriation limit.

**Cause:**

Unknown.

**Recommendation:**

I recommend that the District consult with its general counsel and financial management personnel and (1) verify if in fact fiscal year 2008-2009 appropriations limit has been exceeded, (2) review its prior years appropriation limit computations and elective options to determine if the options most favorable to the District were elected, (3) determine if the District should and can retroactively recompute its adopted appropriations limits, (4) and determine what specific actions the District should take if its appropriations limit has been exceeded.

**Views of Responsible Officials**

The District intends to consult with legal counsel to evaluate past computation of the Appropriations Limit. The District believes that a more detailed, comprehensive examination of the factors underlying various computational elements will reveal that the District has not exceeded the Appropriations Limit for the fiscal year.

*Communication to Those Charged With Governance  
McKinleyville Community Services District  
Fiscal Year Ended June 30, 2009*



# Terry E. Krieg, CPA

Certified Public Accountant

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December 22, 2009

Honorable President and Members of  
Board of Directors  
McKinleyville Community Services District  
McKinleyville, California

I have audited the basic financial statements of the governmental- type and business-type activities of the McKinleyville Community Services District for the year ended June 30, 2009, and have issued my report thereon dated December 22, 2009. Professional standards require that I provide you with the following information related to my audit.

## 1. My Responsibility under U.S. Generally Accepted Auditing Standards

As stated in my engagement letter, my responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material aspects, in conformity with U.S. generally accepted accounting principles. My audit of the financial statements does not relieve you or management of your responsibilities.

As part of my audit, I considered the internal control of the McKinleyville Community Services District. Such considerations were solely for the purpose of determining my audit procedures and not to provide assurance concerning such internal control. My responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. I am responsible for communicating significant matters related to the audit that are, in my professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, I am not required to design procedures specifically to identify such matters.

## 2. Other Information in Documents Containing Audited Financial Statements and Electronic Dissemination of Audited Financial Statements

My responsibility for other information in documents containing the McKinleyville Community Services District financial statements and my auditor's report, such as an official statement for a bond or debt offering, does not extend beyond the financial information identified in the report. I do not have an obligation to perform any procedures to corroborate other information contained in such other documents. To my knowledge, the McKinleyville Community Services District's audited financial statements were not incorporated into other documents.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, I am not required to read the information in any such sites or to consider the consistency of other information in the electronic site with the original documents.

## 3. Planned Scope and Timing of the Audit

I performed the audit according to the planned scope and timing previously communicated to the District's General Manager in the audit engagement letter and discussed with the District's Interim Finance Director. My understanding is that the General Manager and Interim Finance Director have the responsibility for coordinating the audit process with my firm and for communicating to you significant audit matters.

#### 4. Significant Audit Findings

##### *A. Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. In accordance with my engagement letter, I will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the McKinleyville Community Services District are described in Note one to the financial statements.

##### *B. Changes in Accounting Policies*

No new accounting policies were adopted and the application of existing policies were not significantly changed in the 2009 fiscal year.

As a reminder, Governmental Accounting Standards Board Statement **Number 45** titled Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions is effective June 30, 2010 for the District. The new standard requires the District in fiscal 2010 to report the actuarially determined Annual Required Contribution (ARC) to its retiree medical benefit plan. If the District contributes less than the ARC, then a liability is to be reported for the Net Other Post Employment Benefit Obligation (OPEB). In addition, additional narrative disclosures are to be provided in the notes to the District's financial statements.

##### *C. Significant and Unusual Transactions*

There were no significant and unusual transactions reported in fiscal 2009 in the District's statement of net assets for governmental and business-type activities.

##### *D. Transactions Having a Lack of Authoritative Guidance*

No significant dollar value transactions came to my attention where there was a lack of authoritative guidance regarding the application of accounting principles to the transactions.

##### *E. Accounting Estimates*

Accounting estimates are an integral part of financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most significant estimate affecting the financial statements was management's estimate of depreciation expense which estimates were based upon subsidiary schedules of capital assets and depreciation calculations using the straight-line method of depreciation. I evaluated the key factors and assumptions used to develop the depreciation estimate in determining that it is reasonable in relationship to the financial statements taken as a whole.

##### *F. Sensitive Financial Statement Disclosures*

The disclosures in the financial statements are to be neutral, consistent and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were the contingency disclosures on page 28 pertaining to the future potential costs for compliance with the most recent discharge permit and rulings concerning toxic materials.



5. Difficulties Encountered in Performing the Audit

I experienced no significant difficulties in dealing with management in performing and completing my audit.

6. Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

There was only one significant proposed adjusting entry that was not booked by the District as a result of the District's decision to pass on making the adjustment. The proposed adjustment had to do with recording estimates of additional customer accounts receivable for the water and sewer service provided in the month of June 2009 for different billing routes, but not actually billed to customers until the July 2009 billing cycle.

7. Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to my satisfaction, concerning a financial accounting, reporting or auditing matter that could be significant to the financial statements or the auditor's report.

We are pleased to report that no such disagreements arose during the course of the audit.

8. Management Representations

I have requested certain representations from management that are included in the management re-representation letter.

9. Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves the application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those financial statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts.

To my knowledge, there were no such consultations with other accountants

10. Other Audit Findings or Issues

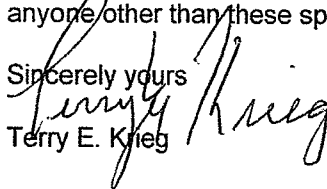
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to our retention as the District's auditors or prior to commencement of the financial statement audit. However, these discussions occurred in the normal course of my professional relationship and my responses were not a condition to my retention as the District's independent auditor.

In a separate report to the District, I have communicated my observations concerning the District's Appropriations Limit and the potential for District tax revenues exceeding the Limit in fiscal 2009.

McKinleyville Community Services District  
December 22, 2009  
Page 4

This information is intended solely for the use of the Board of Director of the McKinleyville Community Services District and management of the District, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely yours

  
Terry E. Krieg

# McKinleyville Community Services District

## BOARD OF DIRECTORS

January 20, 2010

TYPE OF ITEM: **ACTION**

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**ITEM: E.4. Committee Appointments for 2010 Calendar year**

**PRESENTED BY: Sharon I. Denison**

**TYPE OF ACTION: Voice Vote**

**Recommendation:**

Staff recommends that the Board President appoint committee assignments and designate the committee chair for the 2010 calendar year. It is further recommended that the Board approve the committee assignments by voice vote.

**Discussion:**

The Board selected new Officers at the December 2009 meeting as specified in the Board Policy Manual, with the terms starting on January 1, 2010. The policy manual further designates that in January the President nominates individual members to serve on committees and designates the committee chair, with the assignments approved by the full Board. Attached as Exhibit 1 is a listing of the various committees along with a definition of the committee types. The Director's names that expressed interest or were suggested as possible appointments are listed in italics after the committee name.

**Alternatives:**

Staff's analysis includes the following potential alternative:

- Take no action

**Fiscal Analysis:**

- Not applicable

**Environmental Requirements:**

- Not applicable

**Exhibits/Attachments**

- Exhibit 1-Definitions and Proposed Committee Assignments

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Norman Shopay, General Manager

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Sharon L. Denison, Secretary

## EXHIBIT 1

### AGENDA ITEM E.4-COMMITTEE ASSIGNMENTS FOR 2010 CALENDAR YEAR

#### DEFINITIONS:

“STANDING COMMITTEE”-a permanent District committee appointed by formal action of the Board to deal with a specified subject.

“TEMPORARY ADVISORY COMMITTEE”- a committee composed solely of less than a quorum of the legislative body that serves a limited single purpose to deal with a special project and will be dissolved once the specific task is completed.

“PARTICIPATION AND ATTENDANCE AT OTHER ORGANIZATIONS MEETINGS”- a committee appointed to attend other organizations meetings nor formed or under the control of MCSD where the District may have a desire to attend these meetings.

#### 2010 PROPOSED COMMITTEE ASSIGNMENTS:

##### STANDING COMMITTEES (Subject to the Brown Act)

- Recreation Advisory Committee (RAC)-*(Couch)*

##### TEMPORARY ADVISORY COMMITTEES (Not subject to the Brown Act)

- Audit *(Corbett/Edwards)*
- Employee Annual Compensation Negotiations *(Edwards/Wennerholm)*
- Web site/logo update *(Corbett)*
- Area Fund *(John Kulstad)*

##### PARTICIPATION AND ATTENDANCE AT OTHER ORGANIZATIONS MEETINGS (Not subject to Brown Act.)

- McKinleyville Senior Center *(Wennerholm)*
- Water Task Force Citizens Committee *(Mayo)*
- Redwood Region Economic Development Commission (RREDC) *(Edwards/Wennerholm)*
- Water Task Force (HBMWD) *(Mayo/Couch)*
- No Drugs Down the Drain/Toxic/Oil *(Mayo)*

# McKinleyville Community Services District

## BOARD OF DIRECTORS

January 20, 2010

TYPE OF ITEM: **ACTION**

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**ITEM: E.5. Earthquake Update**

**PRESENTED BY: Norman Shopay**

**TYPE OF ACTION: Voice Vote**

### **Recommendation:**

Staff Requests the Board consider supporting their continued commitment to update our Emergency Response Plan, training for emergency response planning and preparation, improving and updating our communication, website, and cooperation with other agencies.

### **Discussion:**

#### **Earthquake Summary (summarized from USGS)**

This earthquake occurred on Saturday January 9, 2010 at 4:27 PM. The epicenter was located approximately 35 km WNW of Ferndale, CA in a deformation zone of the southernmost Juan de Fuca plate that is commonly referred to as the Gorda plate. The earthquake's epicenter is northwest of the Mendocino Triple Junction, which is formed by the intersection of the Mendocino fracture zone, the San Andreas fault and the Cascadia subduction zone.

The Gorda plate is subducting beneath the North America plate at about 2.5-3 cm/year.

Preliminary analysis of the earthquake indicates that it results from slip on a near vertical, left-lateral fault. Large strike-slip earthquakes like this one are common in the interior of the Gorda plate. There are no reports of this earthquake causing a tsunami. Strike-slip earthquakes are less likely to produce large tsunamis because they cause relatively little vertical ground displacement.

Shaking was strongest near the coast line between Petrolia and Eureka, CA, although felt reports for this event extend from as far south and north as Capitola, CA and Eugene, OR, respectively, and as far east as Reno, NV.

The maximum recorded shaking was observed in Eureka (33%g), which is sufficient to cause moderate damage.

This is the largest quake to occur in this region since the April 04, 1992 M7.2 Petrolia and the June 15, 2005 M7.2 Gorda plate earthquakes.

The probability of a strong and possibly damaging aftershock (M>5) in the 7 days following the earthquake is approximately 78%. Most likely, the mainshock will be



the largest in the sequence. However, there is a small chance (~5-10%) of an earthquake equal to or larger than this mainshock in the next 7 days. In addition, numerous M3-5 aftershocks are expected to occur in the same 7-day period, but most are unlikely to be felt due to the distance from land.

#### District Conditions

The only reported problem was the initial power outage in our area from 4:50 to 8:00PM. The Fisher Road generator was successfully initiated and the portable generator was dispatched and made operational at Kelly lift station.

All water and sewer facilities were initially inspected by District Operations Staff and were determined to be operational. The District did not experience any interruption in our water and sewer service during this event.

No apparent major breakage of the water and sewer lines was initially observed. However, we anticipate that some water or sewer line damage may have occurred that could result in minor leakage in the future. The District will be monitoring for any leakage over the next few weeks.

On Sunday District staff conducted additional inspections all District Buildings and Parks and Recreation playground equipment for damage. No significant structural damage was observed. However, minor damage (various cracks in the sheetrock) in the Library building was observed that appeared non-structural in nature. Staff contacted the County building department and they were able to conduct an inspection on Monday. One area was identified as potentially having structural damage. The County will be providing a report to the District shortly.

#### Acknowledgement

I would like to acknowledge and commend Mr. Greg Orsini, Operations Director, and his staff for a timely, efficient, and coordinated response action regarding this event. His initiative and the responsiveness of the Operations Department ensured that the Water and Sewer services to the community continued without interruption. I would also like to thank Mr. Jason Sehon, Parks and Recreation Director and his staff for the prompt follow-up surveys of District buildings and recreational equipment.

#### Path Forward

We should use this opportunity to recognize the critical need to update our District Emergency Response Plans, ensure all staff are adequately trained, refine internal and external communication procedures, update our Web site to allow communication of information, and evaluate the need for emergency equipment and supplies.

The Board in a previously work shop identified this activity as Priority 1. As was reported in the last Board meeting GM Report: **Emergency Response Planning:** *Continued discussions with Dan Larkin OES to discuss our Emergency Response Plan. Discussing scope of work and training needs with consultants to obtain cost estimate for updating MCSD emergency response plan and conduct appropriate training for staff.*

We will be tracking all costs (staff time and materials) related to this event. We anticipate that the District may be able to recover 75% of our incurred and potential cost and expenses since the Governor declared a state of emergency in Humboldt County for this event.

On Friday January 8, 2010 the District received our requested proposal from Northern California Safety Consortium, who conducted an initial review of our Emergency Response in McKinleyville to assist in training of staff and updating our Emergency Response Plan. The recent earthquake has identified a number of weaknesses and immediate improvements, web update, and training that are immediately needed.

**Alternatives:**

Staff's analysis includes the following potential alternative:

- Take no action

**Fiscal Analysis:**

Current budget allocation is sufficient to continue these activities.

**Environmental Requirements:**

Not applicable

**Exhibits/Attachments**

Attachment 1 Estimated Population Exposed to Earthquake Shaking  
Attachment 2 Seismicity 1990 to Present  
Attachment 3 Seismicity 2010

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General Manager  
Norman Shopay

# M 6.5, 37.1 km (23.1 mi) WNW of Ferndale, CA

Origin Time: Sun 2010-01-10 00:27:39 UTC

Location: 40.65°N 124.69°W Depth: 29 km

**PAGER**  
**Version 4**

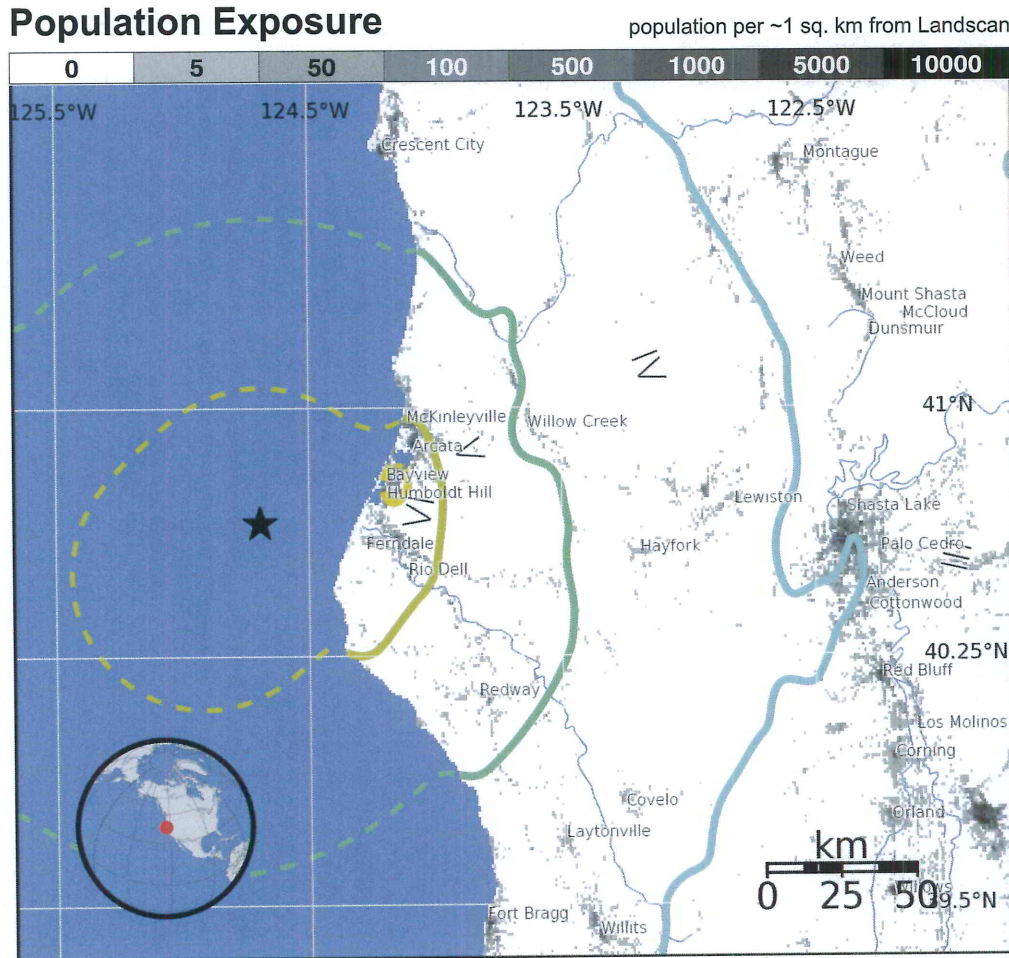
Created: 1 day, 17 hours after earthquake

## Estimated Population Exposed to Earthquake Shaking

ESTIMATED POPULATION EXPOSURE (k = x1000)		-.*	302k*	192k*	15k*	65k	45k	2k	0	0
ESTIMATED MODIFIED MERCALLI INTENSITY		I	II-III	IV	V	VI	VII	VIII	IX	X+
PERCEIVED SHAKING		Not felt	Weak	Light	Moderate	Strong	Very Strong	Severe	Violent	Extreme
POTENTIAL DAMAGE	Resistant Structures	none	none	none	V. Light	Light	Moderate	Moderate/Heavy	Heavy	V. Heavy
	Vulnerable Structures	none	none	none	Light	Moderate	Moderate/Heavy	Heavy	V. Heavy	V. Heavy

\*Estimated exposure only includes population within the map area.

## Population Exposure



## Selected City Exposure

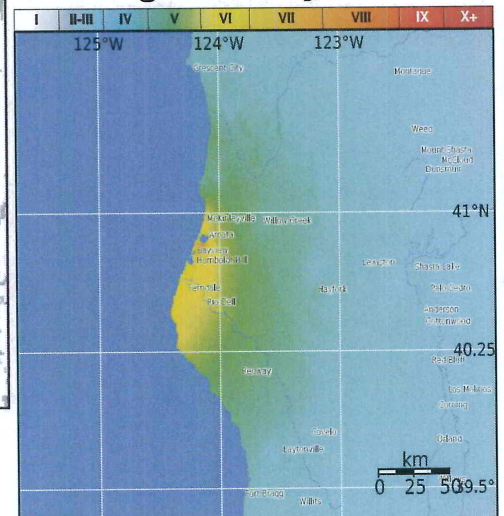
MMI City	Population
VII Eureka	26k
VII Myrtle town	5k
VII Cutten	4k
VI Bayview	3k
VI Pine Hills	3k
VI Humboldt Hill	3k
V Arcata	17k
V McKinleyville	15k
III Redding	92k
III Red Bluff	14k
II Chico	71k

bold cities appear on map

(k = x1000)

## Shaking Intensity

MMI



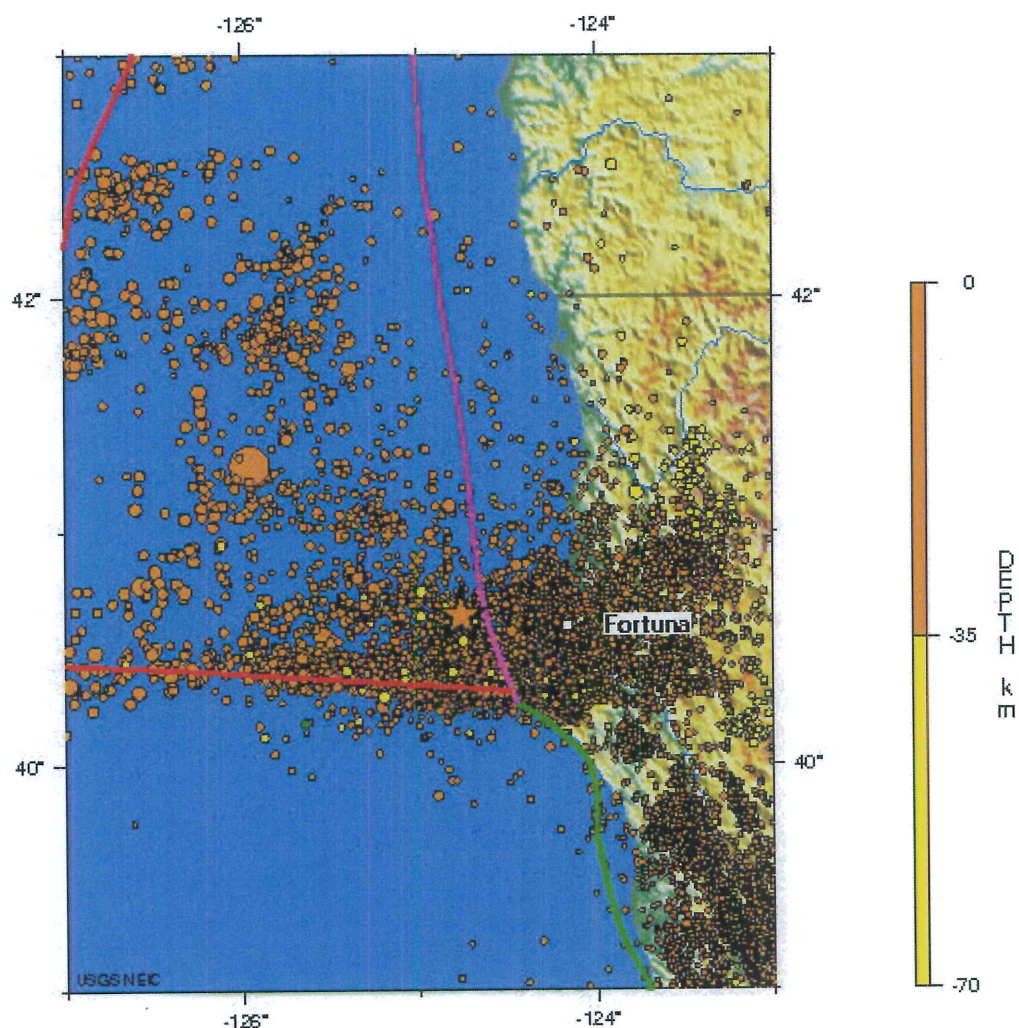
A magnitude 7.2 earthquake 61 km Southeast of this one struck Petrolia, California on April 25, 1992 (UTC), with estimated population exposures of 2,000 at intensity IX or greater and 7,000 at intensity VIII, with no reported fatalities. On September 21, 1993 (UTC), a magnitude 6.0 earthquake 286 km Northeast of this one struck Klamath Falls, Oregon, with estimated population exposures of 1,000 at intensity VII and 47,000 at intensity VI, resulting in an estimated 1 fatality. Recent earthquakes in this area have caused, landslides and liquefaction that may have contributed to losses.

This information was automatically generated and has not been reviewed by a seismologist.

<http://earthquake.usgs.gov/pager>

Event ID: n71638066





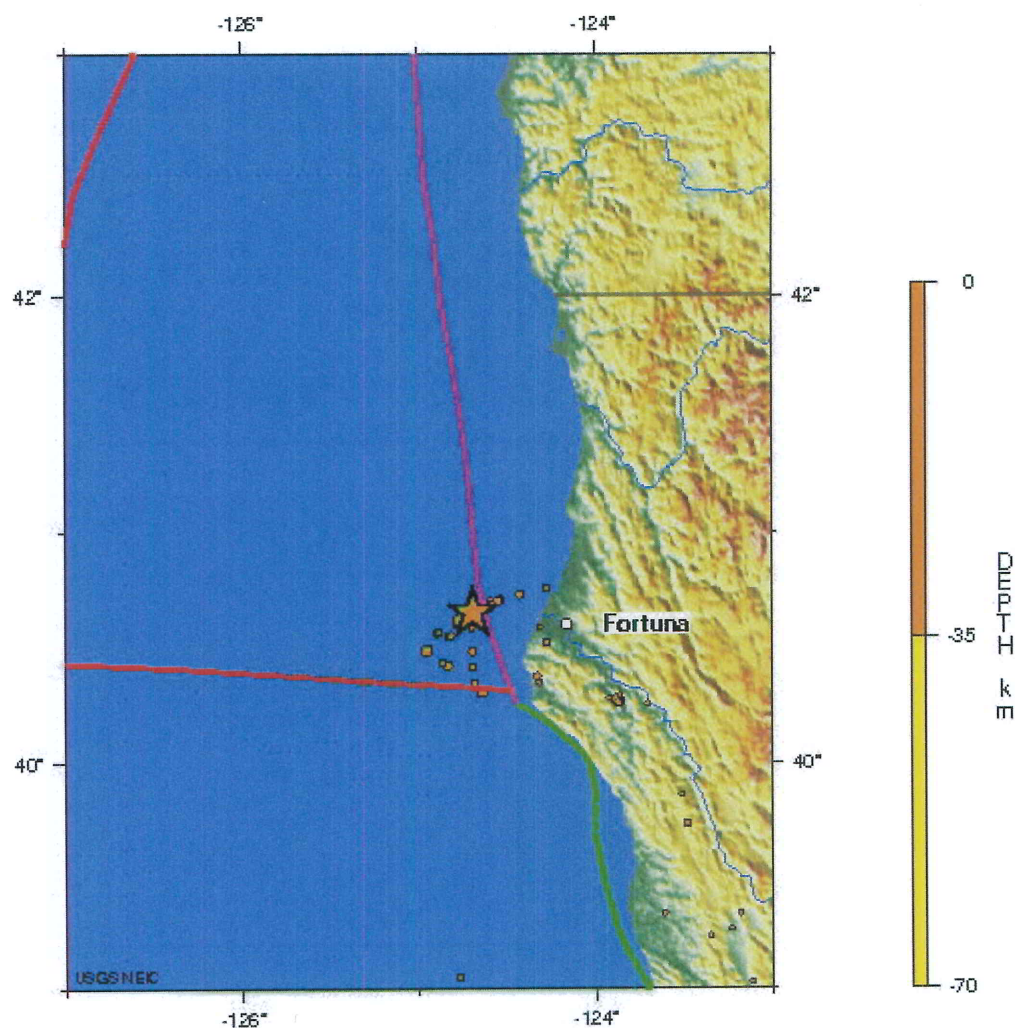
# OFFSHORE NORTHERN CALIFORNIA

2010 01 10 00:27:38 UTC 40.64N 124.76W Depth: 21.7 km, Magnitude: 6.5

Seismicity 1990 to Present

Major Tectonic Boundaries: Subduction Zones -purple, Ridges -red and Transform Faults -green

USGS National Earthquake Information Center



### OFFSHORE NORTHERN CALIFORNIA

2010 01 10 00:27:39 UTC 40.65N 124.69W Depth: 29.3 km, Magnitude: 6.5

### Seismicity in 2010

Major Tectonic Boundaries: Subduction Zones -purple, Ridges -red and Transform Faults -green

USGS National Earthquake Information Center



## **McKINLEYVILLE COMMUNITY SERVICES DISTRICT**

Monthly Report  
January 20, 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 ahead of the fiscal year to date budget by \$38,383. This is due to the seasonal nature of water usage during the summer months. The District anticipates a return a normal water usage pattern in the upcoming months.

Sewer expenses are below the fiscal year to date budget by \$37,836. This is due to the seasonality of the District's sewer effluent testing requirements. In the summer months effluent is used to irrigate alfalfa fields adjacent to Fischer Road. In the winter months effluent is discharged in the Mad River which necessitates additional monitoring and lab testing costs.

Water department wages are slightly higher (5.3%) than budgeted year to date. This is primarily due to seasonal hiring which will culminate in the coming months. There is also an allocation issue regarding the allocation of the payroll load between the water and sewer departments.

### **PARKS AND RECREATION BUDGET**

In December, 2009, the District received its first installment of secured property tax for the fiscal in the amount of \$254,558, which is 18.4% more than was budgeted for the fiscal year to date. The first half of Measure B assessments were also received during December, 2009, in the amount of \$115,428, which is 18.39% more than was budgeted for the fiscal year to date.

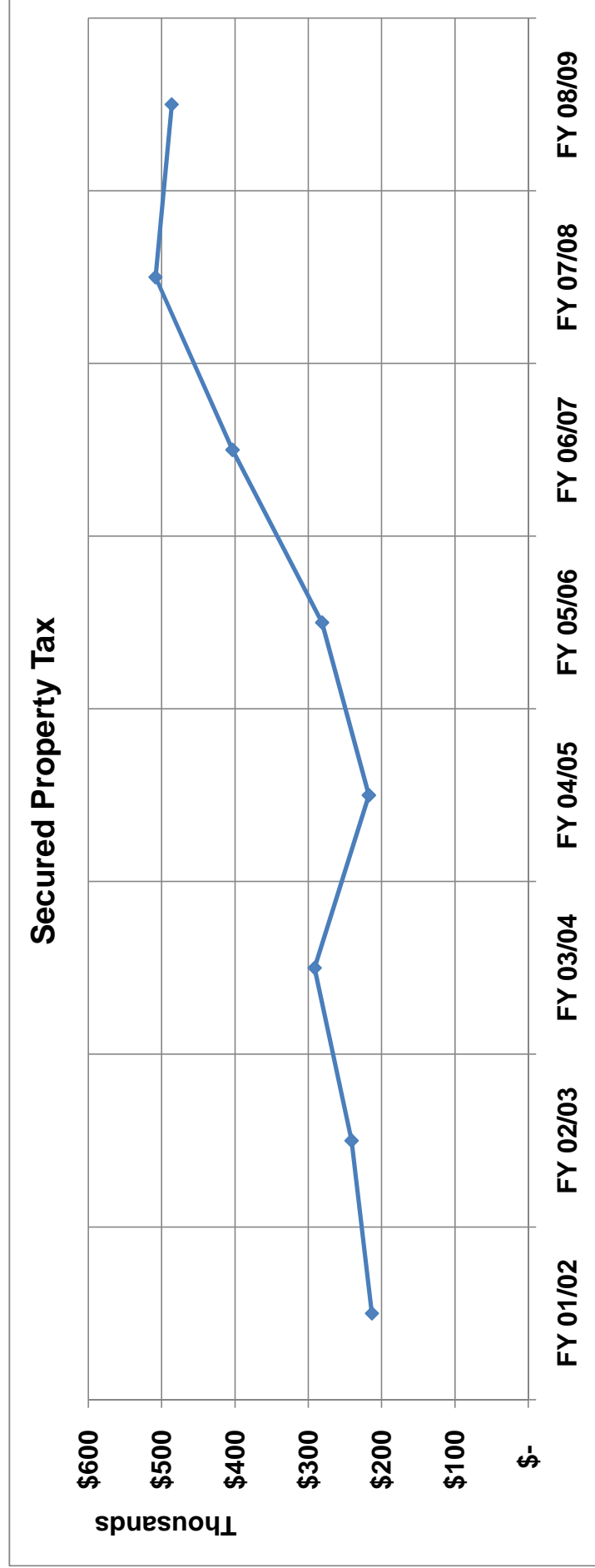
The increase in Measure B assessment revenues is primarily due to the dedicated effort by District staff while determining the appropriate parcel assessments earlier this fiscal year.

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 only payment on this obligation will be due in February, 2010.

### **COST OF PUBLIC INFORMATION REQUEST**

The District received several public information requests during December, 2009. The cost to the District for facilitating these requests is \$241.94 for December, 2009, bringing the total for the fiscal year to \$2,325.30.

McKinleyville CSD  
 Secured Property Tax Collections  
 for the years ended June 30, 2002 - 2009



**McKINLEYVILLE COMMUNITY SERVICES DISTRICT**

Board Agenda Background: Department Report

January 14, 2010

**To:** MCSD Board

**From:** Gregory P Orsini, Operations Director

**Subject:** Agenda Item: F.2.B. – January 20, 2010 Board Meeting  
Operations Department - December 2009 Report

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

**Water Department:**

◇ **Water Statistics:**

**The district pumped 37 million gallons of water in December.**

**Seven water quality complaints were investigated and rectified in December.**

**No service line leaks were reported or repaired in December.**

**No water service installations were completed in December.**

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

◇ **Double Check Valve Testing:**

**Route 19 testing was completed in December accounting for 47 devices. All active DCVs were tested accounting for approximately 600 devices. Of those 49 failed and required retesting. Staff will start with Route 1 in January and the process will begin again.**

◇ **Water Leaks:**

**As the Board recalls we had several days of colder than normal weather in the mornings around December 8, 9, and 10. Staff responded to several water leak reports that turned out to be on the customer's side of the meter. Staff notified those customers and aided in shutting off water when necessary. No District Facilities were impacted by the weather due to staff's preparation for the cold weather.**

◇ **Pressure Washing Buildings:**

**North Bank Booster Station, Administrative Office, Field Office and Shop Buildings in the Corporation Yard were pressure washed in December to remove grime and to assess the integrity of the painted surfaces. This maintenance has aesthetic value but also aids in the determination of when building will need to be repainted.**

◇ **Fire Hydrant Maintenance:**

**Hydrant inspections and maintenance were completed in October and discrepancies discovered are addressed by severity or as time allows. A hydrant on Shamberger Ct. was repaired in December.**

◇ **Steel Water Reservoir Maintenance:**

**On a biannual basis the District's four steel water tanks are pressure washed to preserve the integrity and longevity of the paint and for aesthetic reasons. This maintenance was completed in December.**

◇ **New Construction Inspections:**

**Airport Ramp Project, no change; Central Terrace, no change; School Ridge, underground is complete; Valadao Subdivision, underground is complete and Van Eaton Subdivision, should be completed soon.**

**Sewer Department:**

◇ **Waste Water Statistics:**

**29.8 million gallons of wastewater were collected and pumped to the W.W.M.F in December.**

**32.9 million gallons of waste water were treated and 16.2 million gallons discharged to land disposal and 16.7 million gallons to the Mad River.**

**No sewer services were completed in December.**

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

◇ **Emergency Diesel Generator at Fischer Rd. Sewer Lift Station:**

**During a routine test run of the generator the water pump started to leak indication it was ready to fail. Staff shut down the generator, assessed the situation and notified the appropriate personnel. A new water pump was ordered. During the time the generator was down one of the District's portable generators was maintained on site at the lift station in case of an emergency. The new water pump was received and repairs were affected by staff that day. During this incident at no time was the station without emergency backup power or was there a danger of a sewer spill.**

◇ **Fluid and Filter Changes:**

**Semi annually all Operations Department heavy equipment and stationary emergency generators are serviced. Filters and fluids are changed when required to insure the longevity and dependability of this equipment. This work is conducted in house to reduce costs and so staff can remain familiar with the equipment. This maintenance was completed in December.**

◇ **Hydro Cleaning:**

**Quarterly problem areas of the sewer collection system are cleaned with high pressure water. This maintenance is carried out quarterly to prevent blockages that could result in property damage and cause environmental harm. This time is also used to observe the condition of these areas to evaluate the necessity of other action**

◇ **Sewer Lift Station Wet Well:**

**Quarterly wash down of Kelly and Letz Sewer Lift Stations were completed. This Maintenance is carried out to remove grease and grit from the wet wells and to inhibit sulfide gas buildup that would damage the interior surfaces in the wet well.**

◇ **Street Light Department:**

**Four streetlight problems were reported and repaired in December.**

Promote Staff Training and Advancement:

Weekly safety meetings were conducted.

**Special Notes:**

**Hazardous Waste Operations and Emergency Response Standard (HAZWOPER) training was attended by all Operations Staff and the General Manager in December. This required 8 hour refresher training helps maintain the readiness of all operational staff that have the potential to be exposed to hazardous materials or supervise those individuals.**

**Operations seasonal employees have completed their 6 month employment with MCSD. During that time they were responsible for managing the irrigation of district property with reclaimed waste water as directed, daily observation, and record keeping. That task accounted for approximately half of their time. Their other primary responsibility is site clearing of water and sewer facilities including off site right of ways, lift station, tank sites and other locations that require the use of string trimmer and hand clearing tools. This**

**year two individuals were able to clear approximately 20 acres of brush.**

**Grant Ramey Pump Station design continued in December. Staff has met with Winzler and Kelly for comment on the design documentation at the 50% and 90% design phase. Comments are considered and included in the documentation. Design will be completed by January.**

**The bid packet for the Mad River Bridge Crossing Emergency Water Line is nearing completion. Spencer Engineering in cooperation with District Staff will have completed the bid documentation and have the project ready to go to bid by February.**



McKINLEYVILLE COMMUNITY SERVICES DISTRICT  
Board Agenda Background - Department Report  
January 20, 2010

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

**McKINLEYVILLE SKATE PARK:**

The McKinleyville Skate Park Committee is currently working with Grindline to revise the plans so that they can be re-submitted to the Board at a later date. They are also continuing their fundraising efforts.

**EARTHQUAKE:**

Parks Staff conducted initial park and facility inspections on Sunday, January 10, 2010. Parks staff conducted secondary inspections the following week.

**McKINLEYVILLE ACTIVITY CENTER:**

Parks staff repaired two basketball hoops that were apparently damaged by a McKinleyville Middle School basketball team.

**HILLER SPORTS COMPLEX:**

Met with McKinleyville Little League (MLL) to discuss installing batting cages at Hiller Sports Complex. MLL has secured funding and materials to construct the entire batting cages. Staff will bring the item to the Recreation Advisory Committee to get a recommendation to the Board of Directors and then bring the item to the Board for approval.

**CALIFORNIA CONSERVATION CORPS:**

The California Conservation Corps continued working on clearing brush and debris at Pierson Park south of the new bocce ball courts. Crews also spread redwood bark mulch at Azalea Hall, McKinleyville Activity Center, and along Central Avenue Open Space Maintenance Zone.

**CENTRAL AVE OPEN SPACE MAINTENANCE ZONE:**

Staff is researching the cost of purchasing Christmas banners for Central Ave streetlights. The Central Ave OSMZ contract expires this summer, and staff is considering asking business owners if they are willing to increase their monthly cost in order to purchase banners and to have MCSD staff to install them each December.

**McKINLEYVILLE LIBRARY EXPANSION:**

This topic is covered in item E.1. on the Board Agenda.

**FIRST 5 HUMBOLDT:**

The Governor is proposing a major shift of Prop 10 funds away from First 5 Humboldt into the General Fund. This would require a ballot measure on the June 8<sup>th</sup> ballot in order to accomplish the shift in funding. We currently have a three (3) year, \$30,000 contract with First 5 Humboldt

to operate our McKinleyville Playgroup program for children age 0-5 and their parents. If Prop 10 is successful, there is potential for a loss in our funding for the program.

**AUTOMATED EXTERNAL DEFIBRILLATOR:**

We have installed an Automated External Defibrillator (AED) at Azalea Hall in the lobby. The AED was donated to the Senior Center by Northern Humboldt Adult Education.

**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.

**GRAFFITI UPDATE:**

There was no graffiti reported during the last month.

**WORK EXPERIENCE (Cal Works PROGRAM)**

We now have two positions (1 @ 40 hours per week, 1 @ 32 hours per week) through the Cal Works program.

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, 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.

# McKinleyville Community Services District

## BOARD OF DIRECTORS

January 20, 2010

TYPE OF ITEM: **INFORMATION**

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

**PRESENTED BY: Norman Shopay**

**TYPE OF ACTION: None**

**1. Library Expansion Project:** Architect finalized drawings of library expansion and submitted plans to the County for permit. To limit the chance of any change orders after the Bids are received, we desire to have a permit approved first before going out to bid. Initially the "Friends of the Library" indicated that the permit fees would be waived. However, upon submission of the permit the County indicated that the new policy was not to waive any permit fees. The Friends of the Library will be following up. After County permit approval (estimated February 2010) the bid documents will be released. It is estimated that the results of the Bids be completed by the end of February 2010. The project is on schedule.

**2. Emergency Response Planning:** Received proposal from Northern California Safety Consortium, that MCSD is a member, regarding training needs for updating MCSD emergency response plan and conduct appropriate training for staff. (Copy Attached)

**3. Measure B:** Obtain information on the process. We have discussed the our Measure B with several consultants that specialize in this activity. We have received one proposal from the Lew Edwards Group and are waiting for additional proposals. After we have received proposals staff will develop an action plan for Board review. We anticipate bring this item back to the Board in February. Staff is working on informational documents that describe the success of measure B and how the funds were used and what was accomplished. This information will begin to be distributed to the community.

**4. Web Site Update:** Internal staff workgroup proceeding with web developer to evaluate different approaches to updating and maintaining the web site. The workgroup has provided initial information to the web developer and templates are being created. We would like to have the assigned Board member to participate with the workgroup to review the initial templates. After the draft templates are created we plan to have a community meeting to discuss the status and obtain suggestion for improvements for consideration. The community meeting to conduct a review of the initial templates is anticipated to be scheduled during February.

**7. Master Construction Contract: Completed preliminary review of document from legal,** obtained input and review from Winzler and Kelly, continues the preparation of a Master District Contract for construction projects. A

draft was reviewed by staff, changes identified and provided to legal. Legal is reviewing the changes and will be finalizing the master contract.

**9. Humboldt Bay Municipal Water District (HBMWD), Pulp Mill** – We understand that negotiations are continuing, however, we have not received any further updates. Once updates are received we will be forwarding to the Board.

**10. Fire Station Upgrade/Fire Hydrant Installation** – Arcata Fire Department is working on long range plans to upgrade and expand the fire station in McKinleyville. They are interest in having an access road that exits to Gwin Road. We recently met with the Fire Department and Sherriff Department and both would be interested in potential sharing resources and considering fencing that encloses both facilities. The Fire Department believes that a 25 foot easement exists on MCSD property to allow for the Road. The Fire Department is looking into this further. They have applied for and are waiting on Grant funding. The funding may be available in one to two years. The Fire Department plans to take the item for installation of additional fire hydrants and 50% cost share to their Board for approval.

**11. Ramey Pump Station Improvements** – Final “draft” design documents have been prepared. Staff has scheduled a final follow-up meeting Winzler and Kelly to address any final changes. Once the final documents are completed we will be advertising the project for Bid. We have applied for a 1% energy saving loan related to a portion of the project that will fund a portion of the project. We have also applied for a grant related to the chlorine injection system. The Finance Director is working on evaluation other funding options including State Revolving Fund (SRF) financing options.

**12. Emergency Water Line Bridge Crossing** – In a meeting with CalTrans they indicated their preference for placing the MCSD emergency water line in the southbound section of the bridge rather than the northbound section. Upon evaluation it was determined that this change would significantly increase MCSD overall cost for the project by approximately 50%. Therefore, in a letter to CalTrans we requested that the water line remain in the Northbound Bridge. We are working with CalTrans in ensure that the work can be coordinated with their schedule and not delay their work on the Northbound bridge. CalTrans is reviewing our plans and specification in order that we ensure coordination.

**13 NPDES Permit Compliance and 20-Year Facility Plan** – Continue working with the RWQCB. We have submitted a request for reduction in monitoring. We have also submitted a aquatic vegetation pilot study plan. An update regarding the status of these activities in addition to progress on the 20-year facility plan is scheduled for February.

**14 Earthquake** – Completed follow-up inspections on buildings and facilities to access potential damage. Working on reporting information to OES for potential reimbursement of costs.

**15 FY 10/11 Budget** Started the internal budget process for fiscal year 10/11. Departments are initially working on projected Capital Improvement Projects (CIP) and budget categories.



**NORTHERN  
CALIFORNIA  
SAFETY  
CONSORTIUM**

**RECEIVED**

**JAN 08 2010**

**McK. C.S.D.**

1932 Central Avenue  
McKinleyville, CA 95519  
(707) 839-7311 • (800) 472-1757  
FAX (707) 839-7315  
www.norcalafety.com

January 4, 2010

Mr. Norman Shopay  
MCKINLEYVILLE COMMUNITY SERVICES DISTRICT  
1656 Sutter Rd.  
McKinleyville, CA 95519

RE: Emergency Operations Plan (SEMS/NIMS)

Mr. Shopay:

Thank you for the opportunity to review your Emergency Operations Plan. After reviewing your plan, I see no need to re-write your entire plan. There are some name changes and position changes that should be updated, but the content of the program looks complete to me. I did make notes of some questions/concerns that I have regarding specific aspects of various parts of the plan, and I will detail them below.

#### **Emergency Management**

- SEMS-ICS chart has Operations Director as ICS, Safety Officer and Operations Section Chief. This may be overwhelming for one person, and if the incident involves a hazardous material, then a specific Safety Officer must be assigned.
- EOC Manager is to set up employee food and shelter needs. Is that the best use of that person's time?
- EOC Manager is to set up EOC
  - EOC Supply Kit. When is the last time it was taken out and gone thru and checked for proper contents?
  - EOC Set up instructions are stored in East Shop. Are they still there?
- Ham Radio trained personnel will be utilized. Can we get a current list of members that live in McKinleyville and bring them into our trainings?
- Is 839-5710 the phone number you still want employees to use to call in and is that the best method during a disaster; should we have other means?
- Park & Recreation Director is responsible for providing assistance to employees and families. What does that include or involve?
- Disaster Shelter will be set up in barn bays. Has it ever been set up and contents checked for expiration dates?
  - 3 sleeping cots
  - 3 pillows
  - 3 sleeping bags
  - Sanitation supplies
  - Water & food



- Plan says we (MCSD) will keep track of contractors and visitors, but you (MCSD) needs to specify who and how that will be accomplished.

### **Emergency Response**

- Conduct R.E.P.A.I.R. training.
- Do all employees know, and understand, the 6 zones to be assessed for damage?
- Planning Section Chief needs assessment forms to plan for the future.
- Update page 3-12 with correct personnel and 24-hour phone numbers.
- Do all employees know and understand to which “emergency work teams” they are assigned?
- Do you (MCSD) still use the W.A.R.N. system?
- Do you have a SEMS database of resources and contact information

### **Plan Administration and Training**

- District Emergency Preparedness Committee
  - Does it exist?
  - Do you meet regularly, i.e. once a quarter?
- Copy of EOP is provided to each employee. Is that being done?
- Plan review annually.

### **Appendices**

- Do you (MCSD) have contractor agreements on file, or do you (MCSD) need to update?

I recommend that the following training be conducted to test and review the Emergency Operations Plan.

### **SEMS Training**

#### **SEMS Introduction**

- All employees 1 hour, can easily be conducted online
- ICS 100
  - A general orientation to ICS for personnel working in support roles, and for off-incident personnel who require a minimum of ICS training
    - 1 hour in length, can be conducted online or thru NCSC or other SEMS/NIMS training centers
- ICS 200
  - Personnel who respond to an incident to assist or support the organization, but do not, normally, supervise others
    - 7 hours in length, conducted thru NCSC or other SEMS/NIMS training centers
- ICS 300
  - Personnel who supervise an ICS branch, division, group or unit, or are members of Command Staff.
    - 16 hours in length, conducted thru NCSC or other SEMS/NIMS training centers
- IS 700
  - This course introduces and overviews the National Incident Management System (NIMS). NIMS provides a consistent nationwide template to enable all government, private-sector and non-governmental organizations to work together during domestic incidents.
    - 3 hours in length, and is usually conducted online.

Overall MCSD's Emergency Operations Plan is a well-prepared document, with all the required components. Like all plans it needs to be taken off the shelf and used if we are to expect our employees to use it, and use it to its full potential during a disaster. Besides the above-mentioned ICS/SEMS/NIMS training I would recommend the following training for the plan itself.

- Plan review
  - **1 hour** to allow all employees to review plan
- Plan contents
  - **4 hours** to conduct training, with all employees, on contents of plans and roles and responsibilities. I would schedule more than one session so all employees can attend
- Plan forms
  - **1-2 hours** to conduct training on all forms to be used and what information should be included
- REPAIR training
  - **4 hours** to conduct React, Evaluate, Prioritize, Assign, Isolate, Restore training
- Disaster Shelter deployment training.
  - **4 hours** to deploy and set up disaster shelter
- Table Top Exercises
  - **4 hours** to conduct table top exercise scenario training on Emergency Operations Plan. I would conduct multiple table-top exercises to involve all employees.
- FRA/FRO training
  - **4 hours** - Send all employees to NCSC classes or conduct onsite training

For any training courses or program development you wish NCSC to provide, please use the hours noted above charged with our hourly rate of \$125 to calculate

If you have any additional questions, please do not hesitate to contact me.

Sincerely,



Rus Brown  
Program Director

RB:lk



**McKinleyville Community Services District**  
1656 Sutter Road P. O. Box 2037 McKinleyville, CA 95519  
(707)839-3251 fax: (707)839-8456 e-mail: mcsd@mckinleyvillecsd.com

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December 30, 2009

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 November 2009 for McKinleyville Community Services District Wastewater Management Facilities WDID NO. 1B82084OHUM.

The normal discharge of effluent was 30 days to land disposal. The required monitoring and water quality constituents that were tested and were reported were in compliance.

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 four weekly tests in November, that constitutes seven criteria. The BOD results for November 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 four weekly tests in November, that constitutes three criteria. The NFR results for November are in compliance.

The requirement for Nitrate as Nitrogen in the effluent is a monthly average of 10mg/L. One test was conducted in November 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 November are as follows. Median was <2 and a Maximum of <2. Five samples were collected and all are in compliance.

Monitoring of the Mad River and Storm Water Wetlands at Hiller were conducted in November. Backswamp Wetlands was dry and therefore not tested.

**EXHIBITS:**

- A. November 2009 Wastewater Management Facilities spreadsheet with the daily, weekly, monthly, and quarterly monitoring records for monitoring location M-001.
- B. Disposal Flows and Location Data Sheet.
- C. BOD and TSS work sheet.
- D. River Monitoring work Sheet for R-001 and R-002
- E. Hiller Wetland Monitoring work sheet for R-004 and R-005

"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: NOVEMBER

YEAR: 2009

DATE	INFLUENT FLOW MGD	EFFLUENT FLOW MGD	EFFLUENT MAXIMUM GPM	RIVER CFS	INFLUENT MONITORING B.O.D. mg/L	INFLUENT MONITORING N.F.R. mg/L	pH	TEMP (°C)	B.O.D. mg/L	N.F.R. mg/L	EFFLUENT MONITORING				TOTAL COLIFORM
											AMMONIA	CL <sub>2</sub> RES.	RIVER CL <sub>2</sub> RES.	SETTLABLE SOLIDS	
1	0.977	0.633	445												
2	0.924	1.076	935				7.4	15.5			32	5.1			<2
3	0.873	1.284	934				7.2	14.5			32	2.5			
4	0.888	1.291	926				7.4	14.7			28	2.2			
5	0.875	1.286	920				7.3	15.2			30	3.8			
6	0.930	0.947	907		220	96	7.4	15.3	32	61	32	3.9		<0.1	
7	0.937	0.608	434												
8	0.952	0.597	424												
9	0.942	0.874	757				7.2	14.4			30	2.8			<2
10	0.850	1.090	764				6.8	12.1			34	7.7			
11	0.961	1.097	769				6.9	12.5				7.5			
12	0.911	1.244	953				6.9	11.7			34	2.7			
13	0.901	0.911	932		300	180	6.9	11.5	24	21	34	7.1		<0.1	
14	0.936	0.549	387												
15	0.996	0.553	391				6.9	11.0			30	6.8			<2
16	0.911	1.049	962				7.1	11.7			30	7.8			
17	0.966	1.159	929				6.9	10.9			28	6.1			
18	0.950	1.216	951				6.8	10.6			24	6.3			
19	0.922	1.243	945				7.3	12	56	46	32	3.3		<0.1	
20	0.978	0.881	783		290	210									
21	0.987	0.575	407												
22	1.003	0.573	402				6.8	9.5			26	2.3			<2
23	0.948	1.079	972				6.9	9.9			28	3.4			
24	0.918	1.384	974				7.2	11.0	43	49	30	3.3		<0.1	
25	0.950	1.394	974		250	220									
26	0.944	1.374	962				7	10.4				2.9			
27	0.940	1.361	955				6.9	11.5				2.3			
28	0.954	1.386	951				6.8	10.2				3.1			
29	1.003	1.364	954				6.9	9.7				3.1			
30	0.940	1.203	991				7.0	9.5			30	3.5			<2

## SPILLS:

None to report

## 30 DAY AVERAGE

DATE	BOD mg/L	BOD LBS/DAY	BOD % Removal	N.F.R. mg/L	N.F.R. LBS/DAY	N.F.R. % Removal
11/16/2009	330	33.0	ND	ND	260	

DATE	AMIEL	MIDEL
11/16/2009	3.6	7.3
	1.1	2.2

SIGNATURE:

*[Signature]*

REMARKS:

DATE	ACUTE TOXICITY % Survival
11/16/2009	N/A

Rainbow Trout

C. dubia

Indicates Permit Exceedance

DATE	CHRONIC TOXICITY % Survival
11/16/2009	N/A

Minnow

C. dubia

Algae

TUC

Total Coliform
Monthly
Median
<2
Daily
Maximum
<2



RECEIVED

JAN 13 2010

McK. C.S.D.

January 12, 2010

To: MCSD Board

My name is Sam King, and I support the formation of a Municipal Advisory Committee to represent McKinleyville. The committee could gather opinions from residents regarding development, etc. and then pass the information on to the Board of Supervisors.

If we do not take this step, the Board will make its decisions regarding our future development solely by what it thinks is best for the County as a whole. Let's provide a united voice that makes sure our concerns are at least brought into the decision-making process.



Sam King

2626 Elizabeth Road

McKinleyville, CA 95519

707 839-4194

[sking62@suddenlink.net](mailto:sking62@suddenlink.net)

**Sharon Denison**

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**From:** Steve Edmiston on behalf of MCSD  
**Sent:** Wednesday, January 13, 2010 10:56 AM  
**To:** sharon@mckinleyvillecsd.com  
**Subject:** FW: MAC & algae

**RECEIVED**

**JAN 13 2010**

**McK. C.S.D.**

**Steven Edmiston**  
Finance Director  
McKINLEYVILLE COMMUNITY SERVICES DISTRICT  
1656 Sutter Road (Post Office Box 2037)  
McKinleyville, California 95519-2037  
(707) 839-3251 [sedmiston@mckinleyvillecsd.com](mailto:sedmiston@mckinleyvillecsd.com)

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**From:** Ken Miller [mailto:tamer1@suddenlink.net]  
**Sent:** Tuesday, January 12, 2010 5:30 PM  
**To:** MCSD  
**Subject:** MAC & algae

Dear Staff and Board:

1. Please consider my written support for the McK Advisory Committee, long overdue. We have interested, involved, and knowledgeable residents willing to participate, and a GPU that allocates a substantial proportion of the County's anticipated development to McK. Please register my support for the MAC.
2. Please provide an update on the algae to fertilizer investment of \$15,000, as per my request of 12/16/09, included here:

Dear Mr. Shopay,

On 2/20/08, the Board allocated \$15,000 to ALGARYTHMS, INC. to process algae from our treatment ponds into fertilizer. Since then, I have heard nothing about this speculative investment. Would it be possible to have an update?

Thank you,

Ken Miller  
1658 Ocean  
8397444  
1/12/09

TERA PRUCHA  
3051 Little Pond  
McKinleyville, CA 95519

---

January 13, 2010

McKinleyville Community Services District  
McKinleyville, CA 95519

Dear MCSD Board Members:

As an involved resident of McKinleyville, I am requesting the Board take steps toward further implementation of the McKinleyville Community Plan as adopted by the Humboldt County Board of Supervisors.

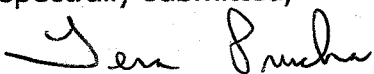
McKinleyville citizens organized and facilitated numerous meetings from 1989-1992, and again from 1995-1998 in order to consider, comment and provide input on elements of the draft plan. In 1999, the Humboldt County Planning Commission held over ten public hearings to deliberate and approve changes in the Draft Community Plan. This well-thought-out and comprehensive document was prepared for the best interest of McKinleyville.

The McKinleyville Community Plan gives direction for the formation of a Municipal Advisory Committee (MAC). The purpose of the MAC is to voice concerns regarding long-term development and zoning in McKinleyville.

**I urge the MCSD Board of Directors to approve a standing committee in 2010 that will:**

- 1) Provide for localized decision making on land use and development in the McKinleyville Community Plan Area.
- 2) Provide for discrete input on matters relating to long-range land use planning for the McKinleyville Community Plan Area.
- 3) Serve as a vehicle for the voice of citizenry to County Supervisors.

Respectfully submitted,



Tera Prucha

Attachment – Resolution No. 02-107, four pages

Copy: Jill Duffy, 5<sup>th</sup> District Supervisor, Humboldt County Board of Supervisors

**BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA**

**Certified copy of portion of proceedings, Meeting on December 10, 2002**

**Resolution No. 02-107**

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF HUMBOLDT ADOPTING THE MCKINLEYVILLE COMMUNITY PLAN AND ASSOCIATED ZONING AS PART OF THE HUMBOLDT COUNTY GENERAL PLAN**

**WHEREAS**, the California Government Code requires all Counties to have a General Plan; and,

**WHEREAS**, The Humboldt County Board of Supervisors has adopted a Framework Plan as Volume I of the Humboldt County General Plan. The organization of said Framework Plan provides that a series of Community Plans be adopted as Volume II of the General Plan. The Framework Plan identifies the McKinleyville area as one of the Community Planning Areas; and,

**WHEREAS**, the Humboldt County Planning Division initiated an amendment of the Humboldt County General Plan to update the plan for the McKinleyville Community Planning Area (non-coastal); and,

**WHEREAS**, in December of 1990 a twelve member Citizens' Advisory Committee was convened and initiated work on revising the McKinleyville Community Plan; and,

**WHEREAS**, On August 23, 1995 the Board of Supervisors appointed an eighteen member Citizens' Advisory Committee (CAC) including representatives of the McKinleyville Community Services District to prepare recommendations on the adoption of a community plan an associated zoning for the McKinleyville Area; and,

**WHEREAS**, the Humboldt County Planning Division convened CAC meetings for the purpose of implementing public participation in the process of drafting the McKinleyville Community Plan Update and associated environmental review; and,

**WHEREAS**, the CAC met 54 times between September, 1995 and July, 1998 to consider, comment on and provide substantial public input on elements of the draft plan and environmental document; and,

**WHEREAS**, on August 10, 1998, the County Planning Division issued a Notice of Preparation for a Draft Environmental Impact Report on the McKinleyville Community Plan Update; and,

**WHEREAS**, on or before June 14, 1999, the Humboldt County Planning Division issued a public notice announcing the availability of the Hearing Draft McKinleyville Community Plan Update

and associated Draft Environmental Impact Report for public review (SCH# 9808024), and noticing a public hearing before the Humboldt County Planning Commission to be held on July 29, 1999; and,

**WHEREAS**, on July 29, 1999, the Humboldt County Planning Commission opened a duly noticed public hearing in McKinleyville on the Hearing Draft McKinleyville Community Plan Update and associated zoning and Draft Environmental Impact Report; and

**WHEREAS**, on August 26, 1999, September 23, 1999, January 25, 2001, April 26, 2001, May 31, 2001, June 14, 2001, July 26, 2001, August 30, 2001, November 8, 2001, and May 30, 2002 the Humboldt County Planning Commission held continued public hearings to deliberate and approve changes made in the Draft Community Plan and Environmental Impact Report; and,

**WHEREAS**, the Humboldt County Planning Division issued and duly noticed a Recirculation Draft Program Environmental Impact Report for the project with a comment period between May 7, 2002 to June 21, 2002; and,

**WHEREAS**, the Planning Commission reviewed and considered the Draft and Recirculation Draft Environmental Impact Report, including written and oral testimony and evidence, and responses to comments and revisions to the Draft and Recirculation Draft Environmental Impact Report, and proposed Plan and associated zoning.

**WHEREAS**, the Planning Commission on July 11, 2002, by adopting Resolution 01-56, recommended to the Humboldt County Board of Supervisors certification of the revised Draft Environmental Impact Report, consisting of the Draft Program Environmental Impact Report June 7, 1999, the Recirculation Draft Program Environmental Impact Report May 1, 2002, and Comments and Responses to the Recirculation Draft Program Environmental Impact Report May 1, 2002, as the Final Environmental Impact Report; and,

**WHEREAS**, the Planning Commission also recommended that the Board of Supervisors consider adopting a statement of overriding considerations for the impact categories of police service deficiencies and loss of prime agricultural soils, as may be necessary, based on the Board's final decision regarding such lands; and,

**WHEREAS**, the Board of Supervisors held duly noticed public hearings on October 1, 2002 and on November 5, 2002 to consider the Planning Commission Approved McKinleyville Community Plan and associated zoning and revised Draft Environmental Impact Report; and,

**WHEREAS**, the Board of Supervisors reviewed and considered the Draft Environmental Impact Report, including written and oral testimony and evidence, and responses to comments and revisions to the Draft Environmental Impact Report and proposed Plan and associated zoning.



**NOW, THEREFORE, Be It Resolved** that the Humboldt County Board of Supervisors makes the following findings:

1. The revisions of the Humboldt County General Plan included in this resolution have been reviewed for compliance with the requirements of the California Environmental Quality Act and a report prepared pursuant to that Act has been duly considered by this Board and been found to have been prepared and certified pursuant to the requirements of that act.
2. Neither the revisions nor any part thereof will operate to limit the number of housing units which may be constructed on an annual basis in the areas to which the revisions apply.
3. The adoption of the revisions herein is consistent with a comprehensive view of the General Plan. Specifically, the Board finds that:
  - a. The public participation program carried out was consistent with Section 1500 of the Framework General Plan and maximized public access to the decision making process.
  - b. Notwithstanding Development Timing policies in the Framework Plan (2630) that generally define urban development areas as including areas with public water systems lines in place, water lines in the McKinleyville area extend to areas where it is undesirable to consider sewer service and densities greater than one unit per acre, and therefore, consistent with Framework Plan Section 1330, the policies of the McKinleyville Plan have been modified to meet local conditions.
  - c. Consistent with Framework Plan Section 1330, other modifications of Framework Plan policies contained in the McKinleyville Plan are necessary and desirable to meet the needs of the area to promote orderly growth and development and conserve resources, and are consistent with state planning law and the Framework General Plan.
4. The adoption of the McKinleyville Community Plan is in the public interest.
5. The adoption of the associated zoning is consistent with the general plan and is in the public interest.

**Be It Further Resolved** that the Humboldt County Board of Supervisors, upon consideration of all of the above, the McKinleyville Community Plan is adopted, and the implementing zone reclassifications as shown on the zoning maps are hereby approved.

**Be It Further Resolved** that this Humboldt County Board of Supervisors hereby conveys its indebtedness to the many local residents, in particular the members of the McKinleyville Citizens Advisory Committee, who contributed and participated by attendance and comments at public meetings during this community planning effort.

Adopted on motion by Supervisor Kirk, second by Supervisor Woolley, and the following vote:

AYES: Supervisors Smith, Rodoni, Woolley, Neely, and Kirk  
NOES: None  
ABSENT: None  
ABSTAIN: None

STATE OF CALIFORNIA )  
County of Humboldt )

I, Lora Canzoneri, Clerk of the Board of Supervisors, County of Humboldt, State of California, do hereby certify the foregoing to be a full, true and correct copy of the original made in the above-entitled matter by said Board of Supervisors at a meeting held in Eureka, California as the same now appears of record in my office.

CC: CAO

IN WITNESS WHEREOF, I have hereunto  
set my hand and affixed the Seal of said  
Board of Supervisors.

LORA CANZONERI

Clerk of the Board of Supervisors of the  
County of Humboldt, State of California.

BY *Lora Canzoneri*  
Lora Canzoneri  
December 10, 2002